COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

8	/	F		A	R	T	H	A	L	A	N	D		C	E	N	T	U	R	Y		P	A	C	I	F	I	C	

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(Business Address : No. Street Company / Town / Province)

Atty. Mary Zoelli R. Velasco

Contact Person

(02)976-4784

Company Telephone Number

1	2

Month

3	1

Day

SEC Form 20-IS

FORM TYPE

0	2

Month

1	6

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

NOTICE OF SPECIAL STOCKHOLDERS' MEETING

TO : The Stockholders of **IP E-GAME VENTURES INC.**

SUBJECT : Special Stockholders' Meeting on **4 December 2026**

Please be advised that the special stockholders' meeting ("SSM") of **IP E-GAME VENTURES INC.** (the "Corporation") shall be held on ***4 December 2026, 1:00 PM*** via remote communication or *in absentia* via: https://www.google.com/url?q=https://us06web.zoom.us/j/81048069363?pwd%3Djd0b23t0woGKjRCvycVUMfqzID9PdK.1&sa=D&source=calendar&ust=1792470941976063&usg=AOvVaw2PdYX5juImiUTcCEKIQsyd . The meeting passcode shall be sent to registered stockholders via email.

As resolved by the Board of Directors in a special meeting held on 24 September 2026 and in compliance with SEC Memorandum Circular No. 6, Series 2020, the meeting will be conducted virtually. The meeting link and password to attend the meeting shall be provided by the Corporation to all stockholders of record as of **4 November 2026** or their proxies who have successfully registered to attend the meeting.

The agenda for the said meeting shall be as follows:

1. Call to Order
2. Proof of Notice and Certification of Quorum
3. Approval of the minutes of the Annual Stockholders' Meeting held on 16 February 2021
4. Approval of the replacement of Alas Oplas & Co., CPAs with R.G. Manabat & Co., as the Corporation's External Auditor for the year ended 2022 onwards
5. Other Matters
6. Adjournment

Only stockholders of record as of **4 November 2026** will be allowed to attend and participate in the meeting. Stockholders who wish to attend the meeting by remote communication or in absentia must email their request to attend to **egstockholdersmeeting@gmail.com** no later than the close of business on **24 November 2026,** 5:00PM

The procedures for participating in the meeting through remote communication and for casting of votes in absentia are set forth in the Corporation's Internal Rules of Procedure for the Conduct of the Board and Shareholders Meeting via Remote Means of Communication or In Absentia ("**Rules of Procedure**"), as approved by the Board of Directors during a special meeting held on 14 December 2020 and may be accessed through: https://eg.ipvg.com/corporate-governance/procedures-for-meetings-conducted-via-remote-communication/.

Stockholders who intend to attend the meeting are required to REGISTER on or before **24 November 2026** by sending an email to **egstockholdersmeeting@gmail.com** in accordance with the rules laid out in **Section III.C.1** of the Rules of Procedure. That is, the stockholder shall signify his intention to participate in the meeting via remote communication by providing a Letter of

Intent with his/ her: name, address, official email address, contact number, and one valid identification with photograph and signature.

The instructions, procedures and requirements for electronic voting in absentia and participation by remote communication shall be sent to the email address provided in the stockholder's registration form.

In accordance with Article II, Section 7 of the Corporation's Amended By-Laws, any instrument authorizing a proxy to act shall be submitted and received by the Corporate Secretary **no later than ten (10) days** before the date of the meeting or on or before **24 November 2026**. The proxies must be addressed to the attention of the Corporate Secretary and must comply with the requirements and form stated under **Section III C.4 of the Rules of Procedure and the Definitive Information Statement for individual and corporate stockholders.** Such proxies filed with the Corporate Secretary may be revoked by the stockholder/s either in an instrument in writing duly presented and recorded with the Secretary prior to the meeting, or by their personal presence at the meeting. Soft copies of the proxies can be emailed in advance to **egstockholdersmeeting@gmail.com** with the subject: **EGSSM2026_Proxy_Name of Stockholder**. Validation of proxies is set on **25 November 2026.**

The Notice, Proxy Form, Voting Form, Definitive Information Statement, Management Report, Unaudited Financial Statements of the Corporation and other documents relative to the Special Stockholders' Meeting, including the Procedures and Guidelines on the participation by remote communication and voting in absentia may be accessed, at least fifteen (15) business days and twenty-eight (28) calendar days before the scheduled Special Stockholders' Meeting through any of the following:

1. **https://eg.ipvg.com/;** or

2. Request for a copy by sending an email to **egstockholdersmeeting@gmail.com.** Requests must be coursed through the stockholders' official e-mail address, as stated during the registration procedure.

For SSM-related queries, you may send an email to **egstockholdersmeeting@gmail.com.**

MARY ZOELLI R. VELASCO
Corporate Secretary

AGENDA
DETAILS AND RATIONALE

1. Call to Order

The Chairman of the Board of Directors, Mr. Juan Kevin Belmonte (the "Chairman") will welcome the stockholders and formally begin the special meeting of the stockholders of IP E-GAME VENTURES INC. (the "Corporation"). The Chairman will also inform the stockholders that they will be given the opportunity to ask questions or raise their comments before each agenda item is submitted for their action.

2. Proof of Notice and Certification of Quorum

The Corporate Secretary, Atty. Mary Zoelli Velasco, will certify the date the notice of the meeting with the Information Statement was sent to stockholders of record as of 4 November 2026 and to the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE"), in accordance with the Corporation's By-Laws and the SEC and PSE rules and regulations, and the date of the second publication of the notice in the Daily Tribune, a newspaper of general circulation on 6 November 2026.

The Corporate Secretary will further certify the existence of a quorum. The stockholders present, in person or by proxy, representing a majority of the outstanding capital stock shall constitute a quorum for the transaction of business.

3. Approval of Minutes of the Annual Stockholders' Meeting held on 16 February 2021.

A resolution approving the minutes of the meeting held on 16 February 2021 will be presented to the stockholders for approval by the vote of the stockholders representing at least a majority of the outstanding voting stock present at the meeting.

Please refer to the said minutes as posted on the Corporation's website at: **https://eg.ipvg.com/.**

Proposed Resolution:

> "RESOLVED, that the Minutes of the Meeting of the Stockholders dated 16 February 2021 be approved."

4. Approval of the replacement of Alas Oplas & Co., CPAs with R.G. Manabat & Co., as the Corporation's External Auditor to perform the Company's audit for the year ended 2022 onwards

The Board of Directors will endorse to the stockholders the replacement of Alas Oplas & Co., CPAs with R.G. Manabat & Co., as the Corporation's External Auditor for the years 2022 onwards. The profile of the external auditor is provided in the Information Statement and in the company website for examination by the stockholders.

Proposed Resolutions:

"WHEREAS, the Board of Directors of IP E-Game Ventures, Inc.'s ("Corporation") during its special board meeting held on 4 September 2026, approved the recommendation of its audit committee to change the Corporation's external auditor, ALAS OPLAS & CO., CPAs to R.G. MANABAT & CO. (formerly, MANABAT, SANAGUSTIN & CO., CPAs) to perform the Company's audit for the years 2022 onwards, considering that the latter is affiliated with the globally renowned, KPMG INTERNATIONAL LIMITED;

NOW, THEREFORE, for and in consideration of the foregoing premises, the stockholders hereby resolve as follows:

RESOLVED, that the Corporation hereby approves the replacement of ALAS OPLAS & CO., CPAs to R.G. MANABAT & CO. as the Corporation's external auditor to perform the Corporation's audit for the years 2022 onwards.

5. Other Matters

Stockholders may be requested to consider such other issues or matters as may be raised throughout the course of the meeting.

6. Adjournment

After all business has been considered and resolved, the Chairman shall declare the meeting adjourned.

PART II. PROXY FORM

Stockholders who are unable to attend the meeting in person but would like to be represented thereat may choose to execute and submit a proxy form to the Office of the Corporate Secretary on or before ***24 November 2026, 5PM***.

WE ARE NOT SOLICITING YOUR PROXY

A sample proxy form is provided below. Other forms are available at the Company's website https://eg.ipvg.com/;

PROXY

The undersigned stockholder of **IP E-GAME VENTURES INC.** (the "Company") hereby appoints _____ or in his absence, the Chairman of the meeting, Mr. Juan Kevin G. Belmonte, as attorney-in-fact and proxy, with power of substitution, to present and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Special Meeting of Stockholders ("SSM") of the Company on 4 December 2026 and at any of the adjournments thereof for the purpose of acting on the following matters:

AGENDA ITEMS	ACTION		
Item 1. Call to Order	*No action necessary.*		
Item 2. Certification of Notice and Existence of Quoum	*No action necessary.*		
	FOR	AGAINST	ABSTAIN
Item 3. Approval of the Minutes of the Anuual Stockholders' Meeting held on 16 February 2021			
Item 4. Approval of the replacement of Alas Oplas & Co., CPA with R.G. Manabat & Co., as the Corporation's External Auditor for the year ended 2022 onwards			
Item 5. Other Matters			
Item 6. Adjournment			

IN CASE A PROXY FORM IS SIGNED AND RETURNED IN BLANK

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

FOR the approval of the Minutes of the ASM held on 16 February 2021

FOR the approval of the replacement of Alas Oplas & Co., CPAs with R.G. Manabat & Co., as the Corporation's External Auditor for the year ended 2022 onwards

To authorize the Company's Chairman or other named authorized representative, as proxy, to vote at their discretion any matter that may be discussed under "Other Matters."

A Proxy Form that is returned without a signature shall not be valid.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No member of the Board of Directors or executive officer, or their associates, has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting.

VALIDATION OF PROXY FORMS

The proxy forms and supporting documents shall be submitted to the Corporate Secretary on or before close of business on **24 November 2026, 5:00 p.m.** (i) by email to **egstockholdersmeeting@gmail.com**, or (ii) by delivery or mail to the business address of the Company at **8/F Arthaland Century Pacific Tower, 5th Ave., Bonifacio Global City, Taguig City, 1634.** Proxy forms shall be validated by **25 November 2026, 3:00 p.m.** at the business address of the Company

For partnerships, corporations, and associations, please provide a notarized Secretary's Certificate attesting to the authority of the representative to execute the proxy form with authority to designate the proxy holder(s) or representative(s) of the partnership, corporation, or association to be the actual proxy and for them to attend the relevant stockholders' meeting. This Secretary's Certificate may be specific to the virtual SSM on 4 December 2026 of the Company or a general authority.

REVOCATION OF PROXIES

A stockholder giving a proxy has the power to revoke it any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his/her intention to vote in person.

Signed this _____2026 at

_____

_____ *Printed Name of Stockholder*
_____ *Signature of Stockholder/* *Authorized Signatory*

PLEASE DATE AND SIGN YOUR PROXY FORM

PLEASE MARK, SIGN, AND RETURN YOUR PROXY FORM VIA EMAIL, DELIVERY, OR MAIL **ON OR BEFORE 24 NOVEMBER 2026, 5:00 pm.**

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT
OF
IP E-GAME VENTURES, INC.
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: **IP E-GAME VENTURES, INC.**

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

4. SEC Identification Number: **CS200518779**

5. BIR Tax Identification Code: **242-246-380**

6. Address of principal office: **8/F Arthaland Century Pacific Tower, 5th Ave., Bonifacio Global City, Taguig City, 1634**

7. Registrant's telephone number: **(632) 83593715**

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

Date	-	**4 December 2026**
Time	-	**1:00 p.m.**
Place	-	**via zoom videoconference platform at:**

https://www.google.com/url?q=https://us06web.zoom.us/j/81048069363?pwd%3Djd0b23t0woGKjRCvycVUMfqzID9PdK.1&sa=D&source=calendar&ust=1792470941976063&usg=AOvVaw2PdYX5juImiUTcCEKIQsyd

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **4 November 2026**

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

a. Shares of stock as of 30 September 2026

Title of Each Class	Par value	Number of shares	Amount
Common	₱0.01	227,489,638,425	₱2,274,896,384.25

b. **Debt securities as of 31 December 31, 2025 -** N/A

11. **Are any or all of registrant's securities listed in a Stock Exchange?**
Yes √ **No** _____

The above common shares are listed in the PSE.

A. GENERAL INFORMATION

Item 1. Date, time, and place of meeting of stockholders

Date - **4 December 2026**
Time - **1:00 pm**
Place - **via zoom videoconference platform at: https://www.google.com/url?q=https://us06web.zoom.us/j/81048069363?pwd%3Djd0b23t0woGKjRCvycVUMfqzID9PdK.1&sa=D&source=calendar&ust=1792470941976063&usg=AOvVaw2PdYX5juImiUTcCEKIQsyd**

Notices of the meeting and copies of this Information Statement will be first sent or given to the stockholders-of-record of the IP E-Games Ventures, Inc. (the "*Company*") on or about **4 November 2026.**

As resolved by the Board of Directors in a special meeting held on 24 September 2026, the meeting will be conducted virtually. The meeting link and password to attend the meeting shall be provided by the Corporation to all stockholders of record as of **4 November 2026** or their proxies who have successfully registered to attend the meeting

The approximate date when the information statement will be first sent to security holders is on **4 November 2026.**

Item 2. Dissenter's Right of Appraisal

Under Sections 80 of the Revised Corporation Code of the Philippines ("*Revised Corporation Code*"), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

a. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;

c. In case of merger or consolidation; and

d. In case of investment of funds in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized.

There are no matters to be voted upon during the Special Stockholders' Meeting which may give rise to a possible exercise by stockholders of their appraisal rights.

However, 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, such right of appraisal will be available to the stockholders.

To be able to exercise this appraisal right, the dissenting stockholder must have voted against the proposed corporate action at the meeting. The dissenting stockholder should make a written demand on the Company within thirty (30) days after the meeting, for the payment of the fair value of his shares. The fair value shall be agreed upon by the dissenting stockholder and the Company. If they cannot agree on the fair value within sixty (60) days from the date of the meeting where the stockholders approved the corporate action, then the determination of the fair value shall be made by three (3) disinterested persons, called appraisers, one (1) of whom shall be named by the two (2) already chosen. The findings of the majority of these appraisers shall be final and their award shall be paid by the Company within thirty (30) days after such award is made.

In order to perfect such right, the stockholder shall follow the procedures as described under Sections 80 to 85 of the Revised Corporation Code.

Item 3. Interest of certain persons in or opposition to matters to be acted upon.

No director, nominee for election as director, associate of the nominee or executive officer of the Company has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting.

The Company has not been informed in writing by any person of any intention to oppose any action to be taken at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a) The class and number of shares outstanding and entitled to vote during the meeting are as follows:

Number of shares outstanding as of 30 September 2026:	**227,489,638,425 common shares**
Number of votes for common shares:	**one (1) vote** for each common share held

b) All stockholders of record as of 4 November 2026 (the "*Record Date*") are entitled to notice and to vote at the Company's Special Stockholders' Meeting.

c) Every stockholder entitled to vote shall have the right to vote, in person or by proxy, the number of shares standing in his own name in the Stock and Transfer Book of the Company at the time of the election. Each share of stock entitles the

person in whose name it is registered in the books of the Company to one vote, provided the share has not been declared delinquent.

Pursuant to Section 23 of the Revised Corporation Code, in the election of directors, a stockholder may vote such number of shares registered in his name as of the record date for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided that, the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the whole number of directors to be elected. There are no stated conditions precedents to the exercise of cumulative rights.

Security ownership of certain record and beneficial owners (of more than 5% of the voting shares) as 30 September 2026

Title of Class	*Name and address of record owner and relationship with issuer*	*Name of beneficial owner and relationship with record owner*	*Citizenship*	*No. of shares held and nature of ownership*	*Percent held*
Common	**IPE Global Holdings Corp.**[1] P.O. Box 905, Road Town, Tortola, British Virgin Islands *(Stockholder)*	IPE Global Holdings Corp.[2]	Non-Filipino	170,489,638,425 *(Record and Beneficial)*	74.94%
Common	**PCD Nominee Corporation**[3] 37th Floor Tower I, Enterprise Center, 6788 Ayala	**IPE Global Holdings, Corp.**[4] (for 8,085,685,489 shares)	Filipino	26,775,413,589	11.77%

[1] IPE Global Holdings Corp. is the parent of the Company.
[2] Jaime Enrique Y. Gonzales, a Director of IPE Global Holdings Corp., of IPE Global Holdings Corp., will vote the shares of IPE Global Holdings Corp. in the Company in accordance with the directive of the Board of Directors of IPE Global Holdings Corp.
[3] The PCD Nominee Corporation is not related to the Company.
[4] Jaime Enrique Y. Gonzales, Director of IPE Global Holdings Corp., will vote the 8,085,685,489 shares of PCD Nominee Corporation in the Company in accordance with the directive of the Board of Directors of IPE Global Holdings Corp.

	Avenue, Makati City *(Stockholder)*	PCD participants acting for themselves or for their customers[5] (for 19,039,629,511 shares)			
Common	**IPVG Employees Inc.**[6] 34th Floor, RCBC Plaza Tower II Ayala Avenue, cor. Gil Puyat Avenue, Makati City 1200, Metro Manila *(Stockholder)*	IPVG Employees Inc. [7]	Filipino	14,000,000,000 *(Record and Beneficial)*	06.15%

Security ownership of directors and management as of 30 September 2026

Title of class of voting shares	*Name of owner and position*	*No. of shares and nature of ownership*	*Citizenship*	*Percentage of ownership*
Common	**Juan Kevin G. Belmonte** *Director and Chairman*	100 (Direct)	Filipino	0.000000044%
Common	**Jaime Enrique Y. Gonzalez** *Director, Deputy Chairman, President, and Chief Executive Officer* ("CEO")	100 (Direct)	Filipino	0.000000044%
Common	**Ma. Juanita E. Cueto** *Independent Director*	100 (Direct)	Filipino	0.000000044%

[5] The Company has no record relating to the power to decide how the 19,039,629,511 shares held by the PCD Nominee Corporation are to be voted.
[6] IPVG Employees Inc. is a corporation under common control with the Company.
[7] Jaime Enrique Y. Gonzalez, Chairman of IPVG Employees Inc., will vote the shares of PCD Nominee Corporation in the Company in accordance with the directive of the Board of Directors of IPVG Employees Inc.

Common	**Roger Stone** *Director*	1 (Direct)	British	0.000000000%
Common	**Srinivas Polishetty** *Independent Director*	100 (Direct)	Filipino	0.000000044%
N/A	**Mary Jenelle C. Palma** *Chief Financial Officer*		Filipino	
N/A	**Juname C. De Leon** ***Compliance Officer***		Filipino	
N/A	**Mary Zoelli R. Velasco** ***Corporate Secretary***		Filipino	
N/A	**Jose Voltaire A. Bautista** ***Assistant Corporate Secretary***		Filipino	
ALL DIRECTORS AND OFFICERS		**401**		**0.00%**

The aggregate shareholdings of directors and key officers as of 30 September 2026 is 401 shares, which is approximately 0.00% of the Company's outstanding capital stock. None of the Company's directors and officers owns 2% or more of the outstanding capital stock of the Company.

Voting trust holders of 5% or more

No person holds under a voting trust or similar agreement more than 5% of the Company's common shares.

Changes in control

There are no arrangements that may result in a change in control of the Company during the period covered by this report.

Item 5. Directors and executive officers

Term of office

Pursuant to the Company's By-Laws, the directors are elected at each Annual Stockholders' Meeting by stockholders entitled to vote. Each director holds office until the next annual election or for a term of one year and until his successor is duly elected, unless he resigns, dies, or is removed prior to such election.

Any vacancy in the Board, other than by removal or expiration of term, may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose, if they still constitute a quorum. The director so chosen shall serve for the unexpired term of his predecessor in office.

Directors

The names of the Company's incumbent directors and their respective ages, citizenship, position/s in the Company, and periods of service are summarized in the table below:

Name	*Age*	*Citizenship*	*Positions held*	*Period of service*
Juan Kevin G. Belmonte	64	Filipino	Director and Chairman	2006 to present
Jaime Enrique Y. Gonzalez	49	Filipino	Director, Deputy Chairman, President, and CEO	2005 to present
Ma. Juanita E. Cueto	69	Filipino	Independent Director	2021 to present
Roger Stone	78	British	Director	2012 to present
Srinivas Polishetty	61	Filipino	Independent Director	2015 to present
Mary Jenelle C. Palma	44	Filipino	Chief Financial Officer	2020 to present
Juname C. De Leon	56	Filipino	Compliance Officer	2020 to present
Mary Zoelli R. Velasco	36	Filipino	Corporate Secretary	2020 to present
Jose Voltaire A. Bautista	51	Filipino	Assistant Corporate Secretary	2015 to present

The following discussion presents a brief description of the business experience of each of our directors and executive officers over the past five years.

Juan Kevin* G. *Belmonte, Director and Chairman

Juan Kevin G. Belmonte is the President of Nuvoland, a real estate company, and Philstar Global Corporation, which owns and operates philstar.com, a leading portal. He sits on the boards of the Philippine Star Group of Companies and Nuvoland. Mr. Belmonte was a partner at Arthur Andersen & Co./Sycip Gorres Velayo & Co.

Jaime Enrique Y. Gonzalez, Director, President, Chief Executive Officer and Deputy Chairman

Jaime Enrique Y. Gonzalez oversees strategic direction of the IPVI group, and directly handles all investment-related activities including fund-raising, mergers, acquisitions and divestments. Mr. Gonzalez has been intimately involved in the start-up process of all business units, and works with business unit heads to ensure that they meet or exceed operating targets. Mr. Gonzalez has had a successful track record in the internet space, having founded a series of internet start-ups that have been acquired by larger U.S.-based firms match.ph/itzamatch.com) and has taken IPVG from garage to public. Mr. Gonzalez has a Bachelor of Arts in International Politics and Economics from Middlebury College. He attended the program for Masters in Entrepreneurship at the Asian Institute of Management. He likewise served as a Director in Arthaland Corp. since 2011.

Ma. Juanita E. Cueto, Lead Independent Director

Maria Juanita E. Cueto, serves as the Director of the Securities Clearing Corporation of the Philippines. She has in depth experience with regard to trades and securities, banking, policy formation, and the capital markets in general. From June 2001 to 6 June 2014, she held the esteemed position of Commissioner of the Corporate Finance Department and Market Regulation Department of the Securities and Exchange Commission. She was also the President of Yaptinchay Securities Corporation from June 1999 to 2001. In her early years of practice, she worked in both the Department of Trade and Industry and the House of Representatives. She obtained her Bachelor of Laws Degree from the Ateneo de Manila College of Law in 1983 and her Bachelor of Arts in Psychlogy degree in 1978 from the University of the Philippines-Diliman.

Roger* G. *Stone, Director

Roger G. Stone served as the Chief Executive Officer of IQ-Ludorum. Mr. Stone is a UK national with over 35 years of experience in marketing, sales, software development and executive management in the IT and telecommunications industries. He has developed specialized expertise in establishing new operations in emerging markets particularly in Europe and Asia. More than 25 years of his working life has been on international assignments in UK, Austria, Hong Kong, India, Philippines, Vietnam, Thailand and Costa Rica. His career includes 25 years with Unisys Corp., mainly in Asia, heading operations in India and the Philippines. Mr. Stone served as the Head of Unisys Philippines, Tata-Unisys in India and Unisys South Asia. He also served as Head of retail for IDT in Europe for 3 years. He has top management experience and regional expertise in the IT&T industry. He served as the Chairman of the Board at IP-Converge Data Center, Inc. He served as Deputy Chairman of IP-Converge Data Center, Inc. until July 27, 2012 and serves as its Director. He has been a Director of IP E-Game Ventures Inc. Mr. Stone graduated from Loughborough University of Technology in the United Kingdom.

Srinivas Polishetty, Independent Director

Srinivas Polishetty, also known as Srini, has been Vice President and Managing Director of American Orient Capital Partners (Philippines) since 1998. Mr. Polishetty served as Director and Compliance Officer of Arthaland Corp from 2013 to 2016. He is presently a Director of IP Ventures, Inc. He served as an Equity Research Analyst covering Asian utilities and served as a Deputy Director for a leading Indian oil and gas firm. He has over twenty-five years of senior level executive experience. He began

his career in 1989 with Oil & Natural Gas Corporation of lridia (ONGCindia) where he served as Deputy Director in its global procurements division. He serves as the Director of Hunter Oil Corp. since January 15, 2015 and he has been a Director of Arthaland Corp. since June 2013. He has an MBA degree from the Asian Institute of Management and McGill University of Montreal. He holds a Chemical Engineering degree from IIT Council.

Mary Jenelle C. Palma, Chief Financial Officer

Mary Jenelle C. Palma is a certified Public Accountant and had stints as Audit Manager in KPMG Manabat Sanagustin & Co. and the Singapore-based PKF-CAP, and is the current Chief Financial Officer of IP Ventures, Inc., an affiliate of the Issuer. Ms. Palma holds a degree in B.S. Accountancy from the University of Santo Tomas, graduating with Cum Laude honors.

Juname C. De Leon, Compliance Officer

Juname C. De Leon has over two decades of experience in legal practice and had previously served as Compliance Officer and Alternative Compliance Officer for the Corporation from January 2008 to March 2013. She has also previously worked in the Philippine Stock Exchange-Market Regulation Division and the Securities and Exchange Commission as a hearing officer. She obtained her Juris Doctor degree from the Ateneo de Manila University Law School.

Mary Zoelli R. Velasco, Corporate Secretary

Mary Zoelli R. Velasco is a Senior Associate at DivinaLaw Offices in the Corporate and Special Projects Group, Immigration, and Intellectual Property Divisions. She likewise serves in other corporate secretarial positions for other companies. She obtained her Juris Doctor degree from the University of the Philippines College of Law- Diliman and Bachelor of Arts degree in Public Administration (Magna Cum Laude) from the same university.

Jose Voltaire A. Bautista, Assistant Corporate Secretary

Jose Voltaire A. Bautista is the internal legal counsel for IP Ventures, Inc. (IPVI) and its affiliates. Pursuant to the Management Agreement with IPVI, it shares its legal department with the Company. He holds a Bachelor of Arts degree, major in Organizational Communications from the University of the Philippines, and a Bachelor of Laws degree from San Beda College, Manila. Prior to joining the IP Ventures Group of Companies in 2010, he practiced law with the law firm Rico & Associates.

The following directors hold directorships in other reporting companies:

Name of director	*Directorship*
Juan Kevin G. Belmonte	Tubig Pilipinas Holdings Inc.
Jaime Enrique Y. Gonzalez	Arthaland Corp.

A certification that none of the above-named directors and executive officers work with the national government is attached hereto as **Annex A**.

Nominees for membership in the Board of Directors

No action is to be taken with respect to the election of directors and/or officers.

Significant employees

The Company considers the contribution of every employee important to the fulfillment of its goals. The Company, however, has no employee who is not an executive officer but is expected to make individually on his own a significant contribution to the business.

Family relationships

There are no known family relationships up to the fourth civil degree, either by consanguinity or affinity, between the directors (both incumbent and nominees for election).

Involvement in certain legal proceedings as of October 2026

To the knowledge and/or information of the Company, except as disclosed herein or in the Information Statements of the Company's subsidiaries or affiliates which are themselves public companies or as has been otherwise publicly disclosed, there is no *(a)* material legal proceeding, *(b)* bankruptcy petition, *(c)* conviction by final judgment, *(d)* order, judgment, or decree, or *(e)* any violation of a securities or commodities law, for the past five years to which the Company or any of its subsidiaries or affiliates or its directors (both incumbent and nominees for election) or executive officers is a party or of which any of its material properties is subject in any court or administrative government agency.

As of December 31, 2020, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1. *People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)*

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "*B.P. 22*"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "*Respondent*") with the Office of the City Prosecutor of Makati City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran, Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2. *IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)*

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("*OCP*") of Makati City by the Company against erring former employees (the "*Respondents*"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents: Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "*RTC*"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

3. *IP E-Game Ventures, Inc. vs. Ana Grace Lao Chan (Crim. Case Nos. 371371-73, Branch 62, Metropolitan Trial Court, Makati City)*

On various dates, Ana Lao Chan (the "*Respondent*"), a distributor of prepaid cards, issued and delivered post-dated checks worth around ₱3,700,000.00 intended as payment for her accountabilities/ indebtedness to the Company. Said checks were dishonored by the drawee bank, hence, criminal cases for violation of B.P. 22 and Estafa were filed against the Respondent on March 16, 2012. The case is now pending before the Metropolitan Trial Court of Makati City, presently in the trial proper stage. Evidence is strong that the Respondent is liable to the Company.

Resignation of directors

As of the date of the last Stockholders' Meeting, the following directors have resigned:

Mr. Jaime C. Gonzalez on 23 February 2021;

Mr. Eduardo Martin Lichauco on 9 June 2021; and

Mr. Shennan A. Sy on 18 August 2021.

Certain relationships and related transactions

1. *Transactions with individuals with director or indirect material interest*

In the ordinary course of business, the Company has entered into related party transactions consisting of non-interest-bearing cash advances to finance working capital requirements. These cash advances are unsecured and payable on demand.

As per the Company's 2021 Consolidated Financial Statements, cash advances have been provided to or obtained from the following related parties:

Name of the related party	*Relationship with the Company*
IP Ventures, Inc.	Previous Ultimate Parent Company[8]
IPE Global Holdings Corp.	Entity Under Common Control
IPVG Employees Inc	Entity Under Common Control
GRCO Mining Isulan Corporation	Entity Under Common Control
Highlands Coffee Philippines Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
Level Up, Inc.	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control

WebWorx Computer Technology Corp.	Entity Under Common Control
X-Play Online Games Incorporated	Entity Under Common Control
Y-Fi Business Solutions, Inc.	Entity Under Common Control

The Company and its subsidiaries (the "*Group*") also obtain and provide management services and cost allocations for the common overhead costs to and from related parties for various administration purposes.

In 2014, the Group entered into a Deed of Assignment of Subscription Receivable, wherein the Group assigned all its shares in Northern Star Gaming and Resort, Inc. to IPVG Employees, Inc. in consideration of the payables of the Company to IPVG Employees, Inc.

Also in 2014, the Group and Asiasoft Corporation Plc. entered into a Deed of Absolute Sale with respect to the Group's 30% ownership in Level Up! Inc. for a total

No other transactions, without proper disclosure, were undertaken by the Company in which any director (incumbent or a nominee for election), executive officer, any beneficial owner (direct or indirect), or any member of his immediate family was involved or had a direct or indirect material interest.

The Company's directors, officers, and employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are brought to the attention of the management.

2. *Parent company*

As of July 31, 2019, IPE Global Holdings Corp. is the registered/beneficial owner of 74.94% of the total outstanding capital stock of the Company.

Item 6. Compensation of directors and executive officers

Summary of compensation of executive officers

Information as to the aggregate compensation paid or accrued to the Company's CEO and other most highly compensated executive officers, as well as other officers and directors during the last two completed fiscal years and the ensuing fiscal year, are as follows:

	Year	*Salary (in ₱)*	*Bonus / Other Income (in ₱)*	*Total (in ₱)*
CEO and Most Highly Compensated Executive Officers	*Actual 2024*	0.00	0.00	0.00
	Actual 2025	0.00	0.00	0.00
	Projected 2026	0.00	0.00	0.00
	Actual 2024	0.00	0.00	0.00

All other officers* and directors as a group.	*Actual 2025*	0.00	0.00	0.00
	Projected 2026	0.00	0.00	0.00
TOTAL		**0.00**	**0.00**	**0.00**

**Managers and up (including CEO and Most Highly Compensated Executive Officers)*

Since the Company's strategy and business objectives are carried out through its subsidiaries since 2014, the compensation of the executive officers (and all other officers of the Company) is paid by the subsidiaries. Thus, the Company has no actual and projected compensation of its executive officers (and all other officers of the Company) for the fiscal years 2024 to 2026.

Compensation of directors

1. *Standard arrangements*

The Company's By-Laws provide that an amount which shall not exceed 10% of its net income before income tax during the preceding year may, by resolution of the Board, be allocated to and distributed among the members of the Board. Such compensation shall be determined and apportioned among the members in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

During the July 31, 2012 Annual Stockholders' Meeting of the Company, the stockholders unanimously approved a per diem allowance of ₱10,000.00 for every Board or Committee meeting attended by the directors. The approved per diem allowance of ₱10,000.00 of directors remains the same as of September 30, 2020.

The Company's By-Laws further provide that the officers enumerated therein (i.e., the Chairman of the Board, the Deputy Chairman of the Board, the CEO/President, the Treasurer, and the Corporate Secretary) shall receive such remuneration as the Board may determine. All other officers shall receive such remuneration as the Board may determine upon recommendation of the Company's CEO/President.

2. *Other arrangements*

Other than payment of a director's allowance and the per diem as stated above, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

Employment contracts and termination of employment and change-in-control arrangements

The Company's executive officers are covered by letters of appointment stating their respective job functionalities, among others.

Warrants and options outstanding

None of the Company's directors and executive officers holds any warrants or options in the Company.

Item 7. Independent public accountant

The Corporation's previous external auditor is Alas Oplas & Co., CPAs. The Corporation has engaged R.G. Manabat & Co. as its new independent external auditor to perform the audit of the Corporation's financial statements for the years ended 31 December 2022, 2023, 2024 and 2025, subject to the approval of the stockholders at the Special Stockholders' Meeting.

The change in external auditor was undertaken upon the recommendation of the Corporation's Audit Committee and the approval of the Board of Directors during its special meeting held on 24 September 2026.

The appointment of R.G. Manabat & Co. is being submitted to the stockholders for approval in accordance with SEC Memorandum Circular No. 8, Series of 2018, which requires publicly listed companies to obtain shareholders' approval for any change in the company's external auditor.

Representatives of R.G. Manabat & Co. are expected to be present at the Special Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

R.G. Manabat & Co. is a Philippine professional services partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited. R.G. Manabat & Co. provides audit and assurance, tax, advisory, and technology consulting services and has approximately 1,500 personnel, including around 50 Partners and Principals, with offices in Makati, Cebu, and Iloilo. The Corporation's audit engagement is headed by Audit and Assurance Partner, Mr. Dindo Marco M. Dioso.

Changes in and disagreements with external auditor on accounting and financial disclosure

The Company's previous external auditor was Alas Oplas & Co., CPAs whose engagement with the Company ended on 24 September 2026 due to the preference to engage R.G. Manabat & Co., which is a member of the globally recognized, KPMG. During the relevant period, the Company had no disagreement with its previous external auditor, Alas Oplas & Co., CPAs, concerning accounting principles or practices, financial statement disclosures, or other related matters.

Item 8. Compensation plan

There are no matters or actions to be taken up in the meeting with respect to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or issuance of securities other than for exchange

There is no action or matter to be taken up with respect to the authorization or issuance of any securities.

Item 10. Modification or exchange of securities

There is no matter or action to be taken up for the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 11. Financial and other information

There are no matters or actions to be taken up at that require the submission of financial statements or other financial information under this Item.

The Company has incorporated, by reference, the following as contained in the Management Report (attached as **Annex B**) in accordance with Rule 68 of the Amended Rules and Regulations of the Securities Regulation Code:

(a) Brief description of the general nature and scope of the business of the Company;

(b) Market information as of the last practicable trading date and top 20 stockholders as of 31 December 2025;

(c) Discussion of compliance with leading practice on Corporate Governance;

(d) Management's Discussion and Analysis or Plan of Operation;

(e) Statement of Management Responsibility for Financial Statements;

(f) Consolidated AFS for the years ended 31 December 2021, 31 December 2020, and 31 December 2019;

(g) Annual Report (SEC Form 17-A) for the schedules required under Part IV(c) of Rule 68; and

(h) Filed Quarterly Reports (SEC Form 17-Q) for years 2022, 2023, 2024, 2025, and 2026

Item 12. Mergers, consolidations, acquisitions and similar matters

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, sale, or liquidation of the Company.

Item 13. Acquisition or disposition of property

There is no action or matter to be taken up with respect to the acquisition or disposition of a substantial amount of assets or property.

Item 14. Restatement of accounts

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

D. OTHER MATTERS

Item 15. Action with respect to reports

(a) The Minutes of the previous Annual Stockholders' Meeting, held on 16 February 2021, shall be submitted for approval of the stockholders. The Minutes may be viewed in the Company's official website at: https://eg.ipvg.com/ and includes items on:

1. Approval of the Minutes of the Annual Stockholders' Meeting held on 28 September 2017;

2. Annual Report of the President

3. Ratification of all Acts and Proceedings of the Board of Directors and Management/Corporate Officers

4. Approval of the Audited Consolidated Financial Statements of the Corporation

5. Election of Members of the Board of Directors and Independent Directors

6. Appointment of External Auditor for 2021

7. Amendment of the Articles of Incorporation to Revise: First, Second and Third Articles or in relation to the Corporate Name, Primary Purpose and Principal Address

8. Amendment of the Bylaws to Revise: Corporate Name, Article II, Article III, Notice Requirements, Composition of the Board of Directors, Mode of Conducting Stockholders' Meetings, Voting Procedures

(b) Approval of the replacement of Alas Oplas & Co., CPAs to R.G. Manabat & Co., as the Corporation's External Auditor to perform the Company's audit for the year ended 2022 onwards

Item 16. Matters not required to be submitted

There are no other known matters or actions to be taken up in the meeting that will require the vote of the stockholders as of the Record Date other than those mentioned in the agenda.

Item 17. Amendment of charter, by-laws or other documents

There is no action or matter to be taken up with respect to any amendment of the Company's Articles of Incorporation, By-Laws, or other documents.

Item 18. Other proposed actions

There are no other proposed actions to be submitted for approval of the stockholders at the Special Stockholders' Meeting.

Item 19. Voting procedures

Voting requirements

Matters for stockholders' approval

The vote of at least a majority of the stockholders present in person or by proxy and entitled to vote, a quorum being present, shall be required for approval of Item No. 15 (a) Minutes of the 16 February 2021 and (b) Approval of the replacement of Alas Oplas & Co. with RGT Manabat & Co as the Corporation's External Auditor for year 2022 onwards.

Manner of voting

There must be present in the videoconference, either in person or by representative authorized to act by written proxy, the owners of a majority of the outstanding capital stock. The election must be by ballot if requested by any voting stockholder or member. The specific procedure of voting procedure shown in the Rules of Procedure found in: https://eg.ipvg.com/ and summarized below:

a) A stockholder may vote online in accordance with the procedure laid out under this Item 19 herein. Pursuant to Sections 57 and 23 of the Revised Corporation Code which allows voting via remote means of communication by the stockholders, the Company designated an online web address which may be accessed by the stockholder to register and vote in absentia on the matters presented for resolution at the meeting shall be set up. A stockholder who votes via remote means of communication shall be deemed present for purposes of quorum. Prior registration in the web address is required to be able to vote.

b) Any question as to the procedure to be conducted may be coursed through the Company's Corporate Secretary with the aid of the Assistant Corporate Secretary.

c) Except in those cases where the law provides for a higher voting requirement, all corporate acts requiring approval of security holders during the Meeting shall be approved by majority of the security holders present during the Meeting, there being a quorum.

d) During the meeting, individual shareholders may be represented in person or by proxy, while corporate shareholders may, instead of naming proxy, authorize a representative to vote in its behalf. Representatives of corporate shareholders must submit a Secretary's Certificate, upon registration in order to vote pursuant to the Company's Internal Rules of Procedure in conducting meetings via remote communication.

   In accordance with the By-Laws of the Company, all proxies must be in the hands of the Corporate Secretary no later than ten (10) days before the date of the meeting. Such proxies filed with the Corporate Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Corporate Secretary prior to the meeting, or by their personal presence at the meeting.

   A forum for the validation of proxies chaired by the Corporate Secretary or Assistant Corporate Secretary and attended by the stock transfer agent shall be convened at least five (5) days before the meeting.

e) Voting will be done online via the designated web address and the method of voting shall be as follows:

   i. Only stockholders in good standing as of 4 November 2026 shall be entitled to vote.
   ii. Stockholders must notify the Company of their intention to participate or attend via proxy in the meeting by remote communication to be included in the quorum at least five (5) days before the meeting. Notification shall be made via registration at **egstockholdersmeeting@gmail.com** on or before date **24 November 2026.**
   iii. Each of the proposed resolutions will be shown on the livestream via share-screen as the same is taken up at the meeting.
   iv. Casting of votes shall be made via respective poll links or web addressed to be provided in a separate email along with the meeting link. Votes shall be encrypted to ensure the integrity of the election.
   v. All votes shall be automatically tabulated by the electronic system.

f) The person authorized to verify the votes is: Atty. Mary Zoelli R. Velasco, Corporate Secretary, assisted by Atty. Jose Voltaire A. Bautista, the Assistant Corporate Secretary and Stock and Transfer Agent.

No delinquent stock shall be voted.

Method of counting votes

All votes shall be tabulated by the Corporate Secretary with the aid of the Assistant Corporate Secretary and Stock and Transfer Agent. As the stockholders take up an item in the agenda, the Corporate Secretary will report the votes that have been received and tabulated, and the final tally of votes will be reflected in the minutes of the meeting.

Candidates receiving the highest number of votes shall be declared elected. Any meeting of the stockholders called for an election may adjourn from day to day or from time to time but not *sine die* or indefinitely if, for any reason, no election is held, or if there be not present or represented by proxy, at the meeting, the owners of a majority of the outstanding capital stock.

The Chairman shall ensure that three seats shall be allotted for the election of independent directors as required by the Securities Regulations Code and SEC MC No. 24, series of 2019, or the Code of Corporate Governance for Publicly-Listed Companies.

Item 20. Disclosures required in Section 49 of the Revised Corporation Code

The Board of Directors will present the following information to the stockholders at the Special Stockholders' Meeting, as required under Section 49 of Republic Act No. 11232, otherwise known as the Revised Corporation Code:

Minutes of the most recent regular meeting

The Minutes of the Annual Stockholders' Meeting held on 16 February 2021 may be viewed at: `https://eg.ipvg.com/`.

Please refer to the Minutes of the Annual Stockholders' Meeting held on 16 February 2021 attached to this report as **Annex C.**

Material information on the current stockholders and their voting rights

Please refer to Item 4 of this report, in relation to Item 19, for material information on the current stockholders and their voting rights.

Assessment of the corporation's performance, including information on any material change in the corporation's business, strategy and other affairs

Please refer to the Management Report for the year ended 31 December 2025 attached to this report as **Annex B.**

Financial report for the preceding years

Please refer to the AFS for the year ended 31 December 2019-2021, attached to this report as **Annexes D** to **F.**

Explanation of the dividend policy and the fact of payment or nonpayment, and the reasons therefor

The Company does not have a specific dividend policy. However, pursuant to the Revised Corporation Code of the Philippines, the shareholders of the Company are entitled to receive a proportionate share in cash dividends that may be declared by the

Board of Directors out of surplus profits derived from the Company's operations. The same right exists with respect to a stock dividend, the declaration of which is subject to the approval of stockholders representing at least two-thirds (2/3) of the outstanding shares entitled to vote. The amount to be declared depends on the Company's profits and its capital expenditure and investment requirements at the relevant time.

No dividend declaration was made from 2011 to 2026.

Director profiles

Please refer to Item 5 of this report for the profiles of the incumbent directors.

Director attendance report

From the last Annual Stockholders' Meeting of the Company until 24 September 2026, the Board had eleven (11) meetings.

Majority of the incumbent directors attended or participated in more than 50% of all the Board meetings, as follows:

Name of the director	***Attendance***	***Percent present***
Jaime C. Gonzalez	11/11	100%
Jaime Enrique Y. Gonzalez	11/11	100%
Juan Kevin G. Belmonte	11/11	100%
Roger Stone	11/11	100%
Eduardo Martin T. Lichauco	11/11	100%
Srinivas Polishetty	11/11	100%
Shennan A. Sy	11/11	100%

Appraisals and performance reports for the board and the criteria and procedure for assessment

The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Code.

The creation and implementation of such self-rating system, including its salient features, may be disclosed in the Corporation's annual report.

Director compensation report

Please refer to Item 6 of this report for the report on directors' compensation.

UNDERTAKING

Upon the written request of the stockholder, the Company will furnish such stockholder a copy of SEC Form 17-A and SEC Form 17-Q free of charge. Such written request for a copy of SEC Form 17-A shall be addressed to: egstockholdersmeeting@ gmail.com

In compliance with SEC Memorandum No. 5 Series of 2017 dated March 7, 2017, we are submitting together with this report the Certification of Qualification of the following Independent Directors: Mr. Srinivas Polishetty and Ms. Ma. Juanita E. Cueto attached as **Annexes G** and **H**.

We are likewise attaching the certifications on the call for this stockholders' meeting and correctness of the records as of the time these were filed as **Annexes I** and **J.**

PART II. INFORMATION REQUIRED IN A PROXY FORM

(Please see attached Proxy Form)

PART III. SIGNATURES

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 21 October 2026.

IP E-GAME VENTURES, INC.

by:

MARY ZOELLI R. VELASCO
Corporate Secretary

JOSE VOLTAIRE A. BAUTISTA
Assistant Corporate Secretary

Annex "A"

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

SECRETARY'S CERTIFICATE

I, **MARY ZOELLI R. VELASCO**, of legal age, and with office address at 8th Floor, Pacific Star Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City, after having been duly sworn in accordance with law, do hereby depose and say that:

1. I am the duly elected and qualified Corporate Secretary of IP E-GAME VENTURES, INC. the "Corporation") with principal office address at: 8/F Arthaland Century Pacific Toower, 5th Ave., Bonifacio Global City, Taguig City, 1634.

2. Based on the records of the Corporation and as disclosed to me, none of its incumbent directors and executive officers named in the Corporation's Information Statement ("SEC Form 20-IS") for the Special Stockholders' Meeting to be held on 4 December 2026 are connected with and/ or working in the government. [1]

3. This Certification is being issued as an annex to the Form 20-IS of the Corporation in connection with the said upcoming Special Stockholders' Meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 6 October 2026 at Makati City, Philippines.

MARY ZOELLI R. VELASCO
Corporate Secretary

SUBSCRIBED AND SWORN to before me, this 6 October 2026 at Makati City. Affiant personally appeared before me and exhibited to me her TIN 343-696-863.

Doc No. 129;
Page No. 27;
Book No. I;
Series of 2026.

KARA C. RAMOS
NOTARY PUBLIC FOR MAKATI CITY
Appointment No. M-457
Until 31 December 2027
Roll of Attorneys No. 88683
IBP No. 584218 / 02 January 2026 / Makati City
PTR No. 10768270 / 05 January 2026 / Makati City
MCLE Compliance No. VIII-0023232 / 26 February 2025
8 th Floor, Pacific Star Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City

[1] Atty. Ma. Juanita E. Cueto is the Chairperson of the Securities Investors Fund, where the Securities and Exchange omission has regulatory oversight but it is not considered a government entity.

Annex "B"

MANAGEMENT REPORT
of
IP E-GAMES VENTURES, INC.
FOR THE YEAR ENDED 2025

I. GENERAL NATURE AND SCOPE OF THE BUSINESS

Overview

IP E-Game Ventures, Inc. (the "*Company*") and its subsidiaries (collectively referred to as the "*Group*") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission ("*SEC*") on various dates.

The Company was registered with the SEC on November 22, 2005. The Company is owned by IPE Global Holdings Corporation ("*IPE Global*" or "*parent company*"), a company incorporated in the British Virgin Islands (BVI), while IPE Global is owned by IP Ventures, Inc. ("*IPVI*" or "*ultimate parent company*"), a company incorporated in the Philippines.

The Company used to be the leading online game publisher in the country, with a portfolio of massively multiplayer online role-playing games ("*MMORPG*") and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells. Commercial operations began on March 31, 2006. Since then, the Company has launched six (6) MMORPGs and three (3) casual games, and had a network of twenty-eight (28) main distributors and approximately 20,000 outlets (comprised mainly of internet cafes, independent kiosks and mini-marts) that cover the entire Philippine market.

No bankruptcy, receivership or similar proceedings have been filed by the Company since its registration.

The Company is currently in transition from its old business model to a new strategic focus based on market opportunities deemed attractive by the Company's Board of Directors. The Company only has two businesses associated with its old business model particularly, a minority stake in Digital Paradise, Inc. ("DPI")

The company is actively studying to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as Internet of Things (IOT), block chain, artificial intelligence (Al), ARNR and games.

The Registrant is now primarily an investment holding company with a minority stake in DPI. DPI was incorporated in the Philippines and registered with the SEC on July 23, 2002 to engage in, conduct and carry on the business of providing shared community access through the internet, computer leasing, desktop publishing and other Internet-related activities. It has an authorized capital stock of 190,000,000 shares with a par value of ₱1.00 per share and subscribed capital of 130,078,756 shares, or ₱130,078,756.00. The Company acquired seventy-five percent (75%) ownership of DPI on April 1, 2011.

DPI uses the brand Netopia for its chain of Internet cafes in the Philippines. As of December 31, 2017, the DPI had forty (40) company-owned and two (2) franchised branches located in major malls and near schools.

Effective 2017, the Company assigned 62,928,454 of its shares in DPI to Y-Fi Business Solutions, Inc. This reduced the equity of the Company in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of the Company.

Legal Proceedings

The following are the pending material legal proceedings to which the Company is a party, or to which any of the Company's properties are subject, as of December 31, 2025:

1. *People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)*

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "*B.P. 22*"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "*Respondent*") with the Office of the City Prosecutor of Makati City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran, Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2. *IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)*

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("*OCP*") of Makati City by the Company against erring former employees (the "*Respondents*"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents: Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "*RTC*"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

3. *IP E-Game Ventures, Inc. vs. Ana Grace Lao Chan (Crim. Case Nos. 371371-73, Branch 62, Metropolitan Trial Court, Makati City)*

On various dates, Ana Lao Chan (the "*Respondent*"), a distributor of prepaid cards, issued and delivered post-dated checks worth around ₱3,700,000.00 intended as payment for her accountabilities/ indebtedness to the Company. Said checks were dishonored by the drawee bank, hence, criminal cases for violation of B.P. 22 and Estafa were filed against the Respondent on March 16, 2012. The case is now pending before the Metropolitan Trial Court of Makati City, presently in the trial proper stage. Evidence is strong that the Respondent is liable to the Company.

II. MARKET FOR THE ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Company's Common Shares were listed on the Second Board of the Philippine Stock Exchange, Inc. ("*PSE*") on February 17, 2010 under the symbol "EG". On December 31, 2010, the closing price of the Common Shares was P30.00.

On July 26, 2010, the Company's stockholders unanimously approved the increase in the Company's authorized capital stock from ₱100,000,000.00 divided into 100 million common shares with a par value of ₱1.00 each share to ₱300,000,000.00 divided into 300 million common shares with a par value of ₱1.00 each share. The increase was mandated in preparation for the initial public offering of the shares of the Company through PSE.

On December 27, 2011, the SEC approved the reduction in the Company's par value from ₱1.00 per share to ₱0.01 per share. With the decrease in par value, the authorized capital stock of the Company of ₱300,000,000.00 was divided into 30 billion shares. On June 28, 2012, the Company's Board of Directors approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000.00, divided into 30 billion shares with par value of ₱0.01 each, to ₱1,000,000,000.00, divided into 100 billion shares with par value of ₱0.01 each. The Board likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription. On October 25, 2012, the Board approved the amendment of the Amended Articles of Incorporation, increasing the authorized capital stock of the Company to ₱9,000,000,000.00 billion divided into 900 billion shares. On the same date, the Board approved the issue of shares out of the increase in authorized capital stock, the proceeds of which was used to buy into a larger gaming and resort development project.

On November 5, 2012, the Company's Board of Directors approved an amendment of the Company's Amended Articles of Incorporation, increasing the authorized capital stock to ₱50,000,000,000.00 divided into 5 trillion shares.

On May 3 2017, The Philippine Stock Exchange ("PSE") suspended the trading of shares of the Company due to failure to submit its Annual Report using SEC Form 17-A. The Company has commenced its request for lifting of the trading suspension by replying to all the concerns raise by the PSE. The decision regarding the request has yet to be rendered.

Stockholders

The Company has approximately 41 holders of common shares as of September 30, 2026, based on the number of accounts registered with the Company's stock transfer agent, Stock Transfer Service, Inc.

As of September 30, 2026, the Top 20 stockholders of the Company's outstanding common shares and their respective shares held are as follows:

	Name	***No. of Shares***
1	IPE Global Holdings Corp.	170,489,638,425
2	PCD Nominee Corporation (Filipino)	26, 775,413,589
3	IPVG Employees Inc.	14,000,000,000

4	GMA Network Inc.	8,000,000,000
5	GMA New Media Inc.	5,000,000,000
6	PCD Nominee Corporation (Foreign)	1,224,344,200
7	Paramount Life & General Insurance Corporation	1,160,473,600
8	CPG Holdings, Inc.	575,000,000
9	Li Chih-Hui	100,000,000
10	Chi Hui Li	100,000,000
11	Juan Go Santillan	20,000,000
12	Mick Jairo M. Ang	8,000,000
13	Mark Kenneth Torchiva	5,535,500
14	Rosendo G. Lim	5,500,000
15	Kenneth Delbert Lee Lim	5,355,000
16	Stephen Charles Q. Go	5,355,000
17	Marina C. Tan	5,000,000
18	Alberto Ebio Dimaano	4,000,000
19	Lim Sia Marcelo	3,500,000
20	Cerio C. To or Brenda Gayle Lim	1,000,000

Cash Dividends

The Company does not have a specific dividend policy. However, pursuant to the Revised Corporation Code of the Philippines, the shareholders of the Company are entitled to receive a proportionate share in cash dividends that may be declared by the Board of Directors out of surplus profits derived from the Company's operations. The same right exists with respect to a stock dividend, the declaration of which is subject to the approval of stockholders representing at least two-thirds (2/3) of the outstanding shares entitled to vote. The amount to be declared depends on the Company's profits and its capital expenditure and investment requirements at the relevant time.

No dividend declaration was made from 2011 to 2026.

III. THE ISSUER'S DIRECTORS AND EXECUTIVE OFFICERS

The Company's Board of Directors is responsible for the over-all management and direction of the Company. The regular directors are elected during the Annual Stockholders' Meeting, to serve for a term of one year and until their successors are elected and qualified.

As of September 30, 2026, the composition of the Board of Directors was as follows:

Name of Director	*Shareholdings in the Company*		*Nature of Indirect Ownership*
	Direct	*Indirect*	
Jaime Enrique Y. Gonzalez	100	N/A	N/A
Juan Kevin G. Belmonte	100	N/A	N/A
Roger G. Stone	1	N/A	N/A
Srinivas Polishetty	100	N/A	N/A
Ma. Juanita E. Cueto	100	N/A	N/A

The following discussion presents a brief description of the business experience of each of our directors and executive officers over the past five years.

Juan Kevin* G. *Belmonte, Director and Chairman

Juan Kevin G. Belmonte is the President of Nuvoland, a real estate company, and Philstar Global Corporation, which owns and operates philstar.com, a leading portal. He sits on the boards of the Philippine Star Group of Companies and Nuvoland. Mr. Belmonte was a partner at Arthur Andersen & Co./Sycip Gorres Velayo & Co.

Jaime Enrique Y. Gonzalez, Director, President, Chief Executive Officer and Deputy Chairman

Jaime Enrique Y. Gonzalez oversees strategic direction of the IPVI group, and directly handles all investment-related activities including fund-raising, mergers, acquisitions and divestments. Mr. Gonzalez has been intimately involved in the start-up process of all business units,and works with business unit heads to ensure that they meet or exceed operating targets. Mr. Gonzalez has had a successful track record in the internet space, having founded a series of internet start-ups that have been acquired by larger U.S.-based firms match.ph/itzamatch.com) and has taken IPVG from garage to public. Mr. Gonzalez has a Bachelor of Arts in International Politics and Economics from Middlebury College. He attended the program for Masters in Entrepreneurship at the Asian Institute of Management.

Ma. Juanita E. Cueto, Lead Independent Director

Maria Juanita E. Cueto, serves as the Director of the Securities Clearing Corporation of the Philippines. She has in depth experience with regard to trades and securities, banking, policy formation, and the capital markets in general. From June 2001 to 6 June 2014, she held the esteemed position of Commissioner of the Corporate Finance Department and Market Regulation Department of the Securities and Exchange Commission. She was also the President of Yaptinchay Securities Corporation from June 1999 to 2001. In her early years of practice, she worked in both the Department of Trade and Industry and the House of Representatives. She obtained her Bachelor of Laws Degree from the Ateneo de Manila College of Law in 1983 and her Bachelor of Arts in Psychlogy degree in 1978 from the University of the Philippines-Diliman.

Roger* G. *Stone, Director

Roger G. Stone served as the Chief Executive Officer of IQ-Ludorum. Mr. Stone is a UK national with over 35 years of experience in marketing, sales, software development and executive management in the IT and telecommunications industries. He has developed specialized expertise in establishing new operations in emerging markets particularly in Europe and Asia. More than 25 years of his working life has been on international assignments in UK, Austria, Hong Kong, India, Philippines, Vietnam, Thailand and Costa Rica. His career includes 25 years with Unisys Corp., mainly in Asia, heading operations in India and the Philippines. Mr. Stone served as the Head of Unisys Philippines, Tata-Unisys in India and Unisys South Asia. He also served as Head of retail for IDT in Europe for 3 years. He has top management experience and regional expertise in the IT&T industry. He served as the Chairman of the Board at IP-Converge Data Center, Inc. He served as Deputy Chairman of IP-Converge Data Center, Inc. until July 27, 2012 and serves as its Director. He has been a Director of IP E-Game Ventures Inc. Mr. Stone graduated from Loughborough University of Technology in the United Kingdom.

Srinivas Polishetty, Independent Director

Srinivas Polishetty, has been Vice President and Managing Director of American Orient Capital Partners (Philippines) since 1998. Mr. Polishetty serves as Compliance Officer of Arthaland Corp. He served as a Treasurer of IPVG Corp from July 2005 to January 14, 2013 and as Director from February 13, 2004 to January 14, 2013. He is presently a Director of IP Ventures, Inc. He served as an Equity Research Analyst covering Asian utilities and served as a Deputy Director for a leading Indian oil and gas firm. He has over twenty-five years of senior level executive experience. He began his career in 1989 with Oil & Natural Gas Corporation of lridia (ONGCindia) where he served as Deputy Director in its global procurements division. He serves as the Director of Hunter Oil Corp. since January 15, 2015 and he has been a Director of Arthaland Corp. since June 2013. He has an MBA degree from the Asian Institute of Management and McGill University of Montreal. He holds a Chemical Engineering degree from IIT Council.

Mary Jenelle C. Palma, Chief Financial Officer

Mary Jenelle C. Palma is a certified Public Accountant and had stints as Audit Manager in KPMG Manabat Sanagustin & Co. and the Singapore-based PKF-CAP, and is the current Chief Financial Officer of IP Ventures, Inc., an affiliate of the Issuer. Ms. Palma holds a degree in B.S. Accountancy from the University of Santo Tomas, graduating with Cum Laude honors.

Juname C. De Leon, Compliance Officer

Juname C. De Leon has over two decades of experience in legal practice and had previously served as Compliance Officer and Alternative Compliance Officer for the Corporation from January 2008 to March 2013. She has also previously worked in the Philippine Stock Exchange-Market Regulation Division and the Securities and Exchange Commission as a hearing officer. She obtained her Juris Doctor degree from the Ateneo de Manila University Law School.

Mary Zoelli R. Velasco, Corporate Secretary

Mary Zoelli R. Velasco is a Senior Associate at DivinaLaw Offices in the Corporate and Special Projects Group, Immigration, and Intellectual Property Divisions. She likewise serves in other corporate secretarial positions for other companies. She obtained her Juris Doctor degree from the University of the Philippines College of Law- Diliman and Bachelor of Arts degree in Public Administration (Magna Cum Laude) from the same university.

Jose Voltaire A. Bautista, Assistant Corporate Secretary

Jose Voltaire A. Bautista is the internal legal counsel for IP Ventures, Inc. (IPVI) and its affiliates. Pursuant to the Management Agreement with IPVI, it shares its legal department with the Company. He holds a Bachelor of Arts degree, major in Organizational Communications from the University of the Philippines, and a Bachelor of Laws degree from San Beda College, Manila. Prior to joining the IP Ventures Group of Companies in 2010, he practiced law with the law firm Rico & Associates.

IV. FINANCIAL STATEMENTS

Please refer to the consolidated Audited Financial Statements of the Company for the calendar years ended December 31, 2021 and December 31, 2020, which is attached to the Information Statement as **Annexes D** and **E.**

Attached as well are the Annual Reports filed for December 31, 2021 and December 31, 2020 as **Annexes A-1** and **A-2** and filed Quarterly Reports (SEC Form 17-Q) for years 2022, 2023, 2024, 2025, and 2026 as **Annexes A-3-1, A-4-1, A-4-2, A-4-3, A-5-1, A-5-2, A-6-1, A-6-2, A-6-3, A-7-1,** and **A-7-2.**

V. INFORMATION CONCERNING DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

VI. MANAGEMENT'S DISCUSSION AND ANALAYSIS OR PLANT OF OPERATION

Results of Operations

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the Company's future plans, events, operational performance, and desired results.

2026 Financial Highlights

- No significant transactions and disclosures for three-month period ended June 30, 2026.

2025 Financial Highlights

- No significant transactions and disclosures for six-month period ended June 30, 2025.

2024 Financial Highlights

- No significant transactions/disclosures for the year ended Dec. 31, 2024.

2023 Financial Highlights

- No significant transactions and disclosures for the year ended 2023.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above, the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

Key Performance Indicators

The key performance indicators, as of December 31, 2021 with comparative figures of the key performance for December 31, 2020 and 2019, and how they are computed, are listed below.

Note that the 2022 and 2025 financial statements are yet to be audited.

The following financial ratios are deemed to be relevant to the Company:

	For the year ended December 31		
	2021	***2020***	***2019***
Financial Ratios			
Current ratio	0.00	1.17	2.01
Asset to stockholders' equity	1.14	1.17	1.04
Debt to stockholders' equity	0.14	0.17	0.04
Interest rate coverage	-	-	-
Gross margin (in %)	-	-	-
Operating profit (loss) margin (%)	-	-	-
Basic and diluted earnings per share	(0.000)	(0.000)	(0.000)

Current Ratio
This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio
This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio
This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners.

Interest Rate Coverage Ratio
This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin
This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin
This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

VII. CORPORATE GOVERNANCE

On December 19, 2019, the SEC promulgated the Revised Code of Corporate Governance (*SEC Memorandum Circular No. 24, Series of 2019, as revised by SEC Memorandum Circular No. 6, Series of 2009*), amending the previous versions of the Code of Corporate Governance namely SEC Memorandum Circular No. 6, Series of 2009, SEC Memorandum Circular No. 9, Series of 2014, and SEC Memorandum Circular No. 4, Series of 2017, consistent with and in pursuit of the State's policy to promote corporate governance reforms aimed at raising investor confidence, developing the capital market, and helping achieve high, sustained growth for the corporate sector and the economy.

The Code of Corporate Governance prescribes the detailed qualifications and disqualifications, duties, functions and responsibilities of the Board of Directors and each member thereof, the Chairman, the Chief Executive Officer, Chief Financial Officer, Compliance Officer, and the Corporate Secretary. It also mandates the creation of specific board committees in aid of good corporate governance, to wit, an Audit and Compliance Committee, a Nomination Committee and a Compensation Committee, and requires the Board to commit itself to the protection of the rights of stockholders.

To fully comply with the adopted leading practices on good corporate governancee, the Company has prepared and executed a Manual on Corporate Governance which provides for, among others, the following:

(a) Appointment of a Compliance Officer, who shall direct reporting responsibilities to the Chairman of the Board, and monitor compliance with the provisions and requirements of the Manual on Corporate Governance;

(b) Responsibilities, specific duties and functions of the Board of Directors, which includes ensuring that the Company complies with all relevant laws, regulations and codes of

best business practices, adopting a system of internal checks and balances, and identify key risk areas and key performance indicators and monitor these factors with due diligence;

(c) Creation of Board Committees, such as the Audit Committee, the Nomination Committee and the Compensation Committee;

(d) Qualifications of the Company's External Auditor and Internal Auditor;

(e) The conduct of a training process for the purpose of conducting an orientation program or workshop to operationalize the Manual on Corporate Governance;

(f) Procedures for monitoring and assessment compliance with the Manual on Corporate Governance; and

(g) Penalties for non-compliance with the Manual on Corporate Governance.

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

Annex "A-1"

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: August 20, 2026 03:06:40 PM

Company Information

SEC Registration No.: CS200518779
Company Name: IP E-GAME VENTURES INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST108202026811790731
Document Type: ANNUAL_REPORT
Document Code: SEC_Form_17-A
Period Covered: December 31, 2021
Submission Type: Original Filing
Remarks: WITH FS-C AND FS

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

COVER SHEET

C	S	2	0	0	5	1	8	7	7	9

S.E.C. Registration Number

I	P		E	-	G	A	M	E		V	E	N	T	U	R	E	S		I	N	C	.		A	N	D			
S	U	B	S	I	D	I	A	R	Y																				

(Company's Full Name)

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D	o	ń	a		J	u	l	i	a		V	a	r	g	a	s		A	v	e	.		C	o	r	.			
G	a	r	n	e	t		S	t	.		O	r	t	i	g	a	s		C	e	n	t	r	e	,				
P	a	s	i	g		C	i	t	y																					

(Business Address : No. Street Company / Town / Province)

May Jenelle C. Palma	(02) 948-1108
Contact Person	Company Telephone Number

1	2	3	1	SEC Form 17-A	1	2	3	1
Month		*Day*		FORM TYPE	*Month*		*Day*	

Annual Meeting

Secondary License Type, If Applicable

S	E	C	Article VII
Dept. Requiring this Doc.			Amended Articles Number/Section

Total Amount of Borrowings

			4	0	–	–
Total No. of Stockholders					Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document I.D.	Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2021**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines** 6. (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization — Industry Classification Code:

7. **8/F Arthaland Century Pacific Tower, 5th Ave., Bonifacio Global City**
Taguig City
Address of principal office

Postal Code **1634**

Issuer's telephone number, including area code **+63 2 83593715**

8. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

9. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000**

10. Are any or all of these securities listed on a Stock Exchange.

Yes [**x**] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange **Common Shares**

11. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [**x**] No [ ]

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

Yes [**x**] No [ ]

12. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

    The aggregate market value of the voting stock held by non-affiliates of the Company as of December 17, 2021 is ₱ 269,999,996 (29,999,999,599 shares @ ₱0.009/share).

NON-FINANCIAL DISCLOSURE REQUIREMENTS

PART I BUSINESS

(A) Description of Business

(1) Business Development

IP E-Game Ventures, Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group" were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on various dates.

The Company was registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005;

The Company is owned by IPE Global Holdings Corporation ("IPE Global" or "parent company"), a company incorporated in the British Virgin Islands (BVI).

IP E-Game Ventures, Inc. (the Company) used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

Commercial operations began on March 31, 2006. Since then, the Company has launched 6 MMORPGs and 3 casual games, and had a network of 28 main distributors and approximately 20,000 outlets (comprised mainly of internet cafés, independent kiosks and mini-marts) that cover the entire Philippine market.

In October 16, 2007, the Company was registered, with Certificate No. 2007-183, with the Board of Investments (BOI) as a New Information and Communication Technology (ICT) Export Service firm (non-pioneer) in the field of application software/systems development for on-line computer systems. This entitles the Company to certain fiscal and non-fiscal incentives, including, but not limited to: a four-year income tax holiday and an option to avail of bonus years for entitlement of income tax holiday; simplified procedures for the importation of equipment, spare parts, raw materials and supplies with the Bureau of Customs; ten-year exemption from wharfage dues, any export tax, duty, imposts and fees; option to qualify for importation of capital equipment, spare parts and accessories at zero duty; and employment of nationals. Except with respect to the enjoyment of the income tax holiday, these fiscal and non-fiscal incentives shall terminate after a period of not more than ten years from the start of commercial operations.

In January 2011, the Company conducted a rights offering and offered 134,182,216 Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of P145 million, or approximately P1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth P130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

No bankruptcy, receivership or similar proceedings have been filed by the Company since its registration.

The Company is currently in transition from its old business model to a new strategic focus based on market opportunities deemed attractive by the BOD of the company. The Company only has two businesses associated with its old business model namely: a. X-Play Online Games, Incorporated and, b. Digital Paradise Inc.

The Company is actively studying investment opportunities in the Philippine market, focusing on sectors benefiting from digitalization, financial inclusion, and strong consumer demand, including financial services and e-commerce–driven business models.

(2) Business of Issuer:

(a) Description of Registrant

The Registrant is now primarily an investment holding company with active investments in the following subsidiaries/ affiliates.

Associates

Digital Paradise, Inc. ("DPI")
Digital Paradise, Inc. was incorporated in the Philippines and registered with the SEC on July 23, 2002 to engage in, conduct and carry on the business of providing shared community access through the internet, computer leasing, desktop publishing and other Internet-related activities. It has an authorized capital stock of 190,000,000 shares with a par value of P1.00 per share and subscribed capital of 130,078,756 shares, or P130,078,756. The Company acquired 75% ownership of DPI on April 1, 2011.

DPI uses the brand Netopia for its chain of Internet Café in the Philippines. As at December 31, 2017, the Company has 40 company-owned and 2 franchised branches (42 and 2 as at December 31, 2016, respectively) located in major malls and near schools.

Effective in 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. DPI is accounted for via equity accounting method.

(B) Description of Property.

The Company reserves its right to acquire properties that will complement the business portfolio of the Group.

(C) Legal Proceedings.

The following are the pending material legal proceedings to which we and/or any of our affiliates are a party, or of which any of our respective properties are subject, as of December 17, 2021:

- *IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162); Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149*

This is a criminal case for qualified theft filed on 07 Jun 2010 before the Office of the City Prosecutor (OCP) of Makati City by IPE against erring former employees (respondents herein) who took away business income from IPE by manipulating the CABAL (an internet game duly licensed to IPE) upgrade items. OCP of Makati issued a resolution dated 30 December 2010 finding probable cause against the three (3) accused Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58. One of the accused, Milongo, was arrested while the other accused remain at large. On the other hand, the trial court, in its Order dated 27 October 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, accused Milongo was arraigned and thereafter the court heard the petition for bail filed by said accused, which was subsequently denied. On 05 October 2016, accused Milongo was convicted of the crime of theft. The rest of the accused are still at large. In the near term, we foresee no ultimate liability to E-Games because we are the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

PART II SECURITIES OF THE REGISTRANT

(A) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

The Company's Common Shares were listed on the Second Board of the Philippine Stock Exchange, Inc. ("PSE") on February 17, 2010 under the symbol "EG". On December 31, 2010, the closing price of the Common Shares was P30.

On July 26, 2010, the Company's Stockholders unanimously approved the increase in the Company's authorized capital stock from P100 million divided into 100 million common shares with a par value of P1.00 each share to P300 million divided into 300 million common shares with a par value of P1.00 each share. Such increase is in preparation for the mandated IPO of the Company through PSE. As at December 31, 2010, the Company is still in the process of preparing the necessary documentary requirements for its application with the SEC for the aforementioned increase.

On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

Holders

As of December 17, 2021, the top stockholders of the Company's outstanding common shares and their respective shares held are as follows:

	Name	No. of Shares
1.	IPE Global Holdings Corp.	170,489,638,425
2.	PCD Nominee Corporation (Filipino)	26,786,918,589
3.	IPVG Employees Inc	14,000,000,000
4.	GMA Network Inc.	8,000,000,000
5.	GMA New Media Inc.	5,000,000,000
6.	PCD Nominee Corporation (Foreign)	1,217,839,200
7.	Paramount Life & General Insurance Corp.	1,160,473,600
8.	CPG Holdings, Inc	575,000,000
9.	CHIH HUI LI	100,000,000
10.	LI CHIH-HUI	100,000,000
11.	Juan Go Santillan	20,000,000
12.	Mick Jairo M. Ang	8,000,000
13.	Mark Kenneth Torchiva	5,535,500
14.	Rosendo G. Lim	5,500,000
15.	Kenneth Delbert Lee Lim	5,355,000
16.	Stephen Charles Q. Go	5,355,000
17.	Alberto Ebio Dimaano	4,000,000
18.	Lim Sia Marcelo	3,500,000
19.	Cerio C. To OR Brenda Gayle Lim	1,000,000
20.	Irvin Dale P. Valencia	500,000
21.	Efren D. Bautista	500,000
22.	Dondi Ron Roxas Limgenco	111,111
23.	Jesus San Luis Valencia	110,000
24.	Jose Vicente S. Vilar	100,000
25.	Ronaldo S. Ruiz	100,000
26.	Pacifico Tacub	50,000
27.	Nadezhda Iskra Ferranco Herrera	30,000
28.	Julius Victor Emmanuel De Jesus Sanvictores.	10,000
29.	Fe Pugeda Abutin AND/OR Aniano Prodigalidad Abutin	10,000
30.	Owen Nathaniel S AU ITF Li Marcus AU	1,000
31.	Eric P. Paragas	100
32.	Eduardo Martin Trinidad Lichauco	100
33.	Jaime C. Gonzalez	100
34.	Jaime Enrique Y. Gonzalez	100
35.	Juan Kevin G. Belmonte	100
36.	JJ Samuel Soriano	100
37.	Ricardo Gabriel F. Po	100
38.	Srinivas Polishetty	100
39.	Marco Y. Santos	100
40.	Steve Tsao	100

(2) Dividends

The Company does not have a specific dividend policy; however, pursuant to the Corporation Code of the Philippines, the shareholders of the Company are entitled to receive a proportionate share in cash dividends that may be declared by the BOD out of surplus profits derived from the Company's operations. The same right exists with respect to a stock dividend, the declaration of which is subject to the approval of stockholders representing at least two-thirds (2/3) of the outstanding shares entitled to vote. The amount depends on the Company's profits and its capital expenditure and investment requirements at the relevant time.

No dividend declaration was made from 2011 to 2021.

(3) There were no recent sales of unregistered or exempt securities.

(B) Description of Registrant's Securities

(1) Share Capital

As of December 17, 2021 and December 31, 2020, the Company's authorized capital stock of 280 billion at ₱0.01 par value per share were fully issued and outstanding.

(2) Share Issuance

Under the Corporation Code, we can issue shares of stock with such rights, privileges or restrictions as may be provided for in our Articles of Incorporation. Since all the shares comprising our authorized capital stock are common shares and there are no restrictions provided in our Articles of Incorporation, our shares have full voting and dividend rights.

We cannot issue Common Shares for consideration less than the par value of such shares as stated in our Articles of Incorporation. We may, however, issue Common Shares at a premium or for a consideration in excess of the par value of such shares, in which case the amount equal to the amount by which the subscription price exceeds the par value is credited to an account designated as paid-in surplus or additional paid-in capital.

We may repurchase our own shares, provided that we have unrestricted retained earnings to pay for the shares to be acquired or repurchased, for legitimate corporate purpose or purposes. These purposes include, but are not limited to the following: to eliminate fractional shares arising out of stock dividends; to purchase shares of dissenting stockholders exercising their appraisal right; and to collect or settle an indebtedness arising out of an unpaid subscription in a delinquency sale and to purchase delinquent shares sold during sale.

The shares so repurchased become treasury shares, which may again be sold for a reasonable price fixed by our Board. Shares do not have voting rights or dividend rights as long as they remain in the treasury. As of December 17, 2021 and December 31, 2020 we do not hold any treasury shares.

PART III FINANCIAL INFORMATION

The information contained herein should be read in conjunction with the accompanying 2021 audited consolidated financial statement of IP E-Games Ventures, Inc. and 2020 and 2019 audited consolidated financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of December 17 2021 (with comparative figures for December 31, 2020 & 2019) and for the periods ended December 31, 2019 and 2018 (see attached audited financial statements).

(A) Management's Discussion and Analysis of Financial Condition and Results of Operations

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

2021 Financial Highlights

- Effective December 17, 2021, New Wave Strategic Holdings Ltd. ceased to be a subsidiary of the Parent Company and was deconsolidated from the Group's financial statements.
- The Company remained focused on identifying investment opportunities in growth sectors such as, among others, digital finance, renewable energy and other related emerging industries.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industries. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games.

2017 Financial Highlights

- Effective in 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. DPI is accounted for via equity accounting method.

2016 Financial Highlights

- Consolidated revenues slightly increased by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthened the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in

2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan.

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of P56.5 million resulting in a loss of P36,849,137.

- In October 2014, the Company entered into the Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc.

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 billion divided into 280 billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

Selected Financial Data

The selected audited consolidated financial information set forth in the following tables, as prepared by the Company, were derived from the consolidated audited financial statements of the Company as of December 17, 2021 with comparative figures for consolidated audited financial statements for December 31, 2020 and 2019.

The audited financial statement for the year ended December 17, 2021 and audited financial statements as of and for the year ended December 31, 2020, and 2019 were audited by Alas Oplas & Co. The financial statements are all in accordance with PFRS.

Statement of Income Data:	**For the Year ended December 17,**	**For the Year ended December 31,**	**For the Year ended December 31,**
(In Thousand Pesos, except per share data)	**2021**	**2020**	**2019**
	Consolidated	**Consolidated**	**Consolidated**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross loss	33,010	-	-
Other Income			
Operating expenses	(4,750)	(1,439)	(3,508)
Loss on asset written off	(3,340)	(8,492)	-
Loss on partial disposal of investment	-	-	2,500
Impairment losses	(-)	(1,914,282)	(41,288)
Provision for expected credit losses	(113,077)	(88,499)	
Loss before tax	(₱88,157)	(₱2,012,712)	(₱4,296)
Income tax Expense	-	(-)	(50)
LOSS	(₱88,157)	(₱2,012,712)	(₱42,346)
Other comprehensive loss	(₱-)	(₱-)	(₱1,235)
Total Comprehensive Loss	(₱88,157)	(₱2,012,712)	(₱43,581)
Earnings per share:			
Basic	(₱0.0003)	(₱0.0072)	(₱0.0002)
Diluted	(₱0.0003)	(₱0.0072)	(₱0.0002)

Balance Sheet Data: *(In Thousand Pesos)*	For the Year Ended December 17, 2021	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
	Consolidated	**Consolidated**	**Consolidated**
ASSETS			
Cash	16	52	52
Trade and other receivables	-	-	-
Due from related parties	-	118,709	208,976
Other current assets		3,303	3,395
Total current assets	16	122,064	212,423
Investment in subsidiary	-	-	-
Deposit for future investments	-	-	
Financial assets at fair value through other comprehensive income	585,718	585,718	2,508,492
Property and equipment	-	-	-
Deferred tax assets	-	-	-
Other noncurrent assets	-	-	-
Total noncurrent assets	585,718	585,718	2,508,492
TOTAL ASSETS	585,733	707,782	2,720,915
LIABILITIES AND EQUITY			
Trade and other payables	53,096	65,871	66,532
Due to related parties	4,990	26,106	25,867
Due to directors	9,784	9,784	9,784
Provisions for contingencies	2,906	2,906	2,906
Total current liabilities	70,775	104,667	105,089
Share Capital	2,800,000	2,800,000	2,800,000
Share Premium	255,536	255,536	255,536
Deficit	(2,540,578)	(2,452,421)	(396,732)
Other comprehensive loss	-	-	(42,977)
Total Equity	514,958	603,115	2,615,827
TOTAL LIABILITIES AND EQUITY	583,733	707,782	2,720,915

Key Performance Indicators
The key performance indicators, as of December 17, 2021 with comparative figures of the key performance for December 31, 2020 and 2019, and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	December 17	December 31,	
	2021	2020	2019
	Stand-alone	Stand-alone	Stand-alone
Financial Ratios:			
Current ratio (x)	0.00	1.17	2.01
Asset to stockholders' equity (x)	1.14	1.17	1.04
Debt to stockholders' equity (x)	0.14	0.17	0.04
Interest rate coverage (x)	-	-	-
Gross margin (%)	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)
Basic and diluted earnings per share	(0.0000)	(0.0000)	(0.0000)

Current Ratio
This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio
This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio
This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. From 2016 to 2018, the ratios show that it is leaning towards the owners contributing to the Company's capital.

Interest Rate Coverage Ratio
This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin
This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin
This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

Results of Operations
Year ended December 17, 2021 vs. December 31, 2020

A. *Revenues*

Net revenues is nil in 2021 and 2020.

The breakdown of revenues is shown in the following table:

(In Thousand Pesos)	For the Year Ended December 17, 2021		For the Year Ended December 31, 2020		Increase (Decrease)	
	Consolidated		Consolidated			
	₱000	%	₱000	%	₱000	%
E-Games Revenues:						
Game box selling						
In-game advertisements	₱-	0%	₱-	0%	(₱-)	0%
Other sources	-	0%	-	0%	-	0%
Game box selling	-	0%	-	0%	-	0%
In-game advertisements	-	0%	-	0%	-	0%
	₱-	**0%**	**₱-**	**0%**	**(-)**	**(0%)**

B. *Cost of Sales and Services*

The following table shows the major components of our cost of sales and services for the periods indicated.

(In Thousand Pesos)	For the Year Ended December 17, 2021		For the Year Ended December 31, 2020		Increase (Decrease)	
	Consolidated		Consolidated			
	₱000	%	₱000	%	₱000	%
Cards and pins	₱-	0%	₱-	0%	₱-	0%
Rent	-	0%	-	0%	-	0%
Salaries and wages	-	0%	-	0%	-	0%
Utilities	-	0%	-	0%	-	0%
Depreciation and Amortization	-	0%	-	0%	-	0%
Communication and co-location	-	0%	-	0%	-	0%
Maintenance	-	0%	-	0%	-	0%
Royalties	-	0%	-	0%	-	0%
Others	-	0%	-	0%	-	0%
Total Cost of Services	**₱-**	**0%**	**₱-**	**0%**	**₱-**	**0%**

Our cost of services is nil in 2021 and 2020.

C. *Operating Expenses*

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Year Ended December 17, 2021		For the Year Ended December 31, 2020		Increase (Decrease)	
	Consolidated		Consolidated			
	₱000	%	₱000	%	₱000	%
Professional fees	₱3,624	76%	₱1,148	80%	₱2,476	216%
Fees and subscription	329	7%	261	18%	68	26%
Depreciation and Amortization	-	0%	-	0%	(0)	(0%)
Others	7,97	17%	29	2%	768	2,648%

Total Operating Expenses	**₱4,750**	**100%**	**₱1,438**	**100%**	**₱3,312**	**230%**

As a percentage of total net revenues, operating expenses account for 0% for the year ended 2021 and 2020 respectively. Total operating expenses amounted to ₱1.4M and ₱3.5M in 2021 and 2020, respectively, a decrease of 59% or ₱2 million.

D. *Other Income (Charges)*

The following table shows our other income (charges), by amount and percentage of our revenues, for the periods indicated:

(In Thousand Pesos)	**For the Year Ended December 17, 2021**		**For the Year Ended December 31, 2020**		**Increase (Decrease)**	
	₱000	**%**	**₱000**	**%**	**₱000**	**%**
Impairment losses	(₱-)	0%	(₱1,914,282)	95%	₱(1,914,282)	100%
Other Income	33,010	(40%)	-	(0%)	33,010	100%
Others – net	(16,417)	1.40%	(96,991)	5%	(80,574)	83%
	(₱83,407)	**100%**	**(₱2,011,273)**	**100 %**	**(₱1,927,866)**	**96%**

E. *Net Income (Loss)*

Our bottom figure posted a net loss of ₱88 million in 2021 and ₱2 billion in 2020.

F. *Liquidity and Capital Resources*

Our principal source of liquidity is net cash generated from our operations. We also source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

G. *Additional Disclosures*

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

(B) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

(C) Other Information

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the year ended December 17, 2021 on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;
f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

PART IV MANAGEMENT AND CERTAIN SECURITY HOLDERS

(A) Directors, Executive Officers, Promoters and Control Persons

(1) Directors and Executive Officers

Our BOD is responsible for the over-all management and direction of the Company. The regular directors were elected during the annual meeting of the stockholders every July of each year, to serve for a term of one year and until their successors are elected and qualified.

As of December 17, 2021, the composition of our BOD is as follow:

Name of Person	Shareholdings in the Listed Company		Nature of Indirect Ownership
	Direct	Indirect	
Juan Kevin G. Belmonte	100	-	-
Jaime Enrique Y. Gonzalez	100	-	-
Maria Juanita E. Cueto	100	-	-
Roger G. Stone	1	-	-
Srinivas Polishetty	100	-	-

As of December 17, 2021, the composition of our executive officers is as follow:

Name of Person	**Position**	**Shareholdings in the Listed Company**		**Nature of Indirect Ownership**
Juan Kevin G. Belmonte	Chairman	100	-	-
Jaime Enrique Y. Gonzalez	Deputy Chairman, President and Chief Executive Officer	100	-	-
Mary Jenelle C. Palma	Acting Chief Financial Officer	-	-	-
Mary Zoelli R. Velasco	Corporate Secretary	-	-	-
Juname C. De Leon	Compliance Officer and Alternative Corporate Information Officer			
Jose Voltaire A. Bautista	Assistant Corporate Secretary	-	-	-

The following discussion presents a brief description of the business experience of each of our directors and executive officers over the past five years.

Juan Kevin G. Belmonte, Chairman of the Board
Juan Kevin G. Belmonte is the President of Nuvoland, a real estate company, and Philstar Global Corporation, which owns and operates philstar.com, a leading portal. He sits on the boards of the Philippine Star Group of Companies and Nuvoland. Mr. Belmonte was a partner at Arthur Andersen & Co./SycipGorresVelayo& Co. (“SGV”).

Jaime Enrique Y. Gonzalez, President, Chief Executive Officer and Deputy Chairman
Jaime Enrique Y. Gonzalez oversees strategic direction of the IPVI group, and directly handles all investment-related activities including fund-raising, mergers, acquisitions and divestments. Mr. Gonzalez has been intimately involved in the start-up process of all business units, and works with business unit heads to ensure that they meet or exceed operating targets. Mr. Gonzalez has had a successful track record in the internet space, having founded a series of internet start-ups that have been acquired by larger U.S.-based firms match.ph/itzamatch.com) and has taken IPVG from garage to public. Mr. Gonzalez has a Bachelor of Arts in International Politics and Economics from Middlebury College. He attended the program for Masters in Entrepreneurship at the Asian Institute of Management.

Maria Juanita E. Cueto, Director
Atty. Maria Juanita E. Cueto is a seasoned lawyer, capital-markets regulator and securities-clearing executive. She previously served as Commissioner of the Philippine Securities and Exchange Commission from approximately 2001 to 2014, following an earlier career in the securities brokerage industry. She subsequently held senior leadership and board positions

with the Securities Clearing Corporation of the Philippines, Inc., where she contributed to the development and administration of the country's securities clearing and settlement infrastructure. She presently serves as Lead Independent Director of IP E-Game Ventures, Inc. Her professional experience encompasses securities regulation, market infrastructure, corporate governance, clearing and settlement, investor protection, and emerging financial technologies. Atty. Cueto obtained her law degree from Ateneo de Manila University and her undergraduate degree from the University of the Philippines.

Roger G. Stone, Director
Roger G. Stone served as the Chief Executive Officer of IQ-Ludorum. Mr. Stone is a UK national with over 35 years experience in marketing, sales, software development and executive management in the IT and telecommunications industries. He has developed specialized expertise in establishing new operations in emerging markets particularly in Europe and Asia. More than 25 years of his working life has been on international assignments in the UK, Austria, Hong Kong, India, Philippines, Vietnam, Thailand and Costa Rica. His career includes 25 years with Unisys Corp., mainly in Asia, heading operations in India and the Philippines. Mr. Stone served as the Head of Unisys Philippines, Tata-Unisys in India and Unisys South Asia. He also served as Head of retail for IDT in Europe for 3 years. He has top management experience and regional expertise in the IT&T industry. He served as the Chairman of the Board at IP-Converge Data Center, Inc. He served as Deputy Chairman of IP-Converge Data Center, Inc. until July 27, 2012 and serves as its Director. He has been a Director of IP E-Game Ventures Inc. Mr. Stone graduated from Loughborough University of Technology in the UK.

Srinivas Polishetty, Independent Director
Srinivas Polishetty, also known as Srini, has been Vice President and Managing Director of American Orient Capital Partners (Philippines) since 1998. Mr. Polishetty serves as Compliance Officer of Arthaland Corp. He served as a Treasurer of IPVG Corp from July 2005 to January 14, 2013 and as Director from February 13, 2004 to January 14, 2013. He is presently a Director of IP Ventures, Inc. He served as an Equity Research Analyst covering Asian utilities and served as a Deputy Director for a leading Indian oil and gas firm. He has over twenty-five years of senior level executive experience. He began his career in 1989 with Oil & Natural Gas Corporation of India (ONGCindia) where he served as Deputy Director in its global procurements division. He has been Director of Enhanced Oil Resources, Inc. since December 18, 2014. He has been a Director of Arthaland Corp. since June 2013.. He has an MBA degree from the Asian Institute of Management and McGill University of Montreal. He holds Chemical Engineering from IIT Council.

Mary Zoelli R. Velasco, Corporate Secretary

Mary Zoelli Regalado Velasco. Atty. Velasco is an Associate of DivinaLaw Offices since 2018, and is involved in the practice areas of Corporate Division and Special Projects, Corporate Housekeeping, Immigration and Naturalization, and Intellectual Property. She holds a Juris Doctor degree from the College of Law, University of the Philippines-Diliman, and a Bachelor of Arts degree major in Public Administration from the National College of Public Administration, graduating as College Salutatorian with Magna Cum Laude honors.

Mary Jenelle C. Palma Acting Chief Financial Officer
Mary Jenelle C. Palma is a Certified Public Accountant by profession with more than 17 years of combined experience in public accounting practice, finance and accounting, and business advisory roles. Ms. Palma has assumed the CFO and Controllership roles for various companies and is adept in Financial Reporting, Budgeting, and Tax compliance. Ms. Palma has extensive experience in the field of external audit having worked for several years with KPMG Philippines. She was also one of the country trainers for the firm's audit methodology alongside her audit role. She also served as an Audit Manager in one of the audit firms in Singapore. Ms. Palma graduated Cum Laude from the University of Santo Tomas in 2003 and obtained her CPA license in the same year.

Jose Voltaire A. Bautista, Asst. Corporate Secretary and Internal Legal Counsel
Jose Voltaire A. Bautista is the internal legal counsel for the IP Ventures, Inc. and its affiliates. Pursuant to our Management Agreement with IPVI, IPVI shares its legal department with the Company. He holds a Bachelor of Arts degree, major in Organizational Communications, from the University of the Philippines, and a Bachelor of Laws degree from San Beda College in Manila, Philippines. Prior to joining the IP Ventures group of companies in 2010, Mr. Bautista practiced law with the law firm, Rico & Associates.

Juname C. De Leon, Compliance Officer and Alternative Information Officer
Juname C. De Leon has over two decades of experience in legal practice and had previously served as Compliance Officer and Alternative Compliance Officer for the Corporation from January 2009 to March 2013. She has also previously worked in the Philippine Stock Exchange-Market Regulation Division (CMIC) and the Securities and Exchange Commission as a hearing officer. She obtained her Juris Doctor degree from the Ateneo de Manila University Law School.

(2) Significant Employee

While we value the contribution of each executive and non-executive employee, no single employee who is not an executive officer is expected to make a significant contribution to the business. Other than standard employment contracts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

(3) Family Relationships

Jaime C. Gonzalez, Chairman, is the father of Jaime Enrique Y. Gonzalez, President and Chief Executive Officer.

(4) Involvement in Certain Legal Proceedings

To the best of our knowledge, there has been no occurrence during the past five years up to the date of this report of any of the following events that are material to an evaluation of the ability or integrity of any of our directors and executive officers:

(a) 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;

(b) 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;

(c) 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

(d) 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.

(B) Executive Compensation

(1) General

(a) All Compensation Covered

As a standard arrangement with our Board, an allowance or per diem, as may be fixed by the Board, is given to each member of the Board during each regular meeting of our Board, provided that the said director participates in the said meeting. Additionally, our By-Laws provides that an amount which shall not exceed 10.0% of our net income before income tax during the preceding year, may by resolution of the Board, be allocated to and distributed among the members of the Board. Such compensation shall be determined and apportioned among the members in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

Our By-Laws further provides that the officers enumerated therein (i.e., the Chairman of the Board, the President, the Vice-Presidents, the Treasurer and the Corporate Secretary) shall receive such remuneration as the Board may determine. All other officers shall receive such remuneration as the Board may determine upon recommendation of our President.

The following are our executive officers including our chief executive officer and our four most highly compensated executive officers other than our chief executive officer for the years 2021-2016:

Year	Name	Position
2021	(1) Gonzalez, Jaime Enrique	Chief Executive Officer
2020	(1) Gonzalez, Jaime Enrique	Chief Executive Officer
2019	(1) Gonzalez, Jaime Enrique	Chief Executive Officer
2018	(1) Gonzalez, Jaime Enrique	Chief Executive Officer
2017	(1) Gonzalez, Jaime Enrique	Chief Executive Officer
2016	(1) Gonzalez, Jaime Enrique	Chief Executive Officer

(2) Summary Compensation Table

(a) General

Presented below is the table which shows the aggregate annual compensation received by the executive officers named above for the calendar years 2016 to 2021:

	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION	TOTAL
Most highly compensated officers named above	2016	-	-	-	-
	2017	-	-	-	-
	2018	-	-	-	-
	2019	-	-	-	-
	2020	-	-	-	-
	2021	-	-	-	-
All officers and directors as a group unnamed	2016	-	-	-	-
	2017	-	-	-	-
	2018	-	-	-	-
	2019	-	-	-	-
	2020	-	-	-	-
	2021	-	-	-	-

(3) Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

There are no special employment contracts between us and our named executive officers.

Our standard employment contract for officers contains the following salient provisions:

We have the right to transfer, relocate and reassign the officer to a similar position in any one of our subsidiaries and/or affiliates in accordance with operational demands and

requirements, provided such transfer, relocation and reassignment shall not result in diminution of compensation and benefits already vested to the officer.

Salary and benefits which the officers are entitled to include: (a) a monthly basic salary, which shall be subject to withholding tax and any deductions that the we are authorized or required by law to make; (b) pre-approved business-related expenses incurred, such as travel, accommodation, food and communication expenses, shall be for our account and shall be subject to reimbursement; (c) cellular phone entitlement; (d) opportunity to be part of our employee stock option plan; and (e) monthly communication and gasoline allowance.

The officer is prohibited, during his employment, from working for another employer and/or engaging in any activity prejudicial to our interests or which will interfere with the officer's job performance, whether within or outside working hours.
Our standard employment contract for managers contains the following salient provisions:

Depending on operation requirements, the manager may be assigned to other jobs and locations. The manager may also be temporarily detailed or assigned to any affiliated company at such time and for such duration as we may determine.

The manager shall be subject to a six months probationary period. Should the manager's performance be found satisfactory during the probationary period, his employment shall be converted to a regular status.
The manager shall receive a monthly basic salary guaranteed at 13 months per annum. The basic salary shall be subject to annual review, taking into consideration the manager's performance and achievement of mutually agreed goals.

The manager is prohibited, during his employment, from working for another employer and/or engaging in any activity prejudicial to our interests or which will interfere with the manager's job performance, whether within or outside working hours.

Except as described above, there are no other arrangements pursuant to which any of our directors and officers was compensated, or is to be compensated, directly or indirectly since our incorporation in November 2005.

(5) Warrants and Options Held by the Executive Officers and Directors

As of December 17, 2021 and December 31, 2020, none of our directors and executive officers hold any warrants or options in the company.

(6) Other Arrangements

Except as described above, there are no other arrangements pursuant to which any of our directors and officers was compensated, or is to be compensated, directly or indirectly since our incorporation in November 2005.

(C) Security Ownership of Certain Record and Beneficial Owners and Management.

(1) Security Ownership of Certain Record and Beneficial Owners

Following is the security ownership of record and beneficial owners of more than 5.0% of the common shares of the Company as of December 17, 2021:

Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	%
IPE Global Holdings Corp	Various stockholders	Filipino	170,489,638,425	75.94
PCD Nominee Corp. (Filipino)	Various stockholders	Filipino	26,786,918,589	11.78
IPVG EMPLOYEES INC.	Various stockholders	Filipino	14,000,000,000	6.15

Other than the abovementioned, there are no other stockholders owning more than 5.0% of the Company's securities.

(2) Security Ownership of Management

The following is the security ownership (common shares) of the Company's management as of December 17, 2021.

Name of Beneficial Owner and Relationship with Issuer	Citizenship	Number of Shares Held; Nature of Beneficial Ownership	%
Juan Kevin G. Belmonte - Chairman	Filipino	100 (direct)	-nil-
Jaime Enrique Y. Gonzalez - Deputy Chairman, President	Filipino	100 (direct)	-nil-
Roger Stone – Director	British	1 (direct)	-nil-
Maria Juanita E. Cueto - Director	Filipino	100 (direct)	-nil-
Srinivas Polishetty - Director	Indian	100 (direct)	-nil-

(3) Voting Trust Holders of 5% Or More

We have no knowledge of any voting trust agreements or any other similar arrangement which may result in a change in control of the Company.

(4) Changes in Control

In July 2011, the Company is 69.75%-owned by IPE Global Holdings Corporation (IPE Global or Parent Company), a company incorporated in the British Virgin Islands and 23.59%-owned by IPVG Corp. (IPVG), a company incorporated in the Philippines and whose shares are also listed in the PSE. IPE Global was 71%-owned by IPVG, making IPVG the ultimate parent of the Company. On the same date, the shareholders and the Board of Directors (BOD) of IPVG approved IPVG's Restructuring Plan, which aims to increase shareholder value and potentially generate cash for IPVG. As part of the Restructuring Plan, IP Ventures Inc. (IPVI) was incorporated in the Philippines on September 16, 2011. IPVI is owned by the same shareholders of IPVG in the same proportion as their shareholdings in the latter. Following the formation of IPVI, IPVG transferred substantially all its assets and liabilities, including its equity interest in the shares of the stock of the Company pursuant to the Asset Purchase Agreement (APA) dated September 28, 2011. As a result of the APA, IPVI became the ultimate parent of the Company.

Throughout 2016 and 2017, the Company listed additional shares for public ownership. As a result, the controlling interest vested in the Parent Company was diversified into various stockholders.

Due to the last increase in authorized capital and related subscription agreements IPE Global Holding Corp is now the controlling shareholder.

(D) Certain Relationships and Related Transactions

In the ordinary course of business, we enter into transactions with associates, affiliates, subsidiaries and other related parties consisting principally of cash advances and reimbursement of expenses, various guarantees, management and service agreements and intercompany charges. Please refer to the notes of the audited financial statements as of December 31, 2018 and 2017 for the significant transactions with related parties.

Meanwhile, there has been no material transaction during the past two years involving the Company or any of our subsidiaries in which a director, executive officer or stockholder owning 10.0% or more of the total outstanding shares and members of the immediate family of such director, executive officer or stockholder had or is to have a direct or indirect material interest. Moreover, we do not have any transaction or relationship with other non-related parties, with whom we (or our related parties) have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm's length basis.

PART V CORPORATE GOVERNANCE

On April 5, 2002, the SEC promulgated the Code of Corporate Governance (SEC Memorandum Circular No. 2, Series of 2002, as revised by SEC Memorandum Circular No. 6, Series of 2009) consistent with and in pursuit of the State's policy to promote corporate governance reforms aimed at raising investor confidence, developing the capital market, and helping achieve high, sustained growth for the corporate sector and the economy. This Code applies to all corporations whose securities are registered or listed, corporations which are grantees of permits/licenses and secondary franchise from the SEC. It also applies to public companies and branches or subsidiaries of foreign corporations operating in the Philippines whose securities are registered or listed. Each of these corporations is required to promulgate and adopt its corporate governance rules and principles.

The Code of Corporate Governance prescribes the detailed qualifications and disqualifications, duties, functions and responsibilities of the Board of Directors and each member thereof, the Chairman, the Chief Executive Officer, and the Corporate Secretary. It also mandates the creation of specific board committees in aid of good corporate governance, to wit, an Audit and Compliance Committee, a Nomination Committee and a Compensation Committee, and requires the Board to commit itself to the protection of the rights of stockholders.

To fully comply with the adopted leading practices on good corporate governance, we have prepared and executed our Corporate Governance Manual which is currently pending review and evaluation by the SEC. Our Corporate Governance Manual provides for, among others, the following:

Appointment of a compliance officer, who shall hold the position of a Corporate Secretary, and have direct reporting responsibilities to the Chairman of the Board, and monitor compliance with the provisions and requirements of the Corporate Governance Manual;

Responsibilities, specific duties and functions of the BOD, which includes ensuring that the Company complies with all relevant laws, regulations and codes of best business practices, adopting a system of internal checks and balances, and identify key risk areas and key performance indicators and monitor these factors with due diligence;

Creation of Board Committees, such as the Audit Committee, the Nomination Committee and the Compensation Committee;

Qualifications of the Company's External Auditor and Internal Auditor;

The conduct of a training process for the purpose of conducting an orientation program or workshop to operationalize the Corporate Governance Manual;

Procedures for monitoring and assessment compliance with the Corporate Governance Manual; and

Penalties for non-compliance with the Corporate Governance Manual.

ANNEX "A"

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: July 14, 2026 04:20:14 PM

Company Information

SEC Registration No.: CS200518779
Company Name: IP E-GAME VENTURES INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST107142026811726053
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2021
Submission Type: Consolidated
Remarks: None

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

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	5	1	8	7	7	9

COMPANY NAME

I	P		E	-	G	A	M	E		V	E	N	T	U	R	E	S		I	N	C	.		A	N	D				
S	U	B	S	I	D	I	A	R	Y																					

PRINCIPAL OFFICE *(N. Street /Barangay/City/ Town)Province*)

3	4	T	H		F	L	O	O	R		R	C	B	C		P	L	A	Z	A		T	O	W	E	R		2		
6	8	1	9		A	Y	A	L	A		A	V	E	N	U	E		M	A	K	A	T	I		C	I	T	Y		

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
official.ip.egame@gmail.com	N/A	0917 122 0114

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
39	16-Feb	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
MARY JENELLE PALMA	jenelle@ceza.io	N/A	0917 122 0114

CONTACT PERSON's ADDRESS

34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City

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

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

C O N T E N T S

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY 8

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") is responsible for the preparation and fair presentation of consolidated financial statements including the schedules attached therein, for the period January 1, 2021 to December 17, 2021 and year ended December 31, 2020, in accordance with the prescribed financial reporting framework indicated therein, and 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders of the Group.

Alas, Oplas & Co., CPAs, the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group 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.

JUAN KEVIN BELMONTE
Chairman of the Board

JAIME ENRIQUE Y. GONZALEZ
Chief Executive Officer/President

MARY JENELLE PALMA
Chief Financial Officer/Treasurer

Signed this 18th day of May, 2026

SUBSCRIBED & SWORN TO
BEFORE ME THIS JUL 09 2026
IN QUEZON CITY

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304528 / 1/05/2026-Q.C.
IBP NO. INV 562041 / 12-01-2025-Q.C.
Roll No. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add: 473 Don Serrano Road, Barangay
San Roque Murphy, Quezon City

DOC. NO. 175
PAGE NO. 36
BOOK NO. LIII
SERIES OF 2026

Alas Oplas & Co., CPAs

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Bulacan Isabela Nueva Ecija Bacolod Iloilo
Legazpi La Union Laguna

INDEPENDENT AUDITORS' REPORT TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have examined the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") for the period January 1, 2021 to December 17, 2021 on which we have rendered the attached report dated May 18, 2026.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the said Group has a total number of thirty-nine (39) stockholders owning one hundred (100) or more shares each.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2026, issued on February 6, 2026; effective until February 5, 2029
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period (Extended until Audit Period 2025)
TIN 232-158-286-000
PTR No. 10767236, issued on January 5, 2026, Makati City

May 18, 2026
Makati City, Philippines

BKR INTERNATIONAL INDEPENDENT MEMBER

Alas Oplas & Co., CPAs

7/F Philippine AXA Life Centre
1286 Sen. Gil Puyat Avenue
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Email: aocheadoffice@alasoplas.com
Website: www.alasoplascpas.com

Offices:
Makati Alabang Ortigas Paranaque Cavite
Bulacan Isabela Nueva Ecija Bacolod Iloilo
Legazpi La Union Laguna Quezon Province FCIE

INDEPENDENT AUDITORS' REPORT

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

Opinion

We have audited the consolidated financial statements of **IP E-GAME VENTURES INC.** (the "Group") which comprise the consolidated statements of financial position as of December 17, 2021 and December 31, 2020, and the consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the period January 1, 2021 to December 17, 2021, years ended December 31, 2020, and 2019, and the notes to the consolidated financial statements, including material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 17, 2021 and December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the period January 1, 2021 to December 17, 2021, years ended December 31, 2020, and 2019 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated financial statements* section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 consolidated opinion on these matters. For the matters below, our description of how our audit addressed the matter is provided in that context.

Recoverability and Derecognition of Advances and Liabilities Involving Related Parties

As disclosed in Note 9 to the consolidated financial statements, the Group recognized an Expected Credit Loss (ECL) of ₱113.08 million on advances to related parties and derecognized advances from related parties amounting to ₱20.24 million in 2021. These transactions are material to the consolidated financial statements and involve significant management judgment in assessing the recoverability of advances and the appropriateness of derecognition of liabilities.

BKR INTERNATIONAL INDEPENDENT MEMBER

Audit response

We obtained and reviewed management's assessment of the recoverability of advances to related parties and the derecognition of advances from related parties. Our procedures included:

- Evaluating the assumptions and methodology used by management in estimating the ECL in accordance with PFRS 9, including the assessment of credit risk, historical payment behavior, and forward-looking information.
- Assessing the financial capacity of related parties to repay the advances by reviewing their audited financial statements, cash flow forecasts, and other relevant data.
- Reviewing supporting documentation for the derecognition of advances from related parties, including agreements, correspondence, and evidence of extinguishment of the liability.
- Testing the accuracy and completeness of disclosures in Note 9 to ensure compliance with the disclosure requirements of PAS 24 (Related Party Disclosures) and PFRS 9.
- Challenging management's judgments and estimates through inquiries and corroboration with external and internal evidence.

Derecognition of Trade and Other Payables

As disclosed in Note 15 to the consolidated financial statements, the Group derecognized long-outstanding trade and other payables amounting to ₱12.77 million, which were recognized as other income during the period.

This matter was considered a Key Audit Matter due to the materiality of the amount and the significant judgment involved in determining whether the obligations continue to exist, including assessment of aging, historical activity, absence of creditor claims, and other indicators that the liabilities are no longer valid obligations of the Group.

Audit response

We obtained and reviewed management's assessment supporting the reversal of long-outstanding trade and other payables amounting to ₱12.77 million, as disclosed in Note 15 to the consolidated financial statements. Our audit procedures included:

- Reviewing aging schedules and historical payment records to determine the nature, duration, and inactivity of the payables.
- Inspecting available supporting documentation, such as supplier contracts, correspondence, and legal opinions, to assess whether the obligations were still enforceable.
- Obtaining external confirmations from selected counterparties to validate the existence, status, and enforceability of the payables, and to corroborate management's assertion that no further claims are expected.
- Evaluating the reasonableness of management's judgments, including consideration of absence of demand for payment and other indicators of extinguishment of obligation.
- Reviewing disclosures in the financial statements to ensure transparency and adequacy in accordance with the relevant financial reporting framework.

Provisions and Contingencies

As disclosed in Note 23 to the consolidated financial statements, the Group is involved in several legal proceedings arising from the ordinary course of business. Management is required to apply significant judgment in determining whether these matters give rise to a present obligation requiring recognition of a provision, or whether they should be disclosed as contingent liabilities, including the estimation of the amount of any provision recognized.

This matter was considered a Key Audit Matter due to the judgment involved in assessing the probability and potential financial impact of the legal proceedings, particularly in respect of the case with Beijing Perfect World Software, Inc., for which a provision has been recognized.

Audit response

Our audit procedures in respect of provisions and contingencies included the following:

- Discussing the status of significant legal proceedings with management and obtaining representations regarding management's assessment of the likelihood and potential financial impact of each case.
- Obtaining and reviewing written legal opinions from the Group's external legal counsel covering material litigation matters, including the basis for classifying each case as a provision or contingent liability.
- Evaluating management's assessment of the probability of outflows and the estimation of provisions recognized, with particular focus on the case with Beijing Perfect World Software, Inc.
- Assessing whether the recognition of provisions and disclosure of contingent liabilities are consistent with the requirements of the applicable financial reporting framework.
- Evaluating the adequacy and transparency of disclosures in Note 23 to the consolidated financial statements.

Consolidation Process

The Group's consolidated financial statements comprise the financial statements of IP E-Game Ventures Inc. and its subsidiary after the elimination of material intercompany transactions. The Group's consolidation process is significant to our audit because of the complexity of the process. It involves identifying and elimination various intercompany transactions and balances to properly reflect the consolidated financial position of the Group, its consolidated financial performance and its consolidated cash flows in accordance with PFRSs.

Audit response

We obtained an understanding of the Group structure and its consolidated policy and process, including the procedures for identifying intercompany transactions and reconciling intercompany transactions and reconciling intercompany balances.

We verified the accuracy and appropriateness of intercompany elimination entries, such as but not limited to, elimination of investment in subsidiaries, elimination of intercompany transactions and balances, and other significant consolidation adjustments.

We reviewed the sufficiency and adequacy of disclosures in the Group's consolidated financial statements in accordance with PFRSs.

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 and Annual Report for the period ended December 17, 2021. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the period ended December 17, 2021 are expected to be made available to us after the date of this auditors' 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 audits 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 audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with PFRS Accounting Standards, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the 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.
- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.
- Obtain sufficient audit evidence regarding the financial information of the entities of 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 audit. We are solely responsible for our audit opinion.

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, related safeguards.

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the 2021 audit resulting in this independent auditors' report is Ryan A. Sabug.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner

CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2026, issued on February 6, 2026; effective until February 5, 2029
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period (Extended until Audit Period 2025)
TIN 232-158-286-000
PTR No. 10767236, issued on January 2, 2026, Makati City

May 18, 2026
Makati City, Philippines

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 17, 2021 AND DECEMBER 31, 2020
In Philippine Peso

	Notes	**2021**	2020
ASSETS			
Current Assets			
Cash	11	**15,692**	52,198
Trade and other receivables – net	12	**–**	–
Advances to related parties	9	**–**	118,708,627
Prepayments and other current assets	13	**–**	3,303,121
Total Current Assets		**15,692**	122,063,946
Non-current Asset			
Financial assets at fair value through other comprehensive income	14	**585,717,719**	585,717,719
TOTAL ASSETS		**585,733,411**	707,781,665
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Trade and other payables	15	**53,096,194**	65,871,105
Advances from related parties	9	**4,989,692**	26,106,401
Due to stockholders	9	**9,783,783**	9,783,783
Provision for contingencies	23	**2,905,661**	2,905,661
Total Liabilities		**70,775,330**	104,666,950
EQUITY			
Share capital	16	**2,800,000,000**	2,800,000,000
Share premium	16	**255,535,853**	255,535,853
Deficit		**(2,540,577,772)**	(2,452,421,138)
Total Equity		**514,958,081**	603,114,715
TOTAL LIABILITIES AND EQUITY		**585,733,411**	707,781,665

See Notes to the Consolidated Financial Statements.

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021, YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Notes	2021	2020	2019
Other income	17	**33,010,215**	–	2,500,000
Operating expenses	18	**(4,750,468)**	(1,438,722)	(3,507,766)
Impairment loss	14	**–**	(1,914,282,281)	–
Loss on asset written off	19	**(3,339,627)**	(8,491,720)	(41,256,400)
Provision for expected credit losses	20	**(113,076,754)**	(88,499,329)	(31,468)
Loss before tax		**(88,156,634)**	(2,012,712,052)	(42,295,634)
Income tax expense	21	**–**	–	(50,000)
LOSS		**(88,156,634)**	(2,012,712,052)	(42,345,634)
Other comprehensive loss	14	**–**	–	(1,235,282)
TOTAL COMPREHENSIVE LOSS		**(88,156,634)**	(2,012,712,052)	(43,580,916)
LOSS PER SHARE				
Basic and diluted	22	**(0.0003)**	(0.0072)	(0.0002)

See Notes to the Consolidated Financial Statements.

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021, YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Share capital (Note 16)	Share premium (Note 16)	Deficit	Other comprehensive loss (Note 14)	Total
Balance at December 31, 2018	2,800,000,000	255,535,853	(354,385,915)	(41,742,255)	2,659,407,683
Comprehensive income:					
Loss for the year	–	–	(42,345,634)	–	(42,345,634)
Unrealized loss on financial assets at FVOCI	–	–	–	(1,235,282)	(1,235,282)
Total comprehensive loss	–	–	(42,345,634)	(1,235,282)	(43,580,916)
Balance at December 31, 2019	2,800,000,000	255,535,853	(396,731,549)	(42,977,537)	2,615,826,767
Comprehensive income:					
Loss for the year	–	–	(2,012,712,052)	–	(2,012,712,052)
Unrealized loss on financial assets at FVOCI – reclassification adjustment	–	–	(42,977,537)	42,977,537	–
Total comprehensive loss	–	–	(2,055,689,589)	42,977,537	(2,012,712,052)
Balance at December 31, 2020	2,800,000,000	255,535,853	(2,452,421,138)	–	603,114,715
Comprehensive income:					
Loss for the year	–	–	(88,156,634)	–	(88,156,634)
Total comprehensive loss	–	–	(88,156,634)	–	(88,156,634)
Balance at December 17, 2021	**2,800,000,000**	**255,535,853**	**(2,540,577,772)**	**–**	**514,958,081**

See Notes to the Consolidated Financial Statements

IP E-GAME VENTURES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021, YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Notes	**2021**	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		**(88,156,634)**	(2,012,712,052)	(42,295,634)
Adjustments for:				
Provision for expected credit losses	20	**113,076,754**	88,499,329	31,468
Income from reversal of payables		**(33,010,215)**	–	–
Loss on asset written off except cash	19	**3,303,121**	8,491,720	41,256,400
Impairment loss		**–**	1,914,282,281	–
Operating cash flows before working capital changes		**(4,786,974)**	(1,438,722)	(1,007,766)
Increase (Decrease) in prepayments and other current assets		**–**	92,400	(50,400)
Decrease in trade and other payables		**–**	(660,795)	(2,323,500)
Net cash used in operating activities		**(4,786,974)**	(2,007,117)	(3,381,666)
CASH FLOWS FROM INVESTING ACTIVITY				
Collection of advances to related parties	9	**–**	1,767,893	3,381,666
CASH FLOWS FROM FINANCING ACTIVITY				
Proceeds from advances from related parties	9	**4,750,468**	239,224	–
NET DECREASE IN CASH		**(36,506)**	–	–
CASH AT BEGINNING OF YEAR		**52,198**	52,198	52,198
CASH AT END OF YEAR	11	**15,692**	52,198	52,198

See Notes to the Consolidated Financial Statements.

1. CORPORATE INFORMATION

1.01 IP E-Game Ventures Inc. (the "Parent Company")

The Parent Company was incorporated and registered with the SEC on November 22, 2005. The principal activities of the Parent Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish thru joint venture or otherwise, internet shops; provide internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management, technical and maintenance support and services; and as a consequence and as may be necessarily useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Parent Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Parent Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Group's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Parent Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Parent Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City. On May 22, 2015, the Parent Company's Board of Directors has approved the change of principal office address from 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City to 1003 10th Floor, Centerpoint Condominium, Garnet Road corner Julia Vargas Avenue, Ortigas Center, Pasig City. The Parent Company is domiciled in the Philippines.

1.02 New Wave Strategic Holdings Ltd. (the "Subsidiary")

The Subsidiary was registered and incorporated in the British Virgin Islands on May 19, 2017, under the BVI Business Companies Act 2004 (as amended). The Subsidiary is established to exercise its powers to do the following:

1. Grant options over unissued shares in the Company and treasury shares;
2. Issue securities that are convertible into shares;
3. Give financial assistance to any person in connection with the acquisition of the Company's owns shares
4. Issue debt obligations of any kind and grant options, warrants and rights to acquire debt obligations;
5. Guarantee a liability or obligation of any person and secure any of its obligations by mortgage, pledge or other charge, of any of its assets for that purpose; and
6. Protect the assets of the Company for the benefit of the Company, its creditors and its members and, at the discretion of the directors, for any person having a direct or indirect interest in the Company.

On January 1, 2019, the Parent Company acquired 50,000,000 shares of the Subsidiary at US$1.00 per share, representing 100% of the Subsidiary's outstanding capital stock.

The Parent Company and the Subsidiary are collectively known as the "Group".

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial and Sustainability Reporting Standards Committee (FSRSC) and adopted by the SEC.

2.02 Basis of Preparation

The consolidated financial statements are prepared on a going concern basis under the historical cost convention, except for financial assets at fair value through other comprehensive income.

2.03 Presentation and Functional Currency

The consolidated financial statements are presented in Philippine Peso, which is the functional and presentation currency of the Parent Company. Each entity determines its own functional currency, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity, and items included in the financial statements of each entity are measured using that functional currency.

All financial information expressed in Philippine Peso has been rounded off to the nearest Peso, unless when otherwise indicated.

2.04 Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its Subsidiary, which it controls as at December 31, 2019. Control is achieved when the Parent is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent controls an investee if and only if the Parent has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
b. Exposure, or rights, to variable returns from its involvement with the investee, and
c. The ability to use its power over the investee to affect its returns

When the Parent has less than a majority of the voting or similar rights of an investee, the Parent considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee
b. Rights arising from other contractual arrangements
c. The Parent's voting rights and potential voting rights

The Parent re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent obtains control over the subsidiary and ceases when the Parent loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Parent gains control or until the date the Group ceases to control the Subsidiary.

The financial statements of the Subsidiary are prepared for the same reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions including inter-group unrealized profits and losses are eliminated in preparing the consolidated financial statements.

The financial statements of the Subsidiary are included in the consolidated financial statements from the date when the Parent Company obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the Subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

2.05 Use of Judgments and Estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Group's consolidated financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.06 Going Concern Assumption

The Group is not aware of any significant uncertainties that may cast doubts upon the Group's ability to continue as a going concern.

2.07 Comparative Information

The Parent Company lost control over the Subsidiary effective December 17, 2021. The amounts presented in the Group's consolidated statements of financial position, consolidated statements of comprehensive loss, consolidated statements of changes in equity, and consolidated statements of cash flows are for the period January 1, 2021 to December 17, 2021 only and accordingly, not comparable to the amounts presented for the years ended December 31, 2020 and 2019.

3. ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

3.01 New and Amended Standards and Interpretations Effective on January 1, 2021

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.01.01 Amendments to PFRS 16, Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to PFRS 16:

- permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021);
- require a lessee applying the amendment to do so for annual reporting periods beginning on or after 1 April 2021;
- require a lessee applying the amendment to do so retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
- specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of PAS 8.

3.02 Standards Issued but Not Yet Effective (Effective Beginning on or After January 1, 2022)

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

3.02.01 Annual Improvements to PFRS Standards 2018-2020

PFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. A subsidiary can elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements.

A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

PFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

PFRS 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements.

No effective date is stated.

PAS 41 Agriculture
The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value.

The management of the Group is still evaluating the impact of the new standards.

3.02.02 Amendments to PAS 37: Onerous Contracts – Costs of Fulfilling a Contract
The amendment specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments published today are effective for annual periods beginning on or after 1 January 2022.

The management of the Group is still evaluating the impact of the new standard.

3.02.03 Amendments to PAS 16, Property, Plant and Equipment - Proceeds before Intended Use
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to PAS 16) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments published today are effective for annual periods beginning on or after 1 January 2022.

The management of the Company is still evaluating the impact of the new standard.
3.02.04 Amendments to PFRS 3, Reference to the Conceptual Framework
The changes include:

- update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- add to PFRS 3 a requirement that, for transactions and other events within the scope of PAS 37 or Philippine IFRIC 21, an acquirer applies PAS 37 or Philippine IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- add to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments published today are effective for annual periods beginning on or after 1 January 2022.

The management of the Group is still evaluating the impact of the new standard.

3.02.05 Amendments to PAS 1, Classification of Liabilities as Current or Non-current
The amendments affect only the presentation of liabilities in the separate statements of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Group is still evaluating the impact of the new standard.

3.02.06 Amendments to PAS 8, Definition of Accounting Estimates

The changes focus entirely on accounting estimates and clarify the following:

- Under the new definition, accounting estimates are "monetary amounts in consolidated financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in consolidated financial statements to be measured in a way that involves measurement uncertainty.
- Clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Group is still evaluating the impact of the new standard.

3.02.07 Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative – Accounting Policies

- An entity is now required to disclose its material accounting policy information (MAPI) instead of its significant accounting policies (SAP);
- Explains how an entity can identify MAPI and to give examples of when accounting policy information is likely to be material;
- Clarified that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- Clarified that accounting policy information is material if users of an entity's consolidated financial statements would need it to understand other material information in the consolidated financial statements; and
- Clarified that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

Guidance and examples are added to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Group is still evaluating the impact of the new standard.

3.02.08 Amendments to PAS 12, Deferred Tax related to Assets and Liabilities from a Single Transaction

The main change is an exemption from the initial recognition exemption provided in PAS 12.15(b) and PAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph PAS 12.22A.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Group is still evaluating the impact of the new standard.

3.02.09 Amendments to PFRS 17, Insurance Contracts

The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

PFRS 17 supersedes PFRS 4 'Insurance Contracts' and related interpretations.

The FRSC amended the mandatory effective date of PFRS 17 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of IFRS 17 by two (2) years after its effective date as decided by the IASB.

The standard is not applicable to the Group.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Group recognizes financial assets when the entity becomes party to the contractual provision of the financial instruments.

4.01.01 Classification and Impairment of Financial Assets

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Group's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell. The Group may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Group had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in consolidated statements of comprehensive income.

As of December 17, 2021 and December 31, 2020, the Group has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Group may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation.* This option is available and made on an instrument-by-instrument basis.

Dividends from equity instruments held at FVOCI are recognized in consolidated statements of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to consolidated statements of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost

As part of its classification process, the financial assets of the Group are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using effective interest method, less in impairment in value.

The Group's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

The Group considers a financial asset in default when contractual payments are more than 91 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the consolidated statements of financial position as current asset when they are expected to be expensed within one year or the entity's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Impairment of Non-Financial Assets

At each reporting date, the Group assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.04 Financial Liabilities and Equity Instruments

4.04.01 Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements

4.04.02 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Group's consolidated statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by the Group since its inception. Deficit is reduced by profits.

Unappropriated retained earnings are accumulated earnings of the Group available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.04.03 Financial Liabilities

Financial liabilities are classified as either financial liabilities ‘at FVPL’ or ‘other financial liabilities’.

The Group’s financial liabilities as presented in the consolidated statements of financial position comprise of trade and other payables excluding government payables, due to stockholder and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.04.04 Derecognition of Financial Liabilities

The Group derecognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.05 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.06 Provisions, Contingent Liabilities and Contingent Assets

4.06.01 Provisions
Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.06.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.07 Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent.

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

Revenues outside the scope of PFRS 15

Interest income
Interest income is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.08 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.09 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.10 Related Parties and Related Party Transactions

4.10.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Group, post-employment benefit plans for the benefit of Group's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Group that gives them significant influence in the financial and operating policy decisions of the Group are also considered to be related parties.

4.10.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Group when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Group.

4.11 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.11.01 Current Income Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.11.02 Deferred Income Tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.12 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.13 Events After the Reporting Date

The Group identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Group's financial position at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when the consolidated financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

5.01.01 Distinction Between Provisions and Contingencies
Management exercises judgment in distinguishing provisions from contingent liabilities for legal proceedings, considering whether a present obligation exists, the likelihood of an outflow of resources, and the ability to reliably estimate the amount. These judgments are based on the facts of each case and consultation with external legal counsel. Accordingly, a provision was recognized for Beijing Perfect World Software, Inc., while other legal matters were disclosed as contingent liabilities.

5.01.02 Classification of Financial Assets

The Group follows the guidance of PFRS 9 in classifying financial assets at initial recognition whether it will be subsequently measured at fair value through other comprehensive income, at amortized cost, or at fair value through profit or loss. The Group determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. The Group determines whether the contractual cash flows associated with the financial asset are solely payments of principal and interest (the "SPPI"). If the instrument fails the SPPI test, it will be measured at fair value through statement of comprehensive income.

5.01.03 Recognition of Reversal of Payables as Other Income

Management exercised significant judgment in determining whether certain aged and inactive trade and other payables should be derecognized.

In making this assessment, management considered several factors, including:

- The length of time the payables have remained outstanding;
- The absence of claims or demand for payment from counterparties; and
- Management's assessment that the related obligations are no longer valid or enforceable based on available information.

Based on these considerations, management concluded that the obligations no longer exist and derecognized the liabilities. The resulting amounts were recognized as other income in the 2021, as disclosed in Note 17.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Assessment for ECL on Trade Receivables

The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Group has recognized provision for ECL on trade and other receivables amounting nil in 2021 and 2020 and ₱31,468 in 2019. The carrying amount of trade and other receivables is nil, net of allowance for ECL amounting to ₱3,772,468, as of December 17, 2021 and December 31, 2020, as disclosed in Note 12.

5.02.02 Assessment for ECL on Other Financial Assets at Amortized Cost

The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and,
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 91 days past to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Company has assessed that the advances to related parties may be impaired because there are no firm repayment terms and the recoverability is not assured due to the operational status of the related entities. The Company has recognized provision for ECL on advances to related parties amounting to ₱113,076,754, ₱88,499,329 and ₱31,468 in 2021, 2020 and 2019, respectively. The carrying amount of advances to related parties, net of allowance for ECL, amounted to nil and ₱118,708,627 as of December 17, 2021 and December 31, 2020, respectively, as disclosed in Note 9.

5.02.03 Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

As of December 17, 2021, management assessed that the Group's property and equipment no longer provides future economic benefits and is therefore subject to write-off.

5.02.04 Realization of Deferred Tax Assets

The Group reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

No deferred tax assets relating to NOLCO, MCIT, and allowance for expected credit losses were recognized as of December 17, 2021 and December 31, 2020, since management believes that the Group will not generate future taxable income that may allow the deferred tax assets to be utilized. As of December 17, 2021 and December 31, 2020, deferred tax assets not recognized amounted to ₱53,097,404 and ₱21,804,587, respectively, as disclosed in Note 21.

5.02.04 Provision and Contingencies

The Group is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 23. The estimates of probable losses are developed in consultation with external legal counsel and are based on management's assessment of the expected outcome, timing, and financial impact of each case. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 23.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Group's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, financial assets at FVOCI and trade and other payables. The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2021		2020
Financial assets					
Cash	11	₱	**15,692**	₱	52,198
Trade and other receivables – net	12		**–**		–
Advances to related parties	9		**–**		118,708,627
Financial assets at FVOCI	14		**585,717,719**		585,717,719
		₱	**585,733,411**	₱	704,478,544
Financial liabilities					
Trade and other payables*	15	₱	**28,828,609**	₱	41,603,520
Advances from related parties	9		**4,989,692**		26,106,401
Due to stockholders	9		**9,783,783**		9,783,783
		₱	**43,602,084**	₱	77,493,704

**excluding statutory and other payables to government agencies amounting to ₱24,267,585 as of December 17, 2021 and December 31, 2020.*

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group principally transacts with its related party.

The Group does not have significant credit risk exposure to any single counterparty.

Also, the Group manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the consolidated financial statements represents the Group's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Group as of December 17, 2021 and December 31, 2020, without considering the effects of credit risk mitigation techniques.

	Notes		2021		2020
Cash in banks	11	₱	**15,692**	₱	52,198
Trade and other receivables – gross	12		**3,772,468**		3,772,468
Advances to related parties	9		**201,576,083**		207,207,956
Financial assets at FVOCI	14		**585,717,719**		585,717,719
		₱	**791,081,962**	₱	796,750,341

The Group does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subject to 12-month ECL (Stage 1) or lifetime ECL (Stage 2 and Stage 3).

2021	**12-month ECL (Stage 1)**	**Lifetime ECL – not credit impaired (Stage 2)**	**Lifetime ECL – credit impaired (Stage 3)**	**Measured at fair value**	**Total**
Cash in banks	15,692	–	–	–	15,692
Trade and other receivables	–	–	3,772,468	–	3,772,468
Advances to related parties	–	–	201,576,083	–	201,576,083
Financial assets at FVOCI	–	–	–	585,717,719	585,717,719
	15,692	**–**	**205,348,551**	**585,717,719**	**791,081,962**

2020	12-month ECL (Stage 1)	Lifetime ECL – not credit impaired (Stage 2)	Lifetime ECL – credit impaired (Stage 3)	Measured at fair value	Total
Cash in banks	52,198	–	–	–	52,198
Trade and other receivables	–	–	3,772,468	–	3,772,468
Advances to related parties	207,207,956	–	–	–	207,207,956
Financial assets at FVOCI	–	–	–	585,717,719	585,717,719
	207,260,154	–	3,772,468	585,717,719	796,750,341

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment

The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

Trade and other receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed per customer type, credit terms, offsetting arrangements. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking information.

The aging analysis of trade and other receivables is presented in Note 12.

Other financial assets at amortized cost

The Group's other financial assets at amortized cost pertain to cash in banks and advances to related parties. The Group limits its exposure to credit risk by investing its cash only with banks with good credit standing and reputation in the local and international banking industry. Also, the Group transacts only with parties with good credit rating, thus risk of default is low.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2021	On Demand	Within 1 Year	Over 1 Year	Total
Cash	₱ 15,692	₱ –	₱ –	₱ 15,692
Trade and other receivables	3,772,468	–	–	3,772,468
Advances to related parties	201,576,083	–	–	201,576,083
Financial assets at FVOCI	585,717,719	–	–	585,717,719
	₱ 791,081,962	**₱ –**	**₱ –**	**₱ 791,081,962**

2020	On Demand	Within 1 Year	Over 1 Year	Total
Cash	₱ 52,198	₱ –	₱ –	₱ 52,198
Trade and other receivables	3,772,468	–	–	3,772,468
Advances to related parties	207,207,956	–	–	207,207,956
Financial assets at FVOCI	585,717,719	–	–	585,717,719
	₱ 796,750,341	₱ –	₱ –	₱ 796,750,341

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2021	**On Demand**	**Within 1 Year**	**Over 1 Year**	**Total**
Trade and other payables*	₱ 28,828,609	₱ –	₱ –	₱ 28,828,609
Advances from related parties	4,989,692	–	–	4,989,692
Due to stockholder	9,783,783	–	–	9,783,783
	₱ 43,602,084	**₱ –**	**₱ –**	**₱ 43,602,084**

**Excluding statutory and other payables to government agencies amounting to ₱24,267,585.*

2020	On Demand	Within 1 Year	Over 1 Year	Total
Trade and other payables*	₱ 41,603,520	₱ –	₱ –	₱ 41,603,520
Advances from related parties	26,106,401	–	–	26,106,401
Due to stockholder	9,783,783	–	–	9,783,783
	₱ 77,493,704	₱ –	₱ –	₱ 77,493,704

**Excluding statutory and other payables to government agencies amounting to ₱24,267,585.*

7. FAIR VALUE MEASUREMENTS

The following table summarizes the carrying amounts and the fair values by level of the fair value hierarchy of the Group's financial assets that are carried at fair value as at December 17, 2021 and December 31, 2020.

2021	**Carrying Amount**	**Fair Value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements:					
Financial assets at FVOCI	585,717,179	–	–	585,717,179	585,717,179

2020	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Recurring fair value measurements:					
Financial assets at FVOCI	585,717,179	–	–	585,717,179	585,717,179

7.01 Fair Value Hierarchy

The Group uses the following hierarchy as guide for determining fair value of financial instruments:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchange;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability that are not based on observable market data (observable inputs). This level includes equity investment (if any,) and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

As of December 17, 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

7.02 Fair Value Determination

Basis or assumptions in determining the fair value of financial instruments are disclosed below:

7.02.01 Cash in Banks
The estimated fair value of fixed interest-bearing deposits is made based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

7.02.02 Trade and Other Receivables and Advances to Related Parties
Trade and other receivables are net of allowance for expected credit losses. The estimated fair value of trades and other receivables and advances to related parties represents the discounted amount of estimated future cash flows expected to be received.

7.02.03 Financial Assets at FVOCI
Financial assets at FVOCI pertain to investments in shares of stocks not traded in an active market. Since alternative reliable measurements of fair value are not available, management deemed that the investee's net assets multiplied by the Group's percentage share is the best estimate of the fair value of the investment.

7.02.04 Trade and Other Payables and Other Financial Liabilities
Due to their short duration, the carrying amounts of trade and other payables and other financial liabilities in the statements of financial position are considered to be reasonable approximations of their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and equity of the Group (comprising issued capital, share premium, and retained earnings).

The Group is not subject to any externally imposed capital requirements. The Group's Board of Directors reviews the capital structure of the Group on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2021		2020
Debt	₱	**70,775,330**	₱	104,666,950
Cash		**(15,692)**		(52,198)
Net Debt	₱	**70,759,638**	₱	104,614,752
Equity		**514,958,081**		603,114,715
Net debt to equity ratio		**0.14:1**		0.17:1

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Group that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

The Group's related parties are as follows:

Company	Relationship
IP Ventures, Inc.	Ultimate Parent
IPE Global Holdings Corp.	Parent
IPVG Employees, Inc.	Entity Under Common Control
GRCO Mining Isulan Corporation	Entity Under Common Control
Highlands Coffee Philippines Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
I-Pay Commerce Ventures, Inc.	Entity Under Common Control
Level Up, Inc.	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control
X-Play Online Games Incorporated	Entity Under Common Control
Y-Fi Business Solutions, Inc.	Entity Under Common Control

Entities under common control refer to entities that are ultimately controlled by the same parties.

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2021		2020
IPE Global Holdings Corp.	₱	**81,357,960**	₱	81,357,960
Y-Fi Business Solutions, Inc.		**62,928,454**		62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**16,409,794**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
X-Play Online Games Incorporated		**7,141,369**		7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-Pay Commerce Ventures, Inc.		**217,476**		217,476
		201,576,083		207,207,956
Allowance for expected credit losses		**(201,576,083)**		(88,499,329)
	₱	**–**	₱	118,708,627

Movement of allowance for ECL on advances to related parties is disclosed below:

		2021		2020
Balance, January 1	₱	**88,499,329**	₱	–
Provision		**113,076,754**		88,499,329
Balance, December 17/31	₱	**201,576,083**	₱	88,499,329

9.02.02 Advances from Related Parties

Advances from related parties represents advances to support the Group's operations, amounting to ₱4,989,692 and ₱26,106,401 as of December 17, 2021 and December 31, 2020, respectively.

In 2021, management assessed that several related parties to which the advances pertain have remained dormant and non-operational. Additionally, no claims have been made over the past years in relation to these advances. Accordingly, the Company has reversed the outstanding balances amounting to ₱20,235,304, which have been recognized as part of other income, as disclosed in Note 20. Management, however, will continue to monitor these related parties for any potential future claims or developments that may affect the recoverability of previously reversed amounts.

9.02.04 Due to Stockholder

Due to stockholder pertains loans from the stockholder to the Company, amounting to ₱9,783,783 as of December 17, 2021 and December 31, 2020.

9.03 Key Management Personnel Compensation

Key management personnel received per diem amounting to ₱583,000 for 2021, as disclosed in Note 18. However, no compensation was received for 2021, 2020, and 2019.

During 2021 and 2020, the Group entered into the following transactions with related parties:

Transactions and Advances to and from Related Parties for the year 2021 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to	₱ –	₱ 22,518,475	On demand; non-interest bearing	Unsecured, fully-impaired
Parent:				
IPE Global Holdings Corporation				
a. Advances to	–	81,357,960	On demand; non-interest bearing	Unsecured, fully-impaired
Entities under common control:				
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, fully-impaired
Highlands Coffee Philippines, Inc.				
a. Advances from	(361,312)	–	On demand; non-interest bearing	Unsecured
IPE Global Pte Ltd				
a. Advances to	(5,631,873)	16,409,794	On demand; non-interest bearing	Unsecured, fully-impaired
b. Advances from	(5,631,873)	–	On demand; non-interest bearing	Unsecured
I-Pay Commerce Ventures, Inc.				
a. Advances to	–	217,476	On demand; non-interest bearing	Unsecured, fully-impaired
IPVG Employees, Inc.				
a. Advances from	4,750,468	4,989,692	On demand; non-interest bearing	Unsecured
Level-Up Inc.				
a. Advances from	(873,992)	–	On demand; non-interest bearing	Unsecured, fully-impaired
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	–	1,072,645	On demand; non-interest bearing	Unsecured, fully-impaired
Webworx Computer Technology Corporation				
a. Advances from	(19,000,000)	–	On demand; non-interest bearing	Unsecured
X-Play Online Games, Incorporated				
a. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, fully-impaired
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, fully-impaired
Stockholder:				
a. Due to	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ (5,631,873)**	**₱ 201,576,083**		
Total advances from	**₱ (21,116,709)**	**₱ 4,989,692**		
Total due to	**₱ –**	**₱ 9,783,783**		

Transactions and Advances to and from Related Parties for the year 2020 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to	₱ (1,767,893)	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Parent:				
IPE Global Holdings Corporation				
b. Advances to	–	81,357,960	On demand; non-interest bearing	Unsecured, no impairment
Entities under common control:				
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc.				
a. Advances from	–	361,312	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
I-Pay Commerce Ventures				
a. Advances to	–	217,476	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees, Inc.				
a. Advances from	239,224	239,224	On demand; non-interest bearing	Unsecured, no impairment
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
Advances to	–	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
Webworx Computer Technology Corporation				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
X-Play Online Incorporated				
a. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Stockholder:				
a. Due to	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	₱ (1,767,893)	₱ 207,207,956		
Total advances from	₱ 239,224	₱ 26,106,401		
Total due to	₱ –	₱ 9,783,783		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. BUSINESS COMBINATION

On January 1, 2019, the Parent Company acquired 50,000,000 shares of the Subsidiary, representing 100% ownership, for US$1.00 a share, or a total consideration of US$50,000,000, equivalent to ₱2.5 billion.

The fair values of the identified assets and liabilities of the Subsidiary at the time of acquisition and the purchase price was allocated as follows:

		Amount
Investment in equity securities	₱	2,500,000,000
Percentage share of net assets acquired		100%
Net assets acquired	₱	2,500,000,000

11. CASH

Cash represents cash in bank, amounting to ₱15,692 and ₱52,198 as of December 17, 2021 and December 31, 2020, respectively.

During 2021, the Group wrote-off some of its cash since management believes that its recoverability is doubtful. Loss on asset written off recognized in 2021 amounted to ₱36,506, as disclosed in Note 19.

Interest income generated from cash in banks and cash equivalent amounted to nil for 2021, 2020 and 2019.

12. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables consist of:

		2021		2020
Trade receivables	₱	**3,741,000**	₱	3,741,000
Advances to officers and employees		**31,468**		31,468
		3,772,468		3,772,468
Allowance for expected credit losses		**(3,772,468)**		(3,772,468)
	₱	**–**	₱	–

Aging of trade and other receivables are as follows:

		2021		2020
Current:				
1 – 30 days outstanding	₱	**–**	₱	–
Past due:				
31 – 60 days outstanding		**–**		–
61 – 90 days outstanding		**–**		–
over 90 days outstanding		**3,772,468**		3,772,468
Balance at December 17/31	₱	**3,772,468**	₱	3,772,468

Movement of allowance for ECL on trade and other receivables is disclosed below:

		2021		2020
Balance, January 1	₱	**3,772,468**	₱	3,772,468
Provision		**–**		–
Balance, December 17/31	₱	**3,772,468**	₱	3,772,468

13. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Group's prepayments and other current assets are shown below:

		2021		2020
Prepaid taxes	₱	**–**	₱	1,929,281
Advances to suppliers		**–**		887,429
Deposit		**–**		486,411
	₱	**–**	₱	3,303,121

Prepaid taxes consist of tax credit carried over for the next period. Deposit pertains to advance rental paid by the Group to its previous lessor. In 2021, the Company assessed and decided that no future economic benefits are expected to be received from the prepaid taxes, advances to suppliers and deposit; thus, these accounts amounting to ₱3,303,121 was written off as disclosed in Note 19.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The account consists of investment in shares of stocks of the following entities:

		2021		2020
Winvest Vietnam Investments Ltd.	₱	**2,500,000,000**	₱	2,500,000,000
Digital Paradise, Inc.		**–**		–
Total cost		**2,500,000,000**		2,500,000,000
Allowance for impairment		**(1,914,282,281)**		(1,914,282,281)
At December 17/31	₱	**585,717,719**	₱	585,717,719

Such investments were presented as financial assets at FVOCI since it is not held for trading.

In 2020, a revaluation of the investment in Winvest Vietnam Investments Ltd. has been performed due to an indication of potential impairment of land lease value. A development of a five-star hotel was planned at the proposed site, with an assumption that the surrounding areas will see a sharp increase in recreational economic activities. However, with the onset of COVID-19, the development of the hotel could not be achieved in due time and the commercial development of the whole area has been postponed indefinitely.

Due to the above conditions, the Group recognized an impairment loss on its investment in Winvest Vietnam Investments Ltd. amounting to ₱1,914,282,281 in 2020.

Movements in the account are disclosed below:

		2021		2020
Balance, January 1	₱	**585,717,719**	₱	2,508,491,720
Write-off (Note 19)		**–**		(8,491,720)
Impairment loss		**–**		(1,914,282,281)
Balance, December 17/31	₱	**585,717,719**	₱	585,717,719

No dividends were received from this investment for the years ended December 17, 2021 and December 31, 2020.

15. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

		2021		2020
Trade payables	₱	**13,991,152**	₱	25,475,002
Output VAT		**12,817,156**		12,817,156
Accrued expenses		**12,000,224**		11,788,254
Withholding taxes		**11,450,429**		11,450,429
Other non-trade payables		**2,837,233**		4,340,264
	₱	**53,096,194**	₱	65,871,105

Trade payables are payables which are related directly to the Group's primary operations. Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Subscriptions payable pertain to subscription of IPVG Employees, Inc. (IEI) to Cosamera Resorts Corporation (CRC) assigned to the Group.

Other non-trade payables pertain to payables not directly related to the Group's core operating business.

In 2021, the Company derecognized previously recognized trade and other payables amounting to ₱12,774,911, which were assessed to be no longer valid obligations of the Company. The derecognized payables mainly relate to long-outstanding balances with no recent transaction activity and with no demand for settlement from the counterparties for an extended period. Based on management's assessment, these obligations were determined to be inactive and no longer payable. Accordingly, the amounts were reversed and recognized as other income, as disclosed in Note 17.

16. EQUITY

16.01 Share Capital and Premium

The share capital and premium of the Group is as follows:

		2021		2020
Share capital	₱	**2,800,000,000**	₱	2,800,000,000
Share premium		**255,535,853**		255,535,853
	₱	**3,055,535,853**	₱	3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2021		2020	
	Shares	**Amount**	Shares	Amount
Authorized share capital				
₱0.01 par value	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid,				
December 17/31	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date, the Group has a total number of 39 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

17. OTHER INCOME

The Company recognized miscellaneous income due to written-off of the following accounts:

	Notes	**2021**	2020	2019
Advances from related				
parties	9	**₱ 20,235,304**	₱ –	₱ –
Trade and other payables	15	**12,774,911**	–	–
Subscription payable		**–**	–	2,500,000
		₱ 33,010,215	₱ –	₱ 2,500,000

Subscriptions payable pertain to subscription of IPVG Employees, Inc. (IEI) to Cosamera Resorts Corporation (CRC) assigned to the Company.

IEI subscribed to 500,000 shares of CRC at a par value of ₱10 per share, or a total of ₱5,000,000. Out of the total amount, ₱2,500,000 was already paid by IEI. On March 2, 2012, IEI executed a deed of assignment wherein IEI assigns its subscription of CRC's shares of stocks to the Company, and the Company will assume the payment of the unpaid subscription equivalent to ₱2,500,000. In 2019, the payable was reversed to other income.

18. OTHER EXPENSES

The account is composed of the following operating expenses:

	Note	**2021**	2020	2019
Professional fees		**₱ 3,623,550**	₱ 1,148,461	₱ 2,524,912
Directors' fees	9	**583,000**	–	–
Listing fees		**329,409**	261,000	567,840
Fines and penalties		**200,893**	–	155,000
Taxes and licenses		**–**	–	500
Others		**13,616**	29,261	259,514
		₱ 4,750,468	₱ 1,438,722	₱ 3,507,766

Others pertain to meals, company meetings, and miscellaneous expenses.

19. LOSS ON ASSET WRITTEN OFF

Loss on assets written off consists of the following:

	Notes	2021	2020	2019
Loss on write-off of:				
Prepayments and other current assets	13	₱ **3,303,121**	₱ –	₱ –
Cash	11	**36,506**	–	–
Financial assets at FVOCI	14	**–**	8,491,720	–
Other non-current asset		**–**	–	41,256,400
		₱ **3,339,627**	₱ 8,491,720	₱ 41,256,400

In 2019, the Company wrote off its other non-current assets, recognizing loss on assets written off amounting to ₱41,256,400. No other non-current assets were written off in 2021 and 2020.

20. PROVISIONS FOR EXPECTED CREDIT LOSSES

Details of the account is disclosed below:

	Notes	2021	2020	2019
Provision for expected credit losses on:				
Advances to related parties	9	₱ **113,076,754**	₱ 88,499,329	₱ –
Trade receivables	12	**–**	–	31,468
		₱ **113,076,754**	₱ 88,499,329	₱ 31,468

21. INCOME TAXES

21.01 Income Tax Recognized in Profit or Loss

Components of income tax expense from MCIT are as follows:

	2021	2020	2019
Current tax expense - MCIT	₱ **–**	₱ –	₱ 50,000

A numerical reconciliation between tax expense and the product of accounting loss multiplied by the tax rate in 2021 follows:

	2021	2020	2019
Accounting loss	₱ **(88,156,634)**	₱ (2,012,712,052)	₱ (42,295,634)
Tax benefit at 25%/25%/30%	**(22,039,159)**	(503,178,013)	(12,688,690)
Additions to income tax resulting from:			
Unrecognized DTA on provision for ECL	**28,269,189**	22,124,832	9,440
Unrecognized DTA on NOLCO	**1,137,394**	359,681	255,830
Non-deductible expenses	**885,130**	480,693,500	12,423,420
Non-taxable income	**(8,252,554)**		
Excess MCIT over RCIT	**–**	–	50,000
	₱ **–**	₱ –	₱ 50,000

21.02 Net Operating Loss Carry-over (NOLCO)

Under Section 24 of NIRC, the net operating loss of the Group for any taxable year immediately preceding the current taxable year which had not been previously offset as deduction from gross income, shall be carried over as a deduction from gross income for the next three consecutive taxable years immediately following the year of such loss.

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

Details of Group's NOLCO which can be applied as special deduction against future taxable are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2019	852,766	–	–	–	852,766	2022
2020	1,438,722	–	–	–	1,438,722	2025
2021	4,549,575	–	–	–	4,549,575	2026
₱	**6,841,063**	**₱ –**	**₱ –**	**₱ –**	**6,841,063**	

21.03 Minimum Corporate Income Tax (MCIT)

Section 27(E) of the National Internal Revenue Code of 1997 provides that an MCIT of two percent (2%) of the gross income as of the end of the taxable year is imposed on a taxable corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operation, when the MCIT is greater than RCIT for the taxable year.

Details of Group's MCIT which can be claimed as tax credits against regular income tax are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2019	**₱ 50,000**	**₱ –**	**₱ –**	**₱ –**	**50,000**	**2022**

21.04 Deferred Tax Assets

Details of the Group's unrecognized deferred tax assets are disclosed below:

		2021		2020
Allowance for expected credit losses	**₱**	**51,337,138**	₱	21,181,715
NOLCO		**1,710,266**		572,872
MCIT		**50,000**		50,000
	₱	**53,097,404**	₱	21,804,587

21.05 Republic Act No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Law

On February 03, 2021, the final provisions of Senate Bill No. 1357 and House Bill No. 4157 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Bill, which seeks to reform corporate income taxes and incentives in the country, had been ratified by the Senate and the House of Representatives of the Philippines.

Under the bill, the corporate income tax will be reduced from the current 30% to 20% for domestic corporations with total assets not exceeding ₱100 million, excluding land, and total net taxable income of not more than P5 million. The corporate income tax of all other corporations, meanwhile, will be lowered to 25%. The bill would also lower the MCIT from 2% to 1% effective July 1, 2020 until June 30, 2023.

Other key provisions of the CREATE bill include:

1. One percent tax rate for Proprietary Educational Institutions and Hospitals which are non-Profit effective July 1, 2021 until June 30, 2023
2. Value-added tax (VAT) exemption threshold for socialized and low-cost housing to ₱2.5 million and P4.2 million for house and lot
3. VAT exemption for medicines for cancer, mental illness, tuberculosis, and kidney diseases
4. VAT-free importation and sale of COVID-19 medicines, PPEs beginning until December 31, 2023
5. Reduced preferential tax rates from 10% to 1% for non-profit hospitals and educational institutions effective July 1, 2021 to June 30, 2023.

Also, CREATE bill grants up to 17 years of incentives, including four to seven years of income tax holiday and 10 years of special corporate income tax or enhanced deduction, for exporters and for "critical" domestic market enterprises, which will be defined by the National Economic and Development Authority.

For other domestic market enterprises, the CREATE bill gives up to 12 years of incentives, including four to seven years of income tax holiday and five years of special corporate income tax or enhanced deductions.

The CREATE bill is enacted into a law by the President of the Philippines on March 26, 2021.

22. EARNINGS PER SHARE

The Group's basic and diluted earnings per share are presented below:

22.01 Basic Loss per Share

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

		2021		2020		2019
Loss used in the calculation of total basic earnings per share	₱	**(88,156,634)**	₱	(2,012,712,052)	₱	(42,345,634)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000		280,000,000,000
Basic EPS	₱	**(0.0003)**	₱	(0.0072)	₱	(0.0002)

The Group has no dilutive potential common shares outstanding in 2021, 2020 and 2019. Thus, basic and diluted EPS are stated at the same amount.

23. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

23.01 Provision

23.01.01 Beijing Perfect World Software, Inc.

On May 9, 2011, the Group was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Group was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 17, 2021 and December 31, 2020, the parties are still in the course of pleadings and other evidence in support of their respective claims. Management and legal counsel continue to monitor developments related to the case. A provision for probable losses amounting to ₱2,905,661 had been previously recognized and continues to be presented as "provision for contingencies" in the separate statements of financial position. Management and legal counsel believe that no additional material losses are expected beyond the amount already provided

23.02 Contingencies

22.02.01 Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City)
A criminal case for qualified theft filed on 07 June 2010 before the Office of the City Prosecutor (OCP) of Makati City by the Group erring former employees (respondents herein). The Group seeks to recover in the form of civil liability in the amount of ₱2,625,500, which was lost from the concerted acts of the accused in unlawfully inserting imbalanced items in the Cabal Games.

Accused Milongo was arrested but the rest of the accused remains at large. The criminal case proceeded against Milongo. The contending parties have completed the presentation of their respective evidence and have submitted their respective memorandum prior to the promulgation by the court of the decision with respect to accused Milongo.

23.02.02 George Tan
The Group and its Board of Directors received a civil complaint for the brokering sale of Digital Paradise Inc. to the Group in 2010.

The trial court in its decision dated 08 December 2015 dismissed the case against the individual members of the Board of Directors, but held the Group liable for ₱4.03 million. The case is presently pending appeal before the Court of Appeals.

Other than the case of Beijing Perfect World Software, Inc., it is believed that the pendency of the foregoing cases will not have material adverse effect on the operations and financial position of the Group. Accordingly, no provision has been made in the consolidated financial statements for the period January 1, 2021 to December 17, 2021, years ended December 31, 2020 and 2019.

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the reconciliation analysis of liabilities arising from financing activities for the period January 1, 2021 to December 17, 2021, years ended December 31, 2020 and 2019:

	2020	**Cash inflows**	**Cash outflows**	**Non-cash changes**	**2021**
Advances from related parties	**26,106,401**	**4,750,468**	**–**	**(25,867,177)**	**4,989,692**

	2019	Cash inflows	Cash outflows	Non-cash changes	2020
Advances from related parties	25,867,177	239,224	–	–	26,106,401

	2018	Cash inflows	Cash outflows	Non-cash changes	2019
Advances from related parties	25,867,177	–	–	–	25,867,177

25. EVENTS AFTER THE END OF THE REPORTING PERIOD

No other events after the end of the reporting date were identified in these separate financial statements that provide evidence of conditions that existed at the reporting date (adjusting events after reporting date), and that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

26. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issue by the Board of Directors and Management on May 18, 2026.

Alas Oplas & Co., CPAs

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Legazpi La Union Laguna

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") as of December 31, 2021 and 2020, and for the period January 1, 2021 to December 17, 2021 and years ended December 31, 2020 and 2019, included in this Form 17-A and have issued our report thereon dated May 18, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements are the responsibility of the Group's management. These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and are not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2026, issued on February 6, 2026; effective until February 5, 2029
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period
(Extended until Audit Period 2025)
TIN 232-158-286-000
PTR No. 10767236, issued on January 5, 2026, Makati City

May 18, 2026
Makati City, Philippines

BKR INTERNATIONAL INDEPENDENT MEMBER

IP E-GAME VENTURES INC. AND SUBSIDIARY

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

Schedule	Contents
A	Financial assets
B	Amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties)
C	Amounts receivable from related parties which are eliminated during the consolidation of financial assets
D	Long term debt
E	Indebtedness to related parties (long-term loans and related companies)
F	Guarantees of securities of other issuers
G	Capital Stock

Other schedules:

Reconciliation of Retained Earnings Available for Dividend Declaration

Map showing the relationships between and among the Group and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates

SCHEDULE A

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON FINANCIAL ASSETS

AS OF DECEMBER 17, 2021

NAME OF ISSUING ENTITY AND ASSOCIATION OF EACH ISSUE	NUMBER OF SHARES OR PRINCIPAL AMOUNT OF BONDS AND NOTES	AMOUNT IN THE BALANCE SHEET	INCOME RECEIVED & ACCRUED
ADVANCES TO RELATED PARTIES			
IPE Global Holdings Corp.	81,357,960	–	nil
Y-Fi Business Solutions, Inc.	62,928,454	–	nil
IP Ventures, Inc.	22,518,475	–	nil
IPE Global Pte Ltd.	16,409,794	–	nil
GRCO Isulan Mining Corporation	9,929,910	–	nil
X-Play Online Games, Incorporated	7,141,369	–	nil
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,072,645	–	nil
I-Pay Commerce Ventures, Inc.	217,476	–	nil
TOTAL	**201,576,083**	–	

SCHEDULE B

IP E-GAME VENTURES INC AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES AND RELATED PARTIES
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

NAME	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
IPE Global Holdings Corp.	81,357,960	–	–	–	81,357,960	–	81,357,960
Y-FI Business Solutions, Inc.	62,928,454	–	–	–	62,928,454	–	62,928,454
IP Ventures, Inc.	22,518,475	–	–	–	22,518,475	–	22,518,475
IPE Global Pte Ltd.*	22,041,667	–	(5,631,873)	–	16,409,794	–	16,409,794
GRCO Isulan Mining Corporation	9,929,910	–	–	–	9,929,910	–	9,929,910
X-Play Online Games Incorporated	7,141,369	–	–	–	7,141,369	–	7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,072,645	–	–	–	1,072,645	–	1,072,645
I-Pay Commerce Ventures, Inc.	217,476	–	–	–	217,476	–	217,476

**The Group has advances from related parties amounting to ₱5,631,873, which were offset against advances to related parties.*

SCHEDULE C

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION PERIOD

FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

NAME (Debtor)	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
NONE TO REPORT							

SCHEDULE D

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON LONG-TERM DEBT

FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT PORTION OF LONG-TERM DEBT	LONG-TERM DEBT (NET OF CURRENT PORTION)	INTEREST RATE	NO. OF PERIODIC INSTALLMENT	MATURITY DATE
NONE TO REPORT						

SCHEDULE E

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON INDEBTEDNESS TO RELATED PARTIES
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

NAME OF RELATED PARTY (CREDITOR)	BALANCE AT BEGINNING OF PERIOD	BALANCE AT END OF PERIOD
NONE TO REPORT		

The Grouo does not have indebtedness related to parties that are above 5% of its total assets as of December 17, 2021.

SCHEDULE F

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON GUARANTEES OF SECURITIES OF OTHER ISSUERS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE GROUP FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENTS FILED	NATURE OF GUARANTEE
NONE TO REPORT				

The Group does not have guarantees of securities of other issuers as of December 17, 2021.

SCHEDULE G

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON CAPITAL STOCK
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING AND SHOWN UNDER RELATED BALANCE SHEET CAPTION				Number of shares reserved for options, warrants conversion	Number of shares held by related parties	Directors, officers, and employees	Others
		ISSUED	SUBSCRIBED	TREASURY SHARES	TOTAL				
Ordinary shares	280,000,000,000	280,000,000,000	–	–	280,000,000,000	–	250,000,000,000	401	29,999,999,599

IP E-GAME VENTURES INC. AND SUBSIDIARY
Reconciliation of Retained Earnings Available for Dividend Declaration
As of DECEMBER 17, 2021

Unappropriated Retained Earnings, beginning of reporting period		**(2,452,421,138)**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation	–	
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	–	
Reclassification adjustment of cumulative unrealized loss on financial assets through other comprehensive income	–	–
Unappropriated Retained Earnings, as adjusted		**(2,452,421,138)**
Add/Less: Net Income (loss) for the current year		**(88,156,634)**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (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	–	
Reversal of retirement benefit obligation	–	
Gain on reversal of liabilities	–	
Sub-total		–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalent	–	
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 (describe nature	–	
Sub-total		–

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 (describe nature)	–	
Sub-total		–
Adjusted Net Income/Loss		**(88,156,634)**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Unrealized foreign exchange loss	–	
Sub-total		–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others (describe nature)	–	
Sub-total		–
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 setup of service concession asset and concession payable	–	
Adjustment due to deviation from PFRS/GAAP -gain (loss)	–	
Others	–	
Sub-total		–
Total Retained Earnings, end of the reporting period available for dividend		**(2,540,577,772)**

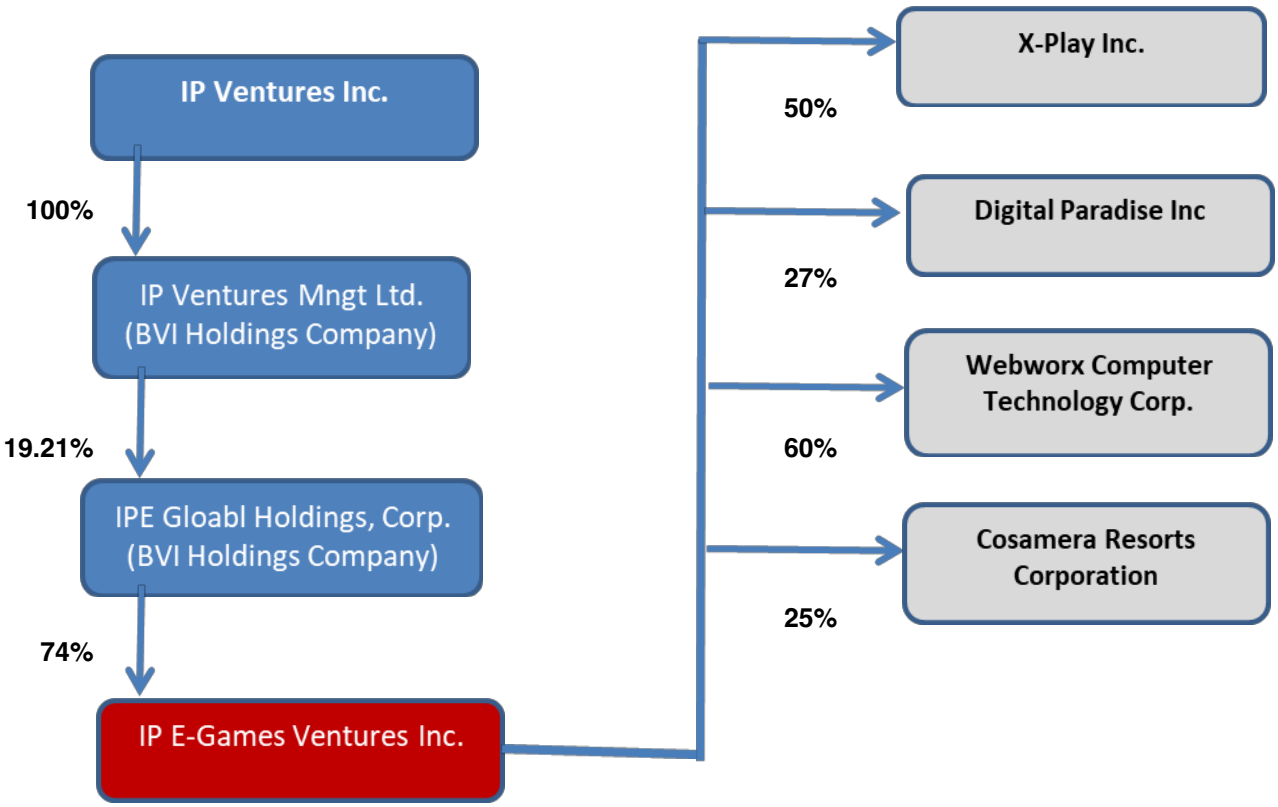
FOOTNOTES:

1. The amount of retained earnings of a company should be based on its separate ("stand-alone") audited separate financial statements.
2. Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.
3. Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the Parent Company and must be adjusted in the reconciliation to reflect the actual distributable amount.
4. This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of Its distributable income should be in accordance with the REIT Act and its Implementing Rules and Regulations.

IP E-GAME VENTURES INC. AND SUBSIDIARY

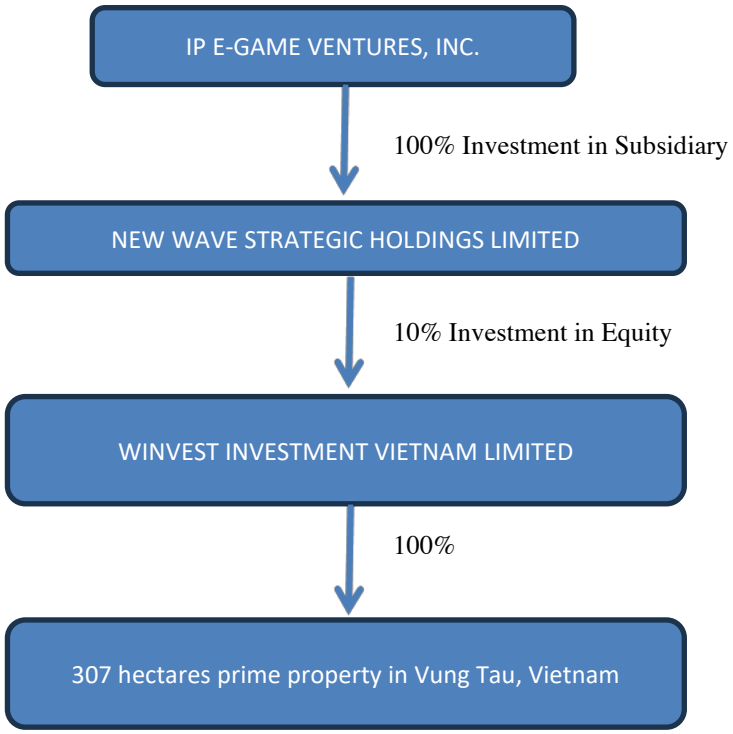
MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE GROUP AND ITS ULTIMATE PARENT, MIDDLE PARENT, SUBSIDIARIES AND CO-SUBSIDIARIES, AND ASSOCIATES
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

CORPORATE STRUCTURE



IP E-GAME VENTURES INC. AND SUBSIDIARY

MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE GROUP AND ITS ULTIMATE PARENT, MIDDLE PARENT, SUBSIDIARIES AND CO-SUBSIDIARIES, AND ASSOCIATES
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021



Alas Oplas & Co., CPAs

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Bulacan Isabela Nueva Ecija Bacolod Iloilo
Legazpi La Union Laguna

INDEPENDENT AUDITORS' REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** as of December 31, 2021 and 2020, and for the period January 1, 2021 to December 17, 2021 and years ended December 31, 2020 and 2019, and have issued our report thereon dated May 18, 2026. 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 are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the period January 1, 2021 to December 17, 2021 and year ended December 31, 2020, and no material exceptions were noted.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2026, issued on February 6, 2026; effective until February 5, 2029
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period (Extended until Audit Period 2025)
TIN 232-158-286-000
PTR No. 10767236, issued on January 5, 2026, Makati City

May 18, 2026
Makati City, Philippines

BKR INTERNATIONAL INDEPENDENT MEMBER

ANNEX 68-E

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

IP E-GAME VENTURES INC. AND SUBSIDIARY
As of December 17, 2021

Ratio	Formula	Current Year	Prior Year
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.02%	116.62%
Acid test ratio	$\frac{\text{Quick Assets}}{\text{Current Liabilities}}$	0.02%	113.47%
Solvency ratio	$\frac{\text{Net Income + Depreciation and Amortization}}{\text{Total Liabilities}}$	-124.56%	-1922.97%
Debt-to-equity ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	13.74%	17.35%
Asset-to-equity ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	113.74%	117.35%
Interest rate coverage ratio	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$	N/A	N/A
Return on equity	$\frac{\text{Net Income}}{\text{Average Total Equity}}$	-15.77%	-125.05%
Return on assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	-13.63%	-117.40%
Net profit margin	$\frac{\text{Net Income}}{\text{Revenue}}$	N/A	N/A

ANNEX "B"

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: July 14, 2026 04:18:35 PM

Company Information

SEC Registration No.: CS200518779
Company Name: IP E-GAME VENTURES INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST107142026811726031
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2021
Submission Type: Parent
Remarks: None

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

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	5	1	8	7	7	9

COMPANY NAME

IP E-GAME VENTURES INC.

PRINCIPAL OFFICE *(N. Street /Barangay/City/ Town)Province*)

34TH FLOOR RCBC PLAZA TOWER 2

6819 AYALA AVENUE MAKATI CITY

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
official.ip.egame@gmail.com	N/A	0917 122 0114

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
39	16-Feb	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
MARY JENELLE PALMA	jenelle@ceza.io	N/A	0917 122 0114

CONTACT PERSON's ADDRESS

34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City

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

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

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR SEPARATE FINANCIAL STATEMENTS

The Management of **IP E-GAME VENTURES INC.** (the "Company") is responsible for the preparation and fair presentation of separate financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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 separate financial statements including the schedules attached therein, and submits the same to the stockholders of the Company.

Alas, Oplas & Co., CPAs, the independent auditor appointed by the stockholders, has audited the separate 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.

JUAN KEVIN G. BELMONTE
Chairman of the Board

JAIME ENRIQUE Y. GONZALEZ
Chief Executive Officer/President

MARY JENELLE C. PALMA
Chief Financial Officer/Treasurer

Signed this 18th day of May, 2026

SUBSCRIBED & SWORN TO
BEFORE ME THIS JUL 09 2026
IN QUEZON CITY

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304528 / 1/06/2026-Q.C.
IBP NO. INV 552041 / 12-01-2025-Q.C.
Roll No. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Unit 473 Gen. Serrano Road, Barangay
San Roque, Quezon City

DOC. NO. 174
PAGE NO. 36
BOOK NO. LIII
SERIES OF 2026

Alas Oplas & Co., CPAs

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Website: www.alasoplascpas.com

Offices:

Makati Alabang Ortigas Paranaque Cavite
Bulacan Isabela Nueva Ecija Bacolod Iloilo
Legazpi La Union Laguna

INDEPENDENT AUDITORS' REPORT TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC.
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have examined the separate financial statements of **IP E-GAME VENTURES INC.** (the "Company") for the year ended December 31, 2021 on which we have rendered the attached report dated May 18, 2026.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the said Company has a total number of thirty-nine (39) stockholders owning one hundred (100) or more shares each.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2026, issued on February 6, 2026; effective until February 5, 2029
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period (Extended until Audit Period 2025)
TIN 232-158-286-000
PTR No. 10767236, issued on January 5, 2026, Makati City

May 18, 2026
Makati City, Philippines

BKR INTERNATIONAL INDEPENDENT MEMBER

Alas Oplas & Co., CPAs

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Offices:

Makati Alabang Ortigas Paranaque Cavite
Bulacan Isabela Nueva Ecija Bacolod Iloilo
Legazpi La Union Laguna Quezon Province FCIE

INDEPENDENT AUDITORS' REPORT

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC.
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

Opinion

We have audited the separate financial statements of **IP E-GAME VENTURES INC.** (the "Company") which comprise the separate statements of financial position as of December 31, 2021 and 2020, and the separate statements of comprehensive loss, separate statements of changes in equity and separate statements of cash flows for the years ended December 31, 2021, 2020, and 2019, and the notes to the separate financial statements, including material accounting policies and other explanatory information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2021 and 2020, and its separate financial performance and its separate cash flows for the years ended December 31, 2021, 2020, and 2019 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

Recoverability and Derecognition of Advances and Liabilities Involving Related Parties

As disclosed in Note 9 to the separate financial statements, the Company recognized an Expected Credit Loss (ECL) of ₱113.08 million on advances to related parties and derecognized advances from related parties amounting to ₱20.24 million in 2021. These transactions are material to the separate financial statements and involve significant management judgment in assessing the recoverability of advances and the appropriateness of derecognition of liabilities.

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Audit response

We obtained and reviewed management's assessment of the recoverability of advances to related parties and the derecognition of advances from related parties. Our procedures included:

- Evaluating the assumptions and methodology used by management in estimating the ECL in accordance with PFRS 9, including the assessment of credit risk, historical payment behavior, and forward-looking information.
- Assessing the financial capacity of related parties to repay the advances by reviewing their audited financial statements, cash flow forecasts, and other relevant data.
- Reviewing supporting documentation for the derecognition of advances from related parties, including agreements, correspondence, and evidence of extinguishment of the liability.
- Testing the accuracy and completeness of disclosures in Note 9 to ensure compliance with the disclosure requirements of PAS 24 (Related Party Disclosures) and PFRS 9.
- Challenging management's judgments and estimates through inquiries and corroboration with external and internal evidence.

Derecognition of Trade and Other Payables

As disclosed in Note 16 to the separate financial statements, the Company derecognized long-outstanding trade and other payables amounting to ₱12.77 million, which were recognized as other income during the period.

This matter was considered a Key Audit Matter due to the materiality of the amount and the significant judgment involved in determining whether the obligations continue to exist, including assessment of aging, historical activity, absence of creditor claims, and other indicators that the liabilities are no longer valid obligations of the Company.

Audit response

We obtained and reviewed management's assessment supporting the reversal of long-outstanding trade and other payables amounting to ₱12.77 million, as disclosed in Note 16 to the separate financial statements. Our audit procedures included:

- Reviewing aging schedules and historical payment records to determine the nature, duration, and inactivity of the payables.
- Inspecting available supporting documentation, such as supplier contracts, correspondence, and legal opinions, to assess whether the obligations were still enforceable.
- Obtaining external confirmations from selected counterparties to validate the existence, status, and enforceability of the payables, and to corroborate management's assertion that no further claims are expected.
- Evaluating the reasonableness of management's judgments, including consideration of absence of demand for payment and other indicators of extinguishment of obligation.
- Reviewing disclosures in the financial statements to ensure transparency and adequacy in accordance with the relevant financial reporting framework.

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Recoverability and Impairment Assessment of Long-Term Receivable

As disclosed in Note 13 to the separate financial statements, the Company sold its investment in subsidiary to IPE Global Holdings Corp and recognized long-term receivables amounting to ₱500,000,000. The Company has recognized provision for ECL for other receivables amounting to ₱450,000,000, as disclosed in Note 9.

The recoverability of this receivable is considered a Key Audit Matter due to the size of the balance, representing a significant portion of the Company's assets, the extended period since recognition, which increases uncertainty regarding collectability and significant management judgment required in determining the appropriate impairment.

Audit response

Our audit procedures in respect of recoverability of long-term receivable included the following:

- Confirming the operational status of the Buyer to assess its ability to settle the receivable, including latest audited financial statements, and other credible sources.
- Reviewing the accounting treatment applied to the receivable to ensure compliance with applicable accounting standards on impairment.

Provisions and Contingencies

As disclosed in Note 26 to the separate financial statements, the Company is involved in several legal proceedings arising from the ordinary course of business. Management is required to apply significant judgment in determining whether these matters give rise to a present obligation requiring recognition of a provision, or whether they should be disclosed as contingent liabilities, including the estimation of the amount of any provision recognized.

This matter was considered a Key Audit Matter due to the judgment involved in assessing the probability and potential financial impact of the legal proceedings, particularly in respect of the case with Beijing Perfect World Software, Inc., for which a provision has been recognized.

Audit response

Our audit procedures in respect of provisions and contingencies included the following:

- Discussing the status of significant legal proceedings with management and obtaining representations regarding management's assessment of the likelihood and potential financial impact of each case.
- Obtaining and reviewing written legal opinions from the Company's external legal counsel covering material litigation matters, including the basis for classifying each case as a provision or contingent liability.
- Evaluating management's assessment of the probability of outflows and the estimation of provisions recognized, with particular focus on the case with Beijing Perfect World Software, Inc.
- Assessing whether the recognition of provisions and disclosure of contingent liabilities are consistent with the requirements of the applicable financial reporting framework.
- Evaluating the adequacy and transparency of disclosures in Note 26 to the separate financial statements.

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 and Annual Report for the year ended December 31, 2021. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditors' report.

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

In connection with our audits of the separate 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 separate financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Separate financial statements

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

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

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

Auditor's Responsibilities for the Audit of the Separate financial statements

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient audit evidence regarding the financial information of the entities of business activities within the Company to express an opinion on the separate financial statements. We are responsible for the direction, supervision and performance of the audit. We are solely responsible for our audit opinion.

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, related safeguards.

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

The engagement partner on the 2021 audit resulting in this independent auditors' report is Ryan A. Sabug.

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Alas Oplas & Co., CPAs

Report on the Supplementary Information Required under Revenue Regulations Nos. 15-2010 and 19-2011

Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information for the year ended December 31, 2021 required by the Bureau of Internal Revenue as disclosed in Notes 30 and 31 to the separate financial statements are presented for purposes of additional analysis and is not a required part of the basic separate financial statements prepared in accordance with PFRSs. Such supplementary information is the responsibility of the management of **IP E-GAME VENTURES INC.** The supplementary information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2026, issued on February 6, 2026; effective until February 5, 2029
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(Extended until Audit Period 2025)
TIN 232-158-286-000
PTR No. 10767236, issued on January 5, 2026, Makati City

MAY 29 2026

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May 18, 2026
Makati City, Philippines

IP E-GAME VENTURES INC.
SEPARATE STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020
In Philippine Peso

	Notes	2021	2020
ASSETS			
Current Assets			
Cash	10	**15,692**	52,198
Advances to related parties – net	9	**–**	118,708,627
Prepayments and other current assets	12	**–**	3,303,121
Total Current Assets		**15,692**	122,063,946
Non-current Assets			
Other receivables	9	**24,116,357**	–
Investment in subsidiary	13	**–**	500,000,000
Total Non-current Assets		**24,116,357**	500,000,000
TOTAL ASSETS		**24,132,049**	622,063,946
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	16	**53,096,194**	65,871,105
Advances from related parties	9	**4,486,390**	25,867,177
Due to stockholder	9	**9,783,783**	9,783,783
Provision for contingencies	26	**2,905,661**	2,905,661
Total Liabilities		**70,272,028**	104,427,726
EQUITY			
Share capital	17	**2,800,000,000**	2,800,000,000
Share premium	17	**255,535,853**	255,535,853
Deficit		**(3,101,675,832)**	(2,537,899,633)
Total Equity (Deficiency)		**(46,139,979)**	517,636,220
TOTAL LIABILITIES AND EQUITY		**24,132,049**	622,063,946

See Notes to Separate Financial Statements.

MAY 29 2026
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IP E-GAME VENTURES INC.
SEPARATE STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
In Philippine Peso

	Notes	**2021**	2020	2019
Revenues	18	–	–	–
Cost of services	19	–	–	–
Gross profit		–	–	–
Other expenses	21	**(30,370,033)**	(1,199,498)	(3,507,766)
Other income	20	**33,010,215**	–	2,500,000
Impairment loss	13	–	(2,000,000,000)	–
Loss on assets written off	22	**(3,339,627)**	(8,491,720)	(41,256,400)
Provision for expected credit losses	23	**(563,076,754)**	(88,499,329)	(31,468)
Loss before tax		**(563,776,199)**	(2,098,190,547)	(42,295,634)
Income tax expense	24	–	–	(50,000)
LOSS		**(563,776,199)**	(2,098,190,547)	(42,345,634)
OTHER COMPREHENSIVE LOSS				
Item that will be reclassified to profit or loss:				
Unrealized fair value loss on financial assets at FVOCI	14	–	–	(1,235,282)
TOTAL COMPREHENSIVE LOSS		**(563,776,199)**	(2,098,190,547)	(43,580,916)
LOSS PER SHARE				
Basic and diluted	25	**(0.0020)**	(0.0075)	(0.0002)

See Notes to Separate Financial Statements.

MAY 29 2026
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IP E-GAME VENTURES INC.
SEPARATE STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
In Philippine Peso

	Share capital (Note 17)	Share premium (Note 17)	Deficit	Other comprehensive loss (Note 14)	Total
Balance at December 31, 2018	**2,800,000,000**	**255,535,853**	**(354,385,915)**	**(41,742,255)**	**2,659,407,683**
Comprehensive income:					
Loss for the year, as restated	–	–	(42,345,634)	–	(42,345,634)
Unrealized loss on financial assets at FVOCI	–	–	–	(1,235,282)	(1,235,282)
Total comprehensive loss	–	–	(42,345,634)	(1,235,282)	(43,580,916)
Balance at December 31, 2019	**2,800,000,000**	**255,535,853**	**(396,731,549)**	**(42,977,537)**	**2,615,826,767**
Comprehensive income:					
Loss for the year	–	–	(2,098,190,547)	–	(2,098,190,547)
Unrealized loss on financial assets at FVOCI	–	–	–	–	–
Total comprehensive loss	–	–	(2,098,190,547)	–	(2,098,190,547)
Reclassification adjustment (Note 14)	–	–	(42,977,537)	42,977,537	–
Balance at December 31, 2020	**2,800,000,000**	**255,535,853**	**(2,537,899,633)**	**–**	**517,636,220**
Comprehensive income:					
Loss for the year	–	–	(563,776,199)	–	(563,776,199)
Total comprehensive loss	–	–	(563,776,199)	–	(563,776,199)
Balance at December 31, 2021	**2,800,000,000**	**255,535,853**	**(3,101,675,832)**	**–**	**(46,139,979)**

See Notes to Separate Financial Statements

MAY 29 2026
RECEIVED

IP E-GAME VENTURES INC.
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
In Philippine Peso

	Notes	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		**(563,776,199)**	(2,098,190,547)	(42,295,634)
Adjustments for:				
Provision for expected credit losses	23	**563,076,754**	88,499,329	31,468
Miscellaneous income	20	**(33,010,215)**	–	–
Loss on disposal of investment in subsidiary	21	**25,883,643**	–	–
Loss on non-cash assets written off	22	**3,303,121**	6,491,720	41,256,400
Impairment loss	13	–	2,000,000,000	–
Operating cash flows before working capital changes		**(4,522,896)**	(1,199,498)	(1,007,766)
Decrease (increase) in prepayments and other current assets		–	92,400	(50,400)
Decrease in trade and other payables		–	(660,795)	(2,323,500)
Net cash used in operating activities		**(4,522,896)**	(1,767,893)	(3,381,666)
CASH FLOWS FROM INVESTING ACTIVITY				
Collection of advances to related parties	9	–	1,767,893	3,381,666
CASH FLOW FROM FINANCING ACTIVITY				
Advances from related parties	9	**4,486,390**	–	–
NET DECREASE IN CASH		**(36,506)**	–	–
CASH AT BEGINNING OF YEAR		**52,198**	52,198	52,198
CASH AT END OF YEAR	10	**15,692**	52,198	52,198

See Notes to Separate Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City. The Company is domiciled in the Philippines.

The Company has no rental expense as it occupies the address of a related party without charge.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF SEPARATE FINANCIAL STATEMENTS

2.01 Statement of Compliance

The separate financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The separate financial statements are prepared on a going concern basis under the historical cost convention, except for financial assets at fair value through other comprehensive income.

2.03 Current versus Non-current Classification

The Company presents assets and liabilities in the separate statements of financial position based on whether it is current and non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

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All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities, respectively.

2.04 Presentation and Functional Currency

Items included in the separate financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.05 Use of Judgments and Estimates

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's separate financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.06 Going Concern Assumption

The separate financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and settlement of liabilities in the ordinary course of business. The Company's Board of Directors note the following conditions which they have considered in assessing the appropriateness of the concern assumption:

1. In 2021, the Company decided to diversify its business model, and the plan was to expand strategic directions in favor of the technology sector. However, this was archived due to BSP moratorium on limited number of digital banking applicants. Last June 20, 2024, at a special meeting of the Board of Directors (BOD), the BOD authorized the Company to evaluate the proposed investment in real estate investment trust (REIT) related opportunities in accordance with Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations (the "REIT Act"), and other applicable laws. The Board notes that in the event the decides to proceed with the invest in REIT related opportunities, such decision is still subject to the approval of the Securities and Exchange Commission, the Philippine Stock Exchange, and other pertinent regulatory bodies, after compliance with the relevant laws, rules and regulations in the incorporation, registration and listing of the said REIT company;

2. The Company reported deficit of ₱3,101,675,832 for the year ended December 31, 2021 resulting to capital deficiency of ₱46,139,979 as at December 31, 2021.

   During April 13, 2026, the Company entered into subscription agreement wherein the Subscriber desires to subscribe five hundred million (500,000,000) common shares of the authorized capital of the Company with a par value of ₱0.01 per shares. That the Company has accepted the offer of Subscriber to subscribe. The payment for the value of shares shall be due upon the execution of the agreement. However, as to date, no payment has been received by the Company.

   In addition, deeds of conversion of advances into equity were executed on April 13, 2026 with various shareholders.

   The Board of Directors believe that the going concern basis remains appropriate due to their commitment to reviving the Company and the absence of any plans to liquidate or cease operations.

3. Should the Company be unable to realize its plans and continue as a going concern, it may be required to realize its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the separate financial statements. The accompanying separate financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

2.07 Preparation of Consolidated Financial Statements

The Company will prepare consolidated financial statements for the reporting date ended December 31, 2021 using uniform accounting policies for like transactions and other events in similar circumstances with its subsidiary. The consolidated financial statements include the results of the subsidiary up to December 17, 2021, when the Company lost control following the sale of its investment in the subsidiary.

3. ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

3.01 New and Amended Standards and Interpretations Effective on January 1, 2021

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.01.01 Amendments to PFRS 16, Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to PFRS 16:

- permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021);
- require a lessee applying the amendment to do so for annual reporting periods beginning on or after 1 April 2021;
- require a lessee applying the amendment to do so retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
- specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of PAS 8.

3.02 Standards Issued but Not Yet Effective (Effective Beginning on or After January 1, 2022)

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's separate financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

3.02.01 Annual Improvements to PFRS Standards 2018-2020

PFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. A subsidiary can elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements.

A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

PFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

PFRS 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements.

No effective date is stated.

PAS 41 Agriculture
The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value.

The management of the Company is still evaluating the impact of the new standards.

3.02.02 Amendments to PAS 37: Onerous Contracts – Costs of Fulfilling a Contract
The amendment specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments published today are effective for annual periods beginning on or after 1 January 2022.

The management of the Company is still evaluating the impact of the new standard.

3.02.03 Amendments to PAS 16, Property, Plant and Equipment - Proceeds before Intended Use

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to PAS 16) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments published today are effective for annual periods beginning on or after 1 January 2022.

The management of the Company is still evaluating the impact of the new standard.

3.02.04 Amendments to PFRS 3, Reference to the Conceptual Framework

The changes include:

- update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- add to PFRS 3 a requirement that, for transactions and other events within the scope of PAS 37 or Philippine IFRIC 21, an acquirer applies PAS 37 or Philippine IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- add to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments published today are effective for annual periods beginning on or after 1 January 2022.

The management of the Company is still evaluating the impact of the new standard.

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

The amendments affect only the presentation of liabilities in the separate statements of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Company is still evaluating the impact of the new standard.

3.02.06 Amendments to PAS 8, Definition of Accounting Estimates

The changes focus entirely on accounting estimates and clarify the following:

- Under the new definition, accounting estimates are "monetary amounts in separate financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in separate financial statements to be measured in a way that involves measurement uncertainty.
- Clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Company is still evaluating the impact of the new standard.

3.02.07 Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative – Accounting Policies

- An entity is now required to disclose its material accounting policy information (MAPI) instead of its significant accounting policies (SAP);
- Explains how an entity can identify MAPI and to give examples of when accounting policy information is likely to be material;
- Clarified that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- Clarified that accounting policy information is material if users of an entity's separate financial statements would need it to understand other material information in the separate financial statements; and
- Clarified that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

Guidance and examples are added to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Company is still evaluating the impact of the new standard.

3.02.08 Amendments to PAS 12, Deferred Tax related to Assets and Liabilities from a Single Transaction

The main change is an exemption from the initial recognition exemption provided in PAS 12.15(b) and PAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph PAS 12.22A.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Company is still evaluating the impact of the new standard.

3.02.09 Amendments to PFRS 17, Insurance Contracts

The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

PFRS 17 supersedes PFRS 4 'Insurance Contracts' and related interpretations.

The FRSC amended the mandatory effective date of PFRS 17 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of IFRS 17 by two (2) years after its effective date as decided by the IASB.

The standard is not applicable to the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its separate financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial assets when the entity becomes party to the contractual provision of the financial instruments.

4.01.01 Classification and Impairment of Financial Assets

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation*. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in separate statements of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the separate statements of financial position. These fair value changes are recognized in equity and are not reclassified to separate statements of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using effective interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

The Company considers a financial asset in default when contractual payments are more than 91 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the separate statements of financial position as current asset when they are expected to be expensed within one year or the entity's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at historical cost less any accumulated depreciation, amortization and impairment losses. Historical cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line basis method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 years
Furniture, fixture and office equipment	–	3 – 5 years
Transportation equipment	–	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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. When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the separate financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the separate financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset disposed.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

The Company initially measured its investment in subsidiary at cost in its separate financial statements.

Under the cost method, the Company recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

In 2020, the Company's investment in subsidiary pertains to its 100% ownership in New Wave Strategic Holdings Limited (New Wave).

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's separate statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Unappropriated are accumulated earnings of the Company available for dividend distribution.

4.06.03 Financial Liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Company's financial liabilities as presented in the separate statements of financial position comprise of trade and other payables excluding government payables, due to stockholder and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenues outside the scope of PFRS 15

Interest income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the separate statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the separate financial statements were authorized for issue. Any event that provides additional information about the Company's financial position at the reporting date is reflected in the separate financial statements. Non-adjusting events are disclosed in the notes to the separate financial statements when material.

4.16 Segment Reporting

The Company has no operating segments as it did not engage in business operations during the years presented. The BOD does not review separate financial information for component operations for purposes of resource allocation or performance assessment. Accordingly, the Company has determined that it has only one reportable segment, and no additional segment disclosures are required under PFRS 8.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when separate financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the separate financial statements.

5.01.01 Determining Provisions and Contingencies
Management exercises judgment in distinguishing provisions from contingent liabilities for legal proceedings, considering whether a present obligation exists, the likelihood of an outflow of resources, and the ability to reliably estimate the amount. These judgments are based on the facts of each case and consultation with external legal counsel. Accordingly, a provision was recognized for Beijing Perfect World Software, Inc., while other legal matters were disclosed as contingent liabilities.

5.01.02 Classification of Financial Assets
The Company follows the guidance of PFRS 9, in classifying financial assets at initial recognition whether it will be subsequently measured at fair value through other comprehensive income, at amortized cost, or at fair value through profit or loss. The Company determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. The Company determines whether the contractual cash flows associated with the financial asset are solely payments of principal and interest (the "SPPI"). If the instrument fails the SPPI test, it will be measured at fair value through statement of comprehensive income.

5.01.03 Recognition of Reversal of Payables as Other Income
Management exercised significant judgment in determining whether certain aged and inactive trade and other payables should be derecognized.

In making this assessment, management considered several factors, including:
- The length of time the payables have remained outstanding;
- The absence of claims or demand for payment from counterparties; and
- Management's assessment that the related obligations are no longer valid or enforceable based on available information.

Based on these considerations, management concluded that the obligations no longer exist and derecognized the liabilities. The resulting amounts were recognized as other income in the 2021, as disclosed in Note 20.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Assessment for ECL on Trade and Other Receivables

The Company, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Company also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Company then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.
The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Company has recognized provision for ECL for other receivables amounting to ₱450,000,000 and nil in 2021 and 2020, respectively. The carrying amount of other receivables, net of allowance for ECL and unamortized discount, amounted to ₱24,116,357 and nil as of December 31, 2021 and 2020, respectively, as disclosed in Note 9.

5.02.02 Assessment for ECL on Other Financial Assets at Amortized Cost

The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and,
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 91 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Company's cash were entered into only with reputable banks and with good credit standing and relatively low risk of defaults. However, in 2021, management assessed that the cash in bank amounting to ₱36,506 may not be recoverable; thus, such cash in bank were written off, as disclosed in Note 22. In 2020 and 2019, no provision for ECL on cash was recognized. The carrying amount of cash as of December 31, 2021 and 2020 amounted to ₱15,692 and ₱52,198, respectively.

The Company has assessed that the advances to related parties may be impaired because there are no firm repayment terms and the recoverability is not assured due to the operational status of the related entities. The Company has recognized provision for ECL on advances to related parties amounting to ₱113,076,754, ₱88,499,329 and ₱31,468 in 2021, 2020 and 2019, respectively. The carrying amount of advances to related parties, net of allowance for ECL, amounted to nil and ₱118,708,627 as of December 31, 2021 and 2020, respectively, as disclosed in Note 9.

5.02.03 Impairment of Non-financial Assets
In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

As of December 31, 2021, management assessed that the Company's property and equipment no longer provides future economic benefits and is therefore subject to write-off. As of December 31, 2020, management assessed that the investment in subsidiary was impaired, and accordingly recognized an impairment loss of ₱2,000,000,000, as disclosed in Note 13.

5.02.04 Realization of Deferred Tax Assets
The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

No deferred tax assets relating to NOLCO, MCIT, and allowance for ECL were recognized for the years ended December 31, 2021 and 2020, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized. As of December 31, 2021 and 2020, deferred tax assets not recognized amounted to ₱52,028,461 and ₱21,844,781, respectively, as disclosed in Note 24.

5.02.05 Provision and Contingencies
The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 26. The estimates of probable losses are developed in consultation with external legal counsel and are based on management's assessment of the expected outcome, timing, and financial impact of each case. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 26.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash, trade and other receivables, advances to/from related parties, trade and other payables and due to stockholders. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2021		2020
Financial assets					
Cash	10	₱	**15,692**	₱	52,198
Other receivables	9		**500,000,000**		–
Advances to related parties	9		**201,576,083**		207,207,956
		₱	**701,591,775**	₱	207,260,154
Financial liabilities					
Trade and other payables*	16	₱	**28,828,609**	₱	41,603,520
Advances from related parties	9		**4,486,390**		25,867,177
Due to stockholders	9		**9,783,783**		9,783,783
		₱	**43,098,782**	₱	77,254,480

**excluding statutory and other payables to government agencies amounting to ₱24,267,585 as of December 31, 2021 and 2020.*

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty.

The carrying amount of financial asset recognized in the separate financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Company as of December 31, 2021 and 2020, without considering the effects of credit risk mitigation techniques.

	Notes		2021		2020
Cash in banks	10	₱	**15,692**	₱	52,198
Trade and other receivables	11		**–**		3,772,468
Other receivables	9		**500,000,000**		–
Advances to related parties – gross	9		**201,576,083**		207,207,956
		₱	**701,591,775**	₱	211,032,622

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below presents the summary of the Company's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subject to 12-month ECL (Stage 1) or lifetime ECL (Stage 2 and Stage 3).

2021	12-month ECL (Stage 1)	Lifetime ECL – not credit impaired (Stage 2)	Lifetime ECL – credit impaired (Stage 3)	Measured at fair value	Total
Cash in banks	15,692	–	–	–	15,692
Other receivables	50,000,000	–	450,000,000	–	500,000,000
Advances to related parties	–	–	201,576,083	–	201,576,083
	50,015,692	**–**	**651,576,083**	**–**	**701,591,775**

2020	12-month ECL (Stage 1)	Lifetime ECL – not credit impaired (Stage 2)	Lifetime ECL – credit impaired (Stage 3)	Measured at fair value	Total
Cash in banks	52,198	–	–	–	52,198
Trade and other receivables	–	–	3,772,468	–	3,772,468
Advances to related parties	118,708,627	–	88,499,329	–	207,207,956
	118,760,825	–	92,271,797	–	211,032,622

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, trade and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – trade and other receivables with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment

The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

Trade and other receivables

The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed per customer type, credit terms, offsetting arrangements. The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking information.

The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

Other financial assets at amortized cost

The Company's other financial assets at amortized cost pertain to cash in banks and advances to related parties. The Company limits its exposure to credit risk by investing its cash only with banks with good credit standing and reputation in the local and international banking industry. Also, the Company transacts only with parties with good credit rating, thus risk of default is low. However, in 2021, the management assessed that a significant portion cash in bank may not be recoverable, resulting in the write-off of the account, as disclosed in Note 10. In addition, advances to related parties were assessed that there are no firm repayment terms and the recoverability is not assured due to the operational status of its related entities. Accordingly, a provision for ECL was recognized, as disclosed in Note 9.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2021	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash	₱ 15,692	₱ –	₱ –	₱ –	₱ 15,692
Other receivables	–	–	500,000,000	–	500,000,000
Advances to related parties	201,576,083	–	–	–	201,576,083
	₱ 201,591,775	**₱ –**	**₱ 500,000,000**	**₱ –**	**₱ 701,591,775**

2020	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash	₱ 52,196	₱ –	₱ –	₱ –	₱ 52,196
Trade and other receivables	3,772,468	–	–	–	3,772,468
Advances to related parties	207,207,956	–	–	–	207,207,956
	₱ 211,032,622	₱ –	₱ –	₱ –	₱ 211,032,622

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2021	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ 28,828,609	₱ –	₱ –	₱ –	₱ 28,828,609
Advances from related parties	4,486,390	–	–	–	4,486,390
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 43,098,782	**₱ –**	**₱ –**	**₱ –**	**₱ 43,098,782**

**Excluding statutory and other payables to government agencies amounting to ₱24,267,585.*

2020	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ 41,603,520	₱ –	₱ –	₱ –	₱ 41,603,520
Advances from related parties	25,867,177	–	–	–	25,867,177
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 77,254,480	₱ –	₱ –	₱ –	₱ 77,254,480

**Excluding statutory and other payables to government agencies amounting to ₱24,267,585.*

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value Hierarchy

As of December 31, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

7.02 Fair Value Determination

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

Set out below is a comparison by category and by class of carrying and fair values of al the Company's financial assets and financial liabilities as of December 31, 2021 and 2020, other than those with carrying amounts that are measurable approximations of fair values such as cash, trade and other receivables, advances to related parties, trade and other payables, and other financial liabilities:

7.02.01 Cash in Banks
The estimated fair value of fixed interest-bearing deposits is made based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

7.02.02 Trade and Other Receivables and Advances to Related Parties
Trade and other receivables are net of allowance for doubtful accounts. The estimated fair value of trades and other receivables advances to related parties represents the discounted amount of estimated future cash flows expected to be received.

7.02.03 Trade and Other Payables and Other Financial Liabilities
Due to their short duration, the carrying amounts of trade and other payables and other financial liabilities in the statements of financial position are considered to be reasonable approximations of their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt and equity of the Company (comprising issued capital, share premium, and retained earnings).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2021		2020
Debt	₱	**70,272,028**	₱	104,427,726
Cash		**(15,692)**		(52,198)
Net Debt	₱	**70,256,336**	₱	104,375,528
Equity (Deficiency)		**(46,139,979)**		517,636,220
Net debt to equity ratio		**(1.52):1**		0.20:1

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	Relationship
IP Ventures, Inc.	Ultimate Parent
IPE Global Holdings Corp.	Parent
GRCO Mining Isulan Corporation	Entity Under Common Control
Highlands Coffee Philippines Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
I-Pay Commerce Ventures, Inc.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Level Up, Inc.	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control
X-Play Online Games Incorporated	Entity Under Common Control
Y-Fi Business Solutions, Inc.	Entity Under Common Control

Entities under common control refer to entities that are ultimately controlled by the same parties.

9.02 Related Party Transactions and Balances

Related party transactions and balances consists of the following:

9.02.01 Other Receivables:
The Company sold its investment in subsidiary to IPE Global Holdings Corp and recognized long-term receivables amounting to ₱500,000,000, as disclosed in Note 13.

Movement of the account is as follows:

	2021	2020
Other receivables	₱ 500,000,000	₱ –
Unamortized discounts	(25,883,643)	–
	474,116,357	–
Allowance for credit losses	(450,000,000)	–
	₱ 24,116,357	₱ –

Movement of allowance for ECL is disclosed below:

	Note	2021	2020
Balance, January 1		₱ –	₱ –
Provision	23	450,000,000	–
Balance at December 31		₱ 450,000,000	₱ –

9.02.02 Advances to Related Parties:

		2021		2020
IPE Global Holdings Corp.	₱	**81,357,960**	₱	81,357,960
Y-Fi Business Solutions, Inc.		**62,928,454**		62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**16,409,794**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
X-Play Online Games Incorporated		**7,141,369**		7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-Pay Commerce Ventures, Inc.		**217,476**		217,476
		201,576,083		207,207,956
Allowance for ECL		**(201,576,083)**		(88,499,329)
	₱	**-**	₱	118,708,627

Movement of allowance for ECL is disclosed below:

		2021		2020
Balance, January 1	₱	**88,499,329**	₱	-
Provision		**113,076,754**		88,499,329
Balance at December 31	₱	**201,576,083**	₱	88,499,329

9.02.03 Advances from Related Parties:
Advances from related parties represents advances to support the Company's operations, amounting to ₱4,486,390 and ₱25,867,177 as of December 31, 2021 and 2020.

In 2021, management assessed that several related parties to which the advances pertain have remained dormant and non-operational. Additionally, no claims have been made over the past years in relation to these advances. Accordingly, the Company has reversed the outstanding balances amounting to ₱20,235,304, which have been recognized as part of other income, as disclosed in Note 20. Management, however, will continue to monitor these related parties for any potential future claims or developments that may affect the recoverability of previously reversed amounts.

9.02.04 Due to Stockholder
Due to stockholder pertains loans from the stockholder to the Company, amounting to ₱9,783,783 as of December 31, 2021 and 2020.

9.03 Key Management Personnel Compensation

Key management personnel received per diem amounting to ₱583,000 for 2021, as disclosed in Note 21. However, no compensation was received for 2021, 2020, and 2019.

During 2021 and 2020, the Company entered into the following transactions with related parties:

Transactions and Advances to and from Related Parties (gross of allowance for ECL) for the year 2021 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to	₱ –	₱ 22,518,475	On demand; non-interest bearing	Unsecured, fully-impaired
Parent:				
IPE Global Holdings Corporation				
a. Advances to	–	81,357,960	On demand; non-interest bearing	Unsecured, fully-impaired
Entities under common control:				
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, fully-impaired
Highlands Coffee Philippines, Inc.				
a. Advances from	(361,312)	–	On demand; non-interest bearing	Unsecured
IPE Global Pte Ltd				
a. Advances to	(5,631,873)	16,409,794	On demand; non-interest bearing	Unsecured, fully-impaired
b. Advances from	(5,631,873)	–	On demand; non-interest bearing	Unsecured
I-Pay Commerce Ventures, Inc.				
a. Advances to	–	217,475	On demand; non-interest bearing	Unsecured, fully-impaired
IPVG Employees, Inc.				
a. Advances from	4,486,390	4,486,390	On demand; non-interest bearing	Unsecured
Level-Up Inc.				
a. Advances from	(873,992)	–	On demand; non-interest bearing	Unsecured, fully-impaired
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	–	1,072,645	On demand; non-interest bearing	Unsecured, fully-impaired
Webworx Computer Technology Corporation				
a. Advances from	(19,000,000)	–	On demand; non-interest bearing	Unsecured
X-Play Online Games, Incorporated				
a. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, fully-impaired
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, fully-impaired
Stockholder:				
a. Due to	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ (5,631,873)**	**₱ 201,576,083**		
Total advances from	**₱ (21,380,787)**	**₱ 4,486,390**		
Total due to	**₱ –**	**₱ 9,783,783**		

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Transactions and Advances to and from Related Parties (gross of allowance for ECL) for the year 2020 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to	₱ (1,767,893)	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Parent:				
IPE Global Holdings Corporation				
a. Advances to	–	61,357,960	On demand; non-interest bearing	Unsecured, fully-impaired
Entities under common control:				
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc.				
a. Advances from	–	361,312	On demand; non-interest bearing	Unsecured
IPE Global Pte Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured
I-Pay Commerce Ventures, Inc.				
a. Advances to	–	217,476	On demand; non-interest bearing	Unsecured, no impairment
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	–	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
Webworx Computer Technology Corporation				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured
X-Play Online Games, Incorporated				
a. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, fully-impaired
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Stockholder:				
a. Due to	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	₱ (1,767,893)	₱ 207,207,956		
Total advances from	₱ –	₱ 25,867,177		
Total due to	₱ –	₱ 9,783,783		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

Cash represents cash in bank, amounting to ₱15,692 and ₱52,198 as of December 31, 2021 and 2020.

During 2021, the Company wrote-off some of its cash since management believes that its recoverability is doubtful. Loss on asset written off recognized in 2021 amounted to ₱36,506, as disclosed in Note 22.

In 2021, 2020 and 2019, no interest income was generated from cash in bank.

11. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

		2021		2020
Trade receivables	₱	–	₱	3,741,000
Advances to officers and employees		–		31,468
		–		3,772,468
Allowance for ECL		–		(3,772,468)
	₱	–	₱	–

Aging of trade and other receivables are as follows:

		2021		2020
Current:				
1 – 30 days outstanding	₱	–	₱	–
Past due:				
31 – 60 days outstanding		–		–
61 – 90 days outstanding		–		–
over 90 days outstanding		–		3,772,468
Balance at December 31	₱	–	₱	3,772,468

Movement of allowance for ECL is disclosed below:

		2021		2020
Balance, January 1	₱	**3,772,468**	₱	3,772,468
Provision		–		–
Write-off		**(3,772,468)**		–
Balance at December 31	₱	–	₱	3,772,468

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

	2021	2020
Prepaid taxes	₱ –	₱ 1,929,281
Advances to suppliers	–	887,429
Deposit	–	486,411
	₱ –	₱ 3,303,121

Prepaid taxes consist of tax credit carried over for the next period. Deposit pertains to the advance rental paid by the Company to its previous lessor. In 2021, the Company assessed and decided that no future economic benefits are expected to be received from the prepaid taxes, advances to suppliers and deposit; thus, these accounts amounting to ₱3,303,121 was written off as disclosed in Note 22.

13. INVESTMENT IN SUBSIDIARY

Details of the Company's investment in subsidiary are as follows:

		2021 Ownership		2020 Ownership	
Entity	Nature of Business	Interest	Amount	Interest	Amount
New Wave Strategic Holdings Ltd.	Holding company	–	–	100%	500,000,000

In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share.

New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.

New Wave holds a direct investment in Winvest LLC. Winvest LLC holds 100% shares of Winvest Investment (Vietnam) Co. Ltd., which then owns a piece of land that constitutes all its net worth.

The Board of Directors of the Company, in relation to the approval to increase its authorized capital stock (ACS), previously approved the use of proceeds from subscriptions to the increase, to buy into a large gaming and resort development project in Vietnam. Winvest Investment (Vietnam) Co. Ltd. is the owner of the 307 hectares of prime land as well as over 200 hectares of water rights where the said project is located, which includes the Saigon Atlantis Hotel Resort Complex in Vung Tau, Vietnam under the Investment Certificate No. 49043000049 (The "Project Rome").

The proceeds of the increase in ACS, at ₱2,500,000,000, were deposited for future subscription with New Wave. The Company has signed documentation in 2017 to acquire shares in New Wave for 50,000,000 shares at US$1.00 per share.

As of December 31, 2018, the Company has subscriptions for future conversion to share of stocks with New Wave and the Company is still waiting for various requirements as a basis for using the investment to purchase shares of stocks from other company.

In 2019, New Wave already issued shares of stocks to the Company. Thus, the amount previously recognized as deposit for future investment was reclassified as investment in subsidiary.

In 2020, a revaluation of the investment has been performed due to an indication of potential impairment of land lease value. A development of a five-star hotel was planned at the proposed site, with an assumption that the surrounding areas will see a sharp increase in recreational economic activities. However, with the onset of COVID-19, the development of the hotel could not be achieved in due time and the commercial development of the whole area has been postponed indefinitely.

Due to the above conditions, New Wave recognized an impairment loss on its investment in Winvest LLC amounting to ₱1,914,282,281 in 2020. Consequently, the Company recognized impairment loss on its investment in subsidiary amounting to ₱2,000,000,000.

On December 17, 2021, the Company and IPE Global Holdings Corp. (the "Buyer") entered into a Share Purchase Agreement, wherein the Company agreed to unconditionally and irrevocably sell, transfer, and convey to the Buyer, all of its rights, title and interests in and to the Company's investment in New Wave (the "Sale Shares"). The Buyer likewise agreed to unconditionally and irrevocably purchase the Sale Shares. The total consideration for the purchase of the Sale Shares, inclusive of all pertinent taxes, to be withheld by the Seller, if any, shall be Five Hundred Million Pesos (₱500,000,000). The purchase price shall be payable in lump sum on or before the 24th month following the execution of the agreement.

On November 19, 2025, the Company and the Buyer entered into amendment of the Share Purchase Agreement, wherein the Parties desire to amend the payment schedule of the purchase price. The purchase price shall be payable by the Buyer over a period of six (6) years, on or before December 17, 2027 in the following manner:
- Ten percent (10%) of ₱50,000,000 on or before December 17, 2025 (Year 4);
- Ten percent (10%) of ₱50,000,000 on or before December 17, 2026 (Year 5); and
- The remaining eighty percent (80%) or ₱400,000,000 on or before December 17, 2027

The Company has reviewed all significant receivables for indications of impairment and has adjusted the carrying amounts to reflect expected credit losses and, where applicable, discounted future cash flows. This includes the Buyer's financial capability, related party nature, length of payment terms, past due information and probability of default.

The investment was sold at its carrying amount. However, a loss on disposal of ₱25,883,643 was recognized, as disclosed in Note 21, arising from the discounting of future cash flows of the other receivables, as disclosed in Note 9. This amount will be amortized and recognized as interest income over the next two years.

The summarized financial information of New Wave are disclosed below:

		2021		2020
Total assets	₱	**585,717,719**	₱	585,717,719
Total liabilities		**503,302**		239,224
Net assets		**585,214,417**		585,478,495
Revenue		**–**		–
Net loss		**(264,078)**		(1,914,521,505)

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The account consists of investments in shares of stocks of Digital Paradise, Inc., and are not traded in an active market.

Movement in the account is disclosed below:

	Note		2021		2020
At January 1		₱	–	₱	8,491,720
Write-off	22		–		(8,491,720)
At December 31		₱	–	₱	–

In 2020, the Company assessed that no future economic benefits are expected to be received from the investments in shares of stocks; thus, investments in shares of stocks amounting to ₱8,491,720 was written-off, as disclosed in Note 22. Also, the unrealized fair value loss recognized in OCI were reclassified to deficit amounting to ₱42,977,537.

No dividends were received from this investment for the years ended December 31, 2021, 2020 and 2019.

Movements in the account are disclosed below:

	2021	2020	2019
At January 1	₱ –	₱ 8,491,720	₱ 9,727,002
Write-off	–	(8,491,720)	
Unrealized fair value loss – recognized in OCI	–	–	(1,235,282)
At December 31	₱ –	₱ –	₱ 8,491,720

15. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2021	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Write-off	(5,463,436)	(1,598,421)	(1,035,714)	(8,097,571)
Balance, December 31	–	–	–	–
Accumulated depreciation:				
Balance, January 1	5,463,436	1,598,421	1,035,714	8,097,571
Depreciation	–	–	–	–
Write-off	(5,463,436)	(1,598,421)	(1,035,714)	(8,097,571)
Balance, December 31	–	–	–	–
Net carrying value	₱ –	₱ –	₱ –	₱ –

2020	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	5,463,436	1,598,421	1,035,714	8,097,571
Accumulated depreciation:				
Balance, January 1	5,463,436	1,598,421	1,035,714	8,097,571
Depreciation	–	–	–	–
Balance, December 31	5,463,436	1,598,421	1,035,714	8,097,571
Net carrying value	₱ –	₱ –	₱ –	₱ –

In 2021, the Company assessed that no future economic benefits are expected from property and equipment due to being permanently idle; thus, property and equipment amounting to nil was written-off. No gain or loss has been recognized.

There were no fully depreciated assets still in use by the Company as of December 31, 2021 and 2020; thus, fully depreciated property and equipment with a total cost of ₱8,097,571 were written-off.

No amount of property and equipment has been pledged as security for the Company's liabilities.

As of December 31, 2021 and 2020, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

16. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

	2021	2020
Trade payables	₱ **13,991,152**	₱ 25,475,002
Output VAT	**12,817,156**	12,817,156
Accrued expenses	**12,000,224**	11,788,254
Withholding taxes	**11,450,429**	11,450,429
Other non-trade payables	**2,837,233**	4,340,264
	₱ **53,096,194**	₱ 65,871,105

Trade payables are payables which are related directly to the Company's primary operations. Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

In 2021, the Company derecognized previously recognized trade and other payables amounting to ₱12,774,911, which were assessed to be no longer valid obligations of the Company. The derecognized payables mainly relate to long-outstanding balances with no recent transaction activity and with no demand for settlement from the counterparties for an extended period. Based on management's assessment, these obligations were determined to be inactive and no longer payable. Accordingly, the amounts were reversed and recognized as other income, as disclosed in Note 20.

17. EQUITY

17.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

	2021	2020
Share capital	₱ **2,800,000,000**	₱ 2,800,000,000
Share premium	**255,535,853**	255,535,853
	₱ **3,055,535,853**	₱ 3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares:

	2021		2020	
	Shares	Amount	Shares	Amount
Authorized share capital P0.01 par value	**280,000,000,000**	₱ **2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid, December 31	**280,000,000,000**	₱ **2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date, the Company has a total number of 39 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

18. REVENUES

The Company has no revenues for the years ending December 31, 2021, 2020 and 2019.

19. COST OF SERVICES

The Company has no cost of services for the years ended December 31, 2021, 2020 and 2019.

20. OTHER INCOME

The Company recognized miscellaneous income due to written-off of the following accounts:

	Notes	2021	2020	2019
Advances from related parties	9	**₱ 20,235,304**	₱ –	₱ –
Trade and other payables	16	**12,774,911**	–	–
Subscription payable		**–**	–	2,500,000
		₱ 33,010,215	₱ –	₱ 2,500,000

Subscriptions payable pertain to subscription of IPVG Employees, Inc. (IEI) to Cosamera Resorts Corporation (CRC) assigned to the Company.

IEI subscribed to 500,000 shares of CRC at a par value of ₱10 per share, or a total of ₱5,000,000. Out of the total amount, ₱2,500,000 was already paid by IEI. On March 2, 2012, IEI executed a deed of assignment wherein IEI assigns its subscription of CRC's shares of stocks to the Company, and the Company will assume the payment of the unpaid subscription equivalent to ₱2,500,000. In 2019, the payable was reversed to other income.

No other income was recorded in 2020.

21. OTHER EXPENSES

The account is composed of the following expenses:

	Note	2021	2020	2019
Loss on disposal	13	**₱ 25,883,643**	₱ –	₱ –
Professional fees		**3,359,472**	909,237	2,524,912
Directors fee		**583,000**	–	–
Listing fees		**329,409**	261,000	567,840
Fines and penalties		**200,893**	–	155,000
Taxes and licenses		**–**	–	500
Others		**13,616**	29,261	259,514
		₱ 30,370,033	₱ 1,199,498	₱ 3,507,766

Directors fee pertains to per diems to compensation for attendance at board/committee meetings, not remuneration for executive services.

Others pertain to notarial fees, publication fees, meals, company meetings, and miscellaneous expenses.

22. LOSS ON ASSETS WRITTEN OFF

Loss on assets written off consists of the following:

	Notes	2021	2020	2019
Loss on write-off of:				
Prepayments and other current assets	12	₱ 3,303,121	₱ –	₱ –
Cash	10	36,506	–	–
Financial assets at FVOCI	14	–	8,491,720	–
Other non-current asset		–	–	41,256,400
		₱ 3,339,627	₱ 8,491,720	₱ 41,256,400

In 2019, the Company wrote off its other non-current assets, recognizing loss on assets written off amounting to ₱41,256,400. No other non-current assets were written off in 2021 and 2020.

23. PROVISIONS FOR EXPECTED CREDIT LOSSES

Details of the account is disclosed below:

	Notes	2021	2020	2019
Provision for expected credit losses on:				
Advances to related parties	9	₱ 113,076,754	₱ 88,499,329	₱ –
Trade receivables	11	–	–	31,468
Other receivables	9	450,000,000	–	–
		₱ 563,076,754	₱ 88,499,329	₱ 31,468

24. INCOME TAXES

24.01 Income tax Recognized in Profit or Loss

Components of income tax expense from MCIT are as follows:

	2021	2020	2019
Current tax expense	₱ –	₱ –	₱ 50,000

A numerical reconciliation between tax expense and the product of accounting loss multiplied by the tax rate in 2021, 2020 and 2019 follows:

	2021	2020	2019
Accounting loss	₱ (563,776,199)	₱ (2,098,190,547)	₱ (42,295,634)
Tax benefit at 25%/25%/30%	(140,944,050)	(524,547,637)	(12,688,690)
Reduction in (additions to) income tax resulting from:			
Unrecognized DTA on provision for ECL	140,769,189	22,124,832	9,440
Unrecognized DTA on NOLCO	1,071,374	299,875	255,830
Non-deductible expenses	7,356,041	502,122,930	12,423,420
Non-taxable income	(8,252,554)	–	–
Excess MCIT over RCIT	–	–	50,000
	₱ –	₱ –	₱ 50,000

24.02 Net Operating Loss Carry-over (NOLCO)

Under Section 24 of NIRC, the net operating loss of the Company for any taxable year immediately preceding the current taxable year which had not been previously offset as deduction from gross income, shall be carried over as a deduction from gross income for the next three consecutive taxable years immediately following the year of such loss.

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

Details of Company's NOLCO which can be applied as special deduction against taxable income are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2018	₱ 400,000	₱ –	₱ –	(400,000)	₱ –	2021
2019	852,766	–	–	–	852,766	2022
2020	1,199,498	–	–	–	1,199,498	2025
2021	4,285,497	–	–	–	4,285,497	2026
	₱ 6,737,761	**₱ –**	**₱ –**	**(400,000)**	**₱ 6,337,761**	

24.03 Minimum Corporate Income Tax (MCIT)

Section 27(E) of the National Internal Revenue Code of 1997 provides that an MCIT of two percent (2%) of the gross income as of the end of the taxable year is imposed on a taxable corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operation, when the MCIT is greater than RCIT for the taxable year. The Company was incorporated in November 22, 2005, thus, the Company is subject to MCIT beginning 2009.

Details of Company's MCIT which can be claimed as tax credits against regular income tax are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2017	₱ 310,965	₱ –	₱ –	(310,965)	₱ –	2020
2019	50,000	–	–	–	50,000	2022
	₱ 360,965	**₱ –**	**₱ –**	**(310,965)**	**50,000**	

24.04 Deferred Tax Assets

Details of the Company's unrecognized deferred tax assets are disclosed below:

	2021	2020
Allowance for ECL	₱ **50,394,021**	₱ 21,181,715
NOLCO	**1,584,440**	613,066
MCIT	**50,000**	50,000
	₱ **52,028,461**	₱ 21,844,781

24.05 Republic Act No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act

On February 03, 2021, the final provisions of Senate Bill No. 1357 and House Bill No. 4157 or the CREATE Bill, which seeks to reform corporate income taxes and incentives in the country, had been ratified by the Senate and the House of Representatives of the Philippines.

Under the bill, the regular corporate income tax (RCIT) will be reduced from the current 30% to 20% for domestic corporations with total assets not exceeding ₱100 million, excluding land, and total net taxable income of not more than ₱5 million. The corporate income tax of all other corporations, meanwhile, will be lowered to 25%. The bill would also lower the minimum corporate income tax from 2% to 1% effective July 1, 2020 until June 30, 2023. The said bill has no impact on the 2021 financial statements, as no income tax expense or deferred tax assets were recognized.

25. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below.

25.01 Basic Earnings (Loss) per Share

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

	2021	2020	2019
Loss used in the calculation of total basic earnings per share	₱ **(563,776,199)**	₱ (2,098,190,547)	₱ (42,345,634)
Weighted average number of ordinary share for the purposes of basic earnings per share	**280,000,000,000**	280,000,000,000	280,000,000,000
Basic EPS	₱ **(0.0020)**	₱ (0.0075)	₱ (0.0002)

The Company has no dilutive potential common shares outstanding in 2021 and 2020. Thus, basic and diluted EPS are stated at the same amount.

26. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

26.01 Provision

26.01.01 Beijing Perfect World Software, Inc.
On May 9, 2011, the Company was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Company was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 31, 2021 and 2020, the parties are still in the course of pleadings and other evidence in support of their respective claims. Management and legal counsel continue to monitor developments related to the case. A provision for probable losses amounting to ₱2,905,661 had been previously recognized and continues to be presented as "provision for contingencies" in the separate statements of financial position. Management and legal counsel believe that no additional material losses are expected beyond the amount already provided.

26.02 Contingencies

26.02.01 Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City)
A criminal case for qualified theft filed on 07 June 2010 before the Office of the City Prosecutor (OCP) of Makati City by the Company erring former employees (respondents herein). The Company seeks to recover in the form of civil liability in the amount of ₱2,625,500, which was lost from the concerted acts of the accused in unlawfully inserting imbalanced items in the Cabal Games.

Accused Milongo was arrested but the rest of the accused remains at large. The criminal case proceeded against Milongo. The contending parties have completed the presentation of their respective evidence and have submitted their respective memorandum prior to the promulgation by the court of the decision with respect to accused Milongo.

25.02.02 George Tan
The Company and its Board of Directors received a civil complaint for the brokering sale of Digital Paradise Inc. to the Company in 2010.

The trial court in its decision dated 08 December 2015 dismissed the case against the individual members of the Board of Directors, but held the Company liable for ₱4.03 million. The case is presently pending appeal before the Court of Appeals.

Other than the case of Beijing Perfect World Software, Inc., it is believed that the pendency of the foregoing cases will not have material adverse effect on the operations and financial position of the Company. Accordingly, no provision has been made in the separate financial statements for the years ended December 31, 2021 and 2020.

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the reconciliation analysis of liabilities arising from financing activities for the years ended December 31, 2021, 2020 and 2019:

	2020	Cash inflows	Cash outflows	Non-cash changes	2021
Advances from related parties	25,867,177	4,486,390	–	(25,867,177)	4,486,390

	2019	Cash inflows	Cash outflows	Non-cash changes	2020
Advances from related parties	25,867,177	–	–	–	25,867,177

	2018	Cash inflows	Cash outflows	Non-cash changes	2019
Advances from related parties	25,867,177	–	–	–	25,867,177

28. EVENTS AFTER THE END OF THE REPORTING PERIOD

On June 20, 2024, at a special meeting of the Board of Directors, the Board authorized the Company to evaluate the proposed investment in real estate investment trust (REIT) related opportunities in accordance with Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations (the "REIT Act"), and other applicable laws. The Board notes that in the event the decides to proceed with the invest in REIT related opportunities, such decision is still subject to the approval of the Securities and Exchange Commission, the Philippine Stock Exchange, and other pertinent regulatory bodies, after compliance with the relevant laws, rules and regulations in the incorporation, registration and listing of the said REIT company.

Aside from the above, no other events after the end of the reporting date were identified in these separate financial statements that provide evidence of conditions that existed at the reporting date (adjusting events after reporting date), and that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

29. APPROVAL OF SEPARATE FINANCIAL STATEMENTS

These separate financial statements were approved and authorized for issue by the Board of Directors and Management on May 18, 2026.

30. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS 15-2010

Revenue Regulations (RR) No. 21-2002 prescribing additional procedural and/or documentary requirements in connection with the preparation and submission of separate financial statements accompanying income tax returns was amended under RR 15-2010. The amendment that became effective on December 28, 2010 requires the inclusion in the notes to separate financial statements, information on taxes, duties and license fees paid or accrued during the year in addition to what is required under the Philippine Financial Reporting Standards and such other standards and/or convent

Below are the additional information required by RR 15-2010. This information is presented for purposes of filing with the BIR and is not a required part of the basic separate financial statements.

30.01 Output Value-added Tax (VAT)

The Company has no VAT output tax declared during the years 2021 and 2020.

30.02 Input Value-added Tax (VAT)

An analysis of the Company's VAT input tax claimed during the year is as follows:

	2021	2020
Input VAT on:		
Domestic purchase of:		
Capital goods not exceeding ₱1 million	₱ –	₱ –
Goods other than capital goods	–	–
Services	–	–
Input tax carry over	–	42,000
Claims for tax credit/refund and other adjustments	–	(42,000)
	₱ –	₱ –

30.03 Withholding Taxes

The Company has no withholding taxes paid during the year. Withholding taxes payable amounted to ₱11,450,429 as of December 31, 2021 and 2020.

30.04 Excise Tax

The Company has no excise taxes paid or accrued as of December 31, 2021 and 2020.

30.05 Documentary Stamp Tax

The Company has no documentary stamp taxes paid or accrued as of December 31, 2021 and 2020.

30.06 Taxes and Licenses

The Company paid registration fee amounting to nil in 2021 and 2020.

30.07 Deficiency Tax Assessments and Tax Cases

The Company has an ongoing tax assessment for the taxable year 2012 per LOA-050-2013-00000249 issued last September 24, 2013, taxable year 2013 per LOA-050-2014-00000323 issued last August 28, 2015 and taxable year 2014 issued last July 28, 2015 for all tax types.

31. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS 19-2011

RR No. 19-2011 that prescribes the use of new income tax forms starting with calendar year 2011 became effective on December 9, 2011. Companies are now required to include, as part of the notes to the separate financial statements, the schedules and information on taxable income and deductions.

Below are the additional information required by RR No. 19-2011. This information is presented for purposes of filing with the BIR and is not a required part of the basic separate financial statements.

31.01 Other Taxable Income

Non-operating and taxable other income for the year ended December 31, 2021 consists of:

	Per financial statements	Per income tax return
Miscellaneous income	₱ 33,010,215	₱ –

31.02 Allowable Deductions

Itemized deductions for the year ended December 31, 2021 consist of:

	Per financial statements	Per income tax return
Provision for expected credit losses	₱ 563,076,754	₱ –
Loss on disposal	25,883,643	–
Professional fees	3,359,472	3,359,472
Loss on asset written off	3,339,627	–
Directors fee	583,000	583,000
Listing fees	329,409	329,409
Others	214,509	13,616
	₱ 596,786,414	₱ 4,285,497

Alas Oplas & Co., CPAs

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Offices:

Makati Alabang Ortigas Paranaque Cavite
Bulacan Isabela Nueva Ecija Bacolod Iloilo
Legazpi La Union Laguna

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC.
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the separate financial statements of **IP E-GAME VENTURES INC.** (the "Company") as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, included in this Form 17-A and have issued our report thereon dated May 18, 2026. Our audits were made for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The schedules listed in the Index to the Separate Financial Statements are the responsibility of the Company's management. These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and are not a required part of the basic separate financial statements prepared in accordance with PFRSs. These schedules have been subjected to the auditing procedures applied in the audit of the basic separate financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic separate financial statements taken as a whole.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2026, issued on February 6, 2026; effective until February 5, 2029
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period (Extended until Audit Period 2025)
TIN 232-158-286-000
PTR No. 10767236, issued on January 5, 2026, Makati City

May 18, 2026
Makati City, Philippines

BKR INTERNATIONAL INDEPENDENT MEMBER

IP E-GAME VENTURES INC.

INDEX TO THE SEPARATE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

Schedule	Contents
A	Financial assets
B	Amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties)
C	Amounts receivable from related parties which are eliminated during the consolidation of financial assets
D	Long term debt
E	Indebtedness to related parties (long-term loans and related companies)
F	Guarantees of securities of other issuers
G	Capital Stock

Other schedules:

Reconciliation of Retained Earnings Available for Dividend Declaration

Map showing the relationships between and among the Company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates

SCHEDULE A

IP E-GAME VENTURES INC.

SUPPLEMENTARY SCHEDULE ON FINANCIAL ASSETS

AS OF DECEMBER 31, 2021

NAME OF ISSUING ENTITY AND ASSOCIATION OF EACH ISSUE	NUMBER OF SHARES OR PRINCIPAL AMOUNT OF BONDS AND NOTES	AMOUNT IN THE BALANCE SHEET	INCOME RECEIVED & ACCRUED
ADVANCES TO RELATED PARTIES			
IPE Global Holdings Corp.	81,357,960	–	nil
Y-Fi Business Solutions, Inc.	62,928,454	–	nil
IP Ventures, Inc.	22,518,475	–	nil
IPE Global Pte Ltd.	16,409,794	–	nil
GRCO Isulan Mining Corporation	9,929,910	–	nil
X-Play Online Games, Incorporated	7,141,369	–	nil
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,072,645	–	nil
I-Pay Commerce Ventures, Inc.	217,476	–	nil
TOTAL	**201,576,083**	–	
TRADE AND OTHER RECEIVABLES			
IPE Global Holdings Corp.	500,000,000	500,000,000	nil

SCHEDULE B

IP E-GAME VENTURES INC

SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES AND RELATED PARTIES

FOR THE YEAR ENDED DECEMBER 31, 2021

NAME	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
IPE Global Holdings Corp.	81,357,960	500,000,000	–	–	81,357,960	500,000,000	581,357,960
Y-FI Business Solutions, Inc.	62,928,454	–	–	–	62,928,454	–	62,928,454
IP Ventures, Inc.	22,518,475	–	–	–	22,518,475	–	22,518,475
IPE Global Pte Ltd.*	22,041,667	–	(5,631,873)	–	16,409,794	–	16,409,794
GRCO Isulan Mining Corporation	9,929,910	–	–	–	9,929,910	–	9,929,910
X-Play Online Games Incorporated	7,141,369	–	–	–	7,141,369	–	7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,072,645	–	–	–	1,072,645	–	1,072,645
I-Pay Commerce Ventures, Inc.	217,476	–	–	–	217,476	–	217,476

**The Company has advances from related parties amounting to ₱5,631,873, which were offset against advances to related parties.*

SCHEDULE C

IP E-GAME VENTURES INC.

SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION PERIOD
FOR THE YEAR ENDED DECEMBER 31, 2021

NAME (Debtor)	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
NONE TO REPORT							

SCHEDULE D

IP E-GAME VENTURES INC.

SUPPLEMENTARY SCHEDULE ON LONG-TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2021

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT PORTION OF LONG-TERM DEBT	LONG-TERM DEBT (NET OF CURRENT PORTION)	INTEREST RATE	NO. OF PERIODIC INSTALLMENT	MATURITY DATE
NONE TO REPORT						

SCHEDULE E

IP E-GAME VENTURES INC.

SUPPLEMENTARY SCHEDULE ON INDEBTEDNESS TO RELATED PARTIES FOR THE YEAR ENDED DECEMBER 31, 2021

NAME OF RELATED PARTY (CREDITOR)	BALANCE AT BEGINNING OF PERIOD	BALANCE AT END OF PERIOD
NONE TO REPORT		

The Company does not have indebtedness related to parties that are above 5% of its total assets as of December 31, 2021.

SCHEDULE F

IP E-GAME VENTURES INC.

SUPPLEMENTARY SCHEDULE ON GUARANTEES OF SECURITIES OF OTHER ISSUERS FOR THE YEAR ENDED DECEMBER 31, 2021

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE GROUP FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENTS FILED	NATURE OF GUARANTEE
NONE TO REPORT				

The Bank does not have guarantees of securities of other issuers as of December 31, 2021.

SCHEDULE G

IP E-GAME VENTURES INC.

SUPPLEMENTARY SCHEDULE ON CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2021

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING AND SHOWN UNDER RELATED BALANCE SHEET CAPTION				Number of shares reserved for options, warrants conversion	Number of shares held by related parties	Directors, officers, and employees	Others
		ISSUED	SUBSCRIBED	TREASURY SHARES	TOTAL				
Ordinary shares	280,000,000,000	280,000,000,000	–	–	280,000,000,000	–	250,000,000,000	401	29,999,999,599

IP E-GAME VENTURES INC.
Reconciliation of Retained Earnings Available for Dividend Declaration
As of DECEMBER 31, 2021

Unappropriated Retained Earnings, beginning of reporting period		**(2,537,899,633)**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation	–	
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	–	
Reclassification adjustment of cumulative unrealized loss on financial assets through other comprehensive income	–	
Unappropriated Retained Earnings, as adjusted		**(2,537,899,633)**
Add/Less: Net Income (loss) for the current year		**(563,776,199)**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (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	–	
Reversal of retirement benefit obligation	–	
Gain on reversal of liabilities	–	
Sub-total		–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalent	–	
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 (describe nature	–	
Sub-total		–
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 ~~P~~FRS, previously recorded (describe nature)		
Sub-total		–
Adjusted Net Income/Loss		**(563,776,199)**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Unrealized foreign exchange loss	–	
Sub-total		–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others (describe nature)	–	
Sub-total		–
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 setup of service concession asset and concession payable	–	
Adjustment due to deviation from PFRS/GAAP -gain (loss)	–	
Others	–	
Sub-total		–
Total Retained Earnings, end of the reporting period available for dividend		**(3,101,675,832)**

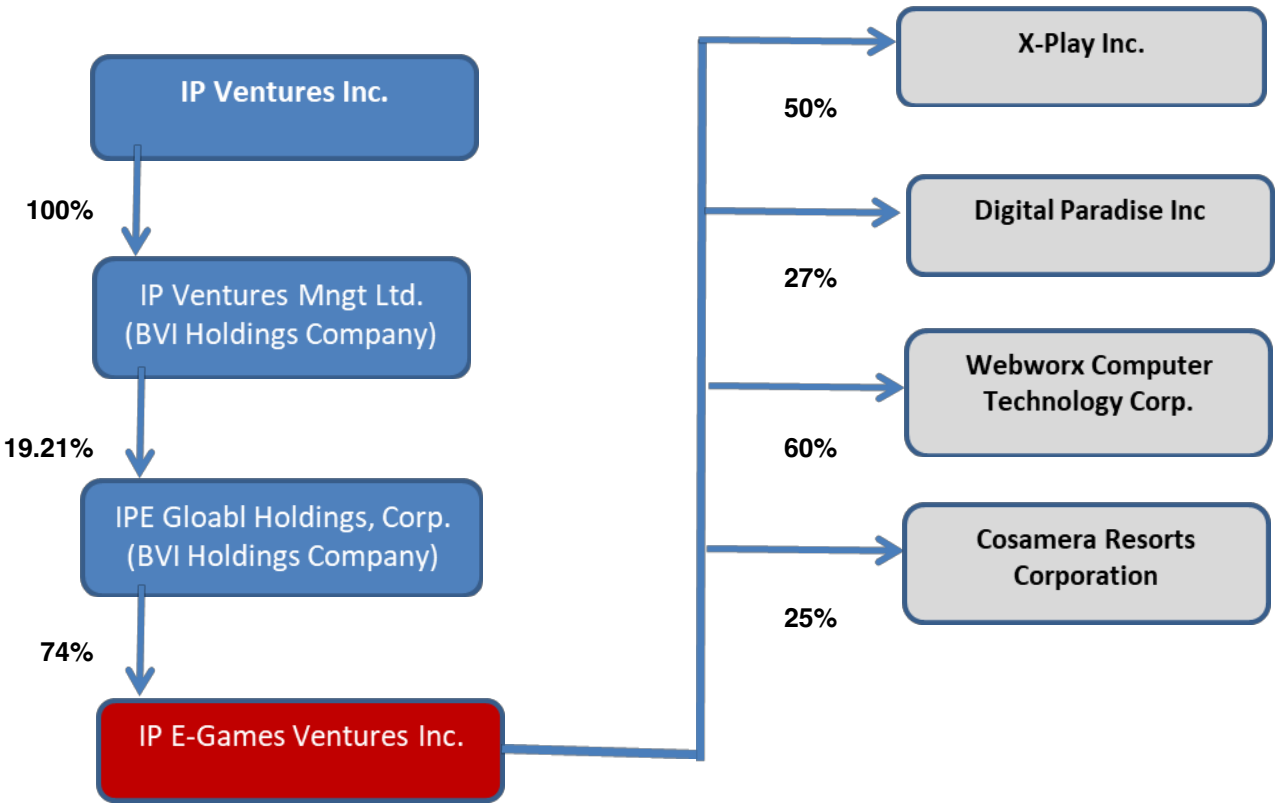
FOOTNOTES:

1. The amount of retained earnings of a company should be based on its separate ("stand-alone") audited separate financial statements.
2. Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.
3. Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the Parent Company and must be adjusted in the reconciliation to reflect the actual distributable amount.
4. This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of Its distributable income should be in accordance with the REIT Act and its Implementing Rules and Regulations.

IP E-GAME VENTURES INC.

MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANY AND ITS ULTIMATE PARENT, MIDDLE PARENT, SUBSIDIARIES AND CO-SUBSIDIARIES, AND ASSOCIATES
FOR THE YEAR ENDED DECEMBER 31, 2021

CORPORATE STRUCTURE



Alas Oplas & Co., CPAs

INDEPENDENT AUDITORS' REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

7/F Philippine AXA Life Centre
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Website: www.alasoplascpas.com

Offices:

Makati Alabang Ortigas Paranaque Cavite
Bulacan Isabela Nueva Ecija Bacolod Iloilo
Legazpi La Union Laguna

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC.
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the separate financial statements of **IP E-GAME VENTURES INC.** as of December 31, 2021 and 2020, and for each of three years in the period ended December 31, 2021, and have issued our report thereon dated May 18, 2026. Our audits were made for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not part of the basic separate financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Company's separate financial statements as at December 31, 2021 and 2020, and each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2026, issued on February 6, 2026; effective until February 5, 2029
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period (Extended until Audit Period 2025)
TIN 232-158-286-000
PTR No. 10767236, issued on January 5, 2026, Makati City

May 18, 2026
Makati City, Philippines

BKR INTERNATIONAL INDEPENDENT MEMBER

ANNEX 68-E

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

IP E-GAME VENTURES INC.
As of December 31, 2021

Ratio	Formula	Current Year	Prior Year
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.02%	116.89%
Acid test ratio	$\frac{\text{Quick Assets}}{\text{Current Liabilities}}$	0.00%	113.73%
Solvency ratio	$\frac{\text{Net Income + Depreciation and Amortization}}{\text{Total Liabilities}}$	-802.28%	-2009.23%
Debt-to-equity ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	-152.30%	20.17%
Asset-to-equity ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	-52.30%	120.17%
Interest rate coverage ratio	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$	N/A	N/A
Return on equity	$\frac{\text{Net Income}}{\text{Average Total Equity}}$	-239.14%	-133.92%
Return on assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	-174.49%	-125.53%
Net profit margin	$\frac{\text{Net Income}}{\text{Revenue}}$	N/A	N/A

SUSTAINABILITY REPORT

Contextual Information

Company Details	
Name of Organization	IP E-GAME VENTURES INC.
Location of Headquarters	8/F Arthaland Century Pacific Tower, 5th Ave., BGC, Taguig City
Location of Operations	8/F Arthaland Century Pacific Tower, 5th Ave., BGC, Taguig City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	
Business Model, including Primary Activities, Brands, Products, and Services	Holding Company
Reporting Period	December 31, 2021
Highest Ranking Person responsible for this report	

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
With no current operations except for relevant payments to regulatory agencies and professional consultations, there are no current environmental and social impacts, risks and opportunities.

[1] See *GRI 102-46* (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	0.00	PhP
Direct economic value distributed:		
a. Operating costs	0.00	PhP
b. Employee wages and benefits	0.00	PhP
c. Payments to suppliers, other operating costs	**4,189,921**[2]	Php
d. Dividends given to stockholders and interest payments to loan providers	0.00	PhP
e. Taxes given to government	0.00	PhP
f. Investments to community (e.g. donations, CSR)	0.00	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
N.A.	*N.A.*	*N.A.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
N.A.	*N.A.*	*N.A.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
N.A.	*N.A.*	*N.A.*

Climate-related risks and opportunities[3]

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities NA	Disclose the actual and potential impacts[4] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Disclose how the organization identifies, assesses, and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is

[2] Expenses for professional fees, listing fees, fines and penalties, and others as reflected in the Company's 2021 AFS.
[3] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.
[4] For this disclosure, impact refers to the impact of climate-related issues on the company.

	where such information is material		material
Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities NA	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	a) Describe the organization's processes for identifying and assessing climate-related risks	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
b) Describe management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	*N.A.*	%

What is the impact and where does it occur? What is the organization's involvement in the impact? *N.A.*	**Which stakeholders are affected?** *N.A.*	**Management Approach**
Identify the impact and where it occurs (i.e., primary business	*(e.g. employees, community, suppliers, government, vulnerable*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects,*

operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*groups)*	*programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified? **NA**	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	0	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	0	%
Percentage of directors and management that have received anti-corruption training	0	%
Percentage of employees that have received anti-corruption training	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

business relationship) NA		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization NA		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization NA		

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified? NA	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization NA		
What are the Opportunity/ies Identified? NA	**Which stakeholders are affected?**	**Management Approach**

Identify the opportunity/ies related to material topic of the organization		

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	0	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	0	kWh
Energy reduction (gasoline)	0	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the		

organization		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	0	Cubic meters
Water recycled and reused	0	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	0	kg/liters
• non-renewable	0	kg/liters

Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	**Quantity**	**Units**
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	(identify all sites)	
Habitats protected or restored		ha
IUCN[5] Red List species and national conservation list species with habitats in areas affected by operations	(list)	

What is the impact and where does it occur? What is the organization's involvement in the	**Which stakeholders are affected?**	**Management Approach**

[5] International Union for Conservation of Nature

impact? NA		
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions		Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions		Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)		Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

business relationship)		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Air pollutants

Disclosure	Quantity	Units
NO_x	0	kg
SO_x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Identify the opportunity/ies related to material topic of the organization		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	0	kg
Reusable	0	kg
Recyclable	0	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Hazardous Waste

Disclosure	Quantity	Units

Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Effluents

Disclosure	**Quantity**	**Units**
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to*

(i.e., caused by the organization or linked to impacts through its business relationship)		*manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[6]	0	
a. Number of female employees	0	#
b. Number of male employees	0	#
Attrition rate[7]	0	rate
Ratio of lowest paid employee against minimum wage	0	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	N	0%	0%
PhilHealth	N	0%	0%
Pag-ibig	N	0%	0%
Parental leaves	N	0%	0%
Vacation leaves	N	0%	0%
Sick leaves	N	0%	0%
Medical benefits (aside from PhilHealth))	N	0%	0%
Housing assistance (aside from Pag-ibig)	N	0%	0%
Retirement fund (aside from SSS)	N	0%	0%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	N	0%	0%
Flexible-working Hours	N	0%	0%
(Others)	N	0%	0%

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

[6] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

[7] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

relationship)	
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	0	hours
b. Male employees	0	hours
Average training hours provided to employees		
a. Female employees	0	hours/employee
b. Male employees	0	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees	0	#

concerning employee-related policies		

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Diversity and Equal Opportunity

Disclosure	**Quantity**	**Units**
% of female workers in the workforce	0	%
% of male workers in the workforce	0	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	

What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	0	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	

Child labor	N	
Human Rights	N	

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

_____

Do you consider the following sustainability topics when accrediting suppliers?

Topic	**Y/N**	**If Yes, cite reference in the supplier policy**
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

relationship)	
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	**Location**	**Vulnerable groups (if applicable)***	**Does the particular operation have impacts on indigenous people (Y/N)?**	**Collective or individual rights that have been identified that or particular concern for the community**	**Mitigating measures (if negative) or enhancement measures (if positive)**

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	**Quantity**	**Units**
FPIC process is still undergoing	N	#
CP secured	N	#

What are the Risk/s Identified?	**Management Approach**

Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What	Management Approach

is the organization's involvement in the impact? NA	
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Marketing and labelling

Disclosure	**Quantity**	**Units**
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**

Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
NA			

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

Annex "A-2"

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: January 21, 2026 03:19:05 PM

Company Information

SEC Registration No.: CS200518779
Company Name: IP E-GAME VENTURES INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST10121202683888832
Document Type: ANNUAL_REPORT
Document Code: SEC_Form_17-A
Period Covered: December 31, 2020
Submission Type: Original Filing
Remarks: WITH FS CONSOLIDATED

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

COVER SHEET

C	S	2	0	0	5	1	8	7	7	9

S.E.C. Registration Number

I	P		E	-	G	A	M	E		V	E	N	T	U	R	E	S	,		A	N	D							

S	U	B	S	I	D	I	A	R	Y		I	N	C																

(Company's Full Name)

U	n	i	t		1	7	0	5		C	e	n	t	e	r	p	o	i	n	t		B	l	d	g	.			

D	o	ñ	a		J	u	l	i	a		V	a	r	g	a	s		A	v	e	.		C	o	r	.			

G	a	r	n	e	t		S	t	.		O	r	t	i	g	a	s		C	e	n	t	r	e	,			

P	a	s	i	g		C	i	t	y																				

(Business Address : No. Street Company / Town / Province)

May Jenelle C. Palma

Contact Person

(02) 948-1108

Company Telephone Number

1	2

Month

3	1

Day

SEC Form 17-A

FORM TYPE

1	2

Month

3	1

Day

Annual Meeting

Secondary License Type, If Applicable

S	E	C

Dept. Requiring this Doc.

Article VII

Amended Articles Number/Section

			4	0

Total No. of Stockholders

Total Amount of Borrowings

₱–

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

E-GAMES.COM.PH

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2020**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines** 6. (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization — Industry Classification Code:

7. **Unit 1003 Centerpoint Bldg., Dona Julia Vargas Ave., cor. Garnet St., Ortigas Centre, Pasig City**
Address of principal office

Postal Code **1600**

Issuer's telephone number, including area code **+63 2 948-1108**

8. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

9. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000**

10. Are any or all of these securities listed on a Stock Exchange.

Yes [x] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange **Common Shares**

11. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [x] No [ ]

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

Yes [x] No [ ]

12. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

    The aggregate market value of the voting stock held by non-affiliates of the Company as of December 31, 2020 is ₱ 269,999,995(29,999,999,498shares @ ₱0.009/share).

E-GAMES.COM.PH

NON-FINANCIAL DISCLOSURE REQUIREMENTS

PART I BUSINESS

(A) Description of Business

(1) Business Development

IP E-Game Ventures, Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group" were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on various dates.

The Company was registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005;

The Company is owned by IPE Global Holdings Corporation ("IPE Global" or "parent company"), a company incorporated in the British Virgin Islands (BVI).

IP E-Game Ventures, Inc. (the Company) used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

Commercial operations began on March 31, 2006. Since then, the Company has launched 6 MMORPGs and 3 casual games, and had a network of 28 main distributors and approximately 20,000 outlets (comprised mainly of internet cafés, independent kiosks and mini-marts) that cover the entire Philippine market.

In October 16, 2007, the Company was registered, with Certificate No. 2007-183, with the Board of Investments (BOI) as a New Information and Communication Technology (ICT) Export Service firm (non-pioneer) in the field of application software/systems development for on-line computer systems. This entitles the Company to certain fiscal and non-fiscal incentives, including, but not limited to: a four-year income tax holiday and an option to avail of bonus years for entitlement of income tax holiday; simplified procedures for the importation of equipment, spare parts, raw materials and supplies with the Bureau of Customs; ten-year exemption from wharfage dues, any export tax, duty, imposts and fees; option to qualify for importation of capital equipment, spare parts and accessories at zero duty; and employment of nationals. Except with respect to the enjoyment of the income tax holiday, these fiscal and non-fiscal incentives shall terminate after a period of not more than ten years from the start of commercial operations.

In January 2011, the Company conducted a rights offering and offered 134,182,216 Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of P145 million, or approximately P1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth P130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

No bankruptcy, receivership or similar proceedings have been filed by the Company since its registration.

The Company is currently in transition from its old business model to a new strategic focus based on market opportunities deemed attractive by the BOD of the company. The Company only has two businesses associated with its old business model namely: a. X-Play Online Games, Incorporated and, b. Digital Paradise Inc.

The Company is actively studying investment opportunities in the Philippine market, focusing on sectors benefiting from digitalization, financial inclusion, and strong consumer demand, including financial services and e-commerce–driven business models.

(2) Business of Issuer:

(a) Description of Registrant

The Registrant is now primarily an investment holding company with active investments in the following subsidiaries/ affiliates.

Associates

Digital Paradise, Inc. ("DPI")
Digital Paradise, Inc. was incorporated in the Philippines and registered with the SEC on July 23, 2002 to engage in, conduct and carry on the business of providing shared community access through the internet, computer leasing, desktop publishing and other Internet-related activities. It has an authorized capital stock of 190,000,000 shares with a par value of P1.00 per share and subscribed capital of 130,078,756 shares, or P130,078,756. The Company acquired 75% ownership of DPI on April 1, 2011.

DPI uses the brand Netopia for its chain of Internet Café in the Philippines. As at December 31, 2017, the Company has 40 company-owned and 2 franchised branches (42 and 2 as at December 31, 2016, respectively) located in major malls and near schools.

Effective in 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. DPI is accounted for via equity accounting method.

(B) Description of Property.

The Company reserves its right to acquire properties that will complement the business portfolio of the Group.

(C) Legal Proceedings.

The following are the pending material legal proceedings to which we and/or any of our affiliates are a party, or of which any of our respective properties are subject, as of December 31, 2020:

- *IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162); Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149*

This is a criminal case for qualified theft filed on 07 Jun 2010 before the Office of the City Prosecutor (OCP) of Makati City by IPE against erring former employees (respondents herein) who took away business income from IPE by manipulating the CABAL (an internet game duly licensed to IPE) upgrade items. OCP of Makati issued a resolution dated 30 December 2010 finding probable cause against the three (3) accused Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58. One of the accused, Milongo, was arrested while the other accused remain at large. On the otherhand, the trial court, in its Order dated 27 October 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, accused Milongo was arraigned and thereafter the court heard the petition for bail filed by said accused, which was subsequently denied. On 05 October 2016, accused Milongo was convicted of the crime of theft. The rest of the accused are still at large. In the near term, we foresee no ultimate liability to E-Games because we are the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

PART II SECURITIES OF THE REGISTRANT

(A) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

The Company's Common Shares were listed on the Second Board of the Philippine Stock Exchange, Inc. ("PSE") on February 17, 2010 under the symbol "EG". On December 31, 2010, the closing price of the Common Shares was P30.

On July 26, 2010, the Company's Stockholders unanimously approved the increase in the Company's authorized capital stock from P100 million divided into 100 million common shares with a par value of P1.00 each share to P300 million divided into 300 million common shares with a par value of P1.00 each share. Such increase is in preparation for the mandated IPO of the Company through PSE. As at December 31, 2010, the Company is still in the process of preparing the necessary documentary requirements for its application with the SEC for the aforementioned increase.

On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

Holders

As of December 31, 2020, the top stockholders of the Company's outstanding common shares and their respective shares held are as follows:

	Name	No. of Shares
1.	IPE Global Holdings Corp.	170,489,638,425
2.	PCD Nominee Corporation (Filipino)	27,947,892,189
3.	IPVG Employees Inc	14,000,000,000
4.	GMA Network Inc.	8,000,000,000
5.	GMA New Media Inc.	5,000,000,000
6.	PCD Nominee Corporation (Foreign)	1,217,839,200
7.	CPG Holdings, Inc	575,000,000
8.	CHIH HUI LI	100,000,000
9.	LI CHIH-HUI	100,000,000
10.	Juan Go Santillan	20,000,000
11.	Mick Jairo M. Ang	8,000,000
12.	Mark Kenneth Torchiva	5,535,500
13.	Rosendo G. Lim	5,500,000
14.	Kenneth Delbert Lee Lim	5,355,000
15.	Stephen Charles Q. Go	5,355,000
16.	Alberto Ebio Dimaano	4,000,000
17.	Lim Sia Marcelo	3,500,000
18.	Cerio C. To OR Brenda Gayle Lim	1,000,000
19.	Efren D. Bautista	500,000
20.	Dondi Ron Roxas Limgenco	111,111
21.	Jesus San Luis Valencia	110,000
22.	Jose Vicente S. Vilar	100,000
23.	Ronaldo S. Ruiz	100,000
24.	Pacifico Tacub	50,000
25.	Nadezhda Iskra Ferranco Herrera	30,000
26.	Julius Victor Emmanuel De Jesus Sanvictores.	10,000
27.	Fe Pugeda Abutin AND/OR Aniano Prodigalidad Abutin	10,000
28.	Owen Nathaniel S AU ITF Li Marcus AU	1,000
29.	Eric P. Paragas	100
30.	Eduardo Martin Trinidad Lichauco	100
31.	Jaime C. Gonzalez	100
32.	Jaime Enrique Y. Gonzalez	100
33.	Juan Kevin G. Belmonte	100
34.	JJ Samuel Soriano	100
35.	Ricardo Gabriel F. Po	100
36.	Srinivas Polishetty	100
37.	Marco Y. Santos	100
38.	Steve Tsao	100

(2) Dividends

The Company does not have a specific dividend policy; however, pursuant to the Corporation Code of the Philippines, the shareholders of the Company are entitled to receive a proportionate share in cash dividends that may be declared by the BOD out of surplus profits derived from the Company's operations. The same right exists with respect to a stock dividend, the declaration of which is subject to the approval of stockholders representing at least two-thirds (2/3) of the outstanding shares entitled to vote. The amount depends on the Company's profits and its capital expenditure and investment requirements at the relevant time.

No dividend declaration was made from 2011 to 2020.

(3) There were no recent sales of unregistered or exempt securities.

(B) Description of Registrant's Securities

(1) Share Capital

As of December 31, 2020 and 2019, the Company's authorized capital stock of 280 billion at ₱0.01 par value per share were fully issued and outstanding.

(2) Share Issuance

Under the Corporation Code, we can issue shares of stock with such rights, privileges or restrictions as may be provided for in our Articles of Incorporation. Since all the shares comprising our authorized capital stock are common shares and there are no restrictions provided in our Articles of Incorporation, our shares have full voting and dividend rights.

We cannot issue Common Shares for consideration less than the par value of such shares as stated in our Articles of Incorporation. We may, however, issue Common Shares at a premium or for a consideration in excess of the par value of such shares, in which case the amount equal to the amount by which the subscription price exceeds the par value is credited to an account designated as paid-in surplus or additional paid-in capital.

We may repurchase our own shares, provided that we have unrestricted retained earnings to pay for the shares to be acquired or repurchased, for legitimate corporate purpose or purposes. These purposes include, but are not limited to the following: to eliminate fractional shares arising out of stock dividends; to purchase shares of dissenting stockholders exercising their appraisal right; and to collect or settle an indebtedness arising out of an unpaid subscription in a delinquency sale and to purchase delinquent shares sold during sale.

The shares so repurchased become treasury shares, which may again be sold for a reasonable price fixed by our Board. Shares do not have voting rights or dividend rights as long as they remain in the treasury. As of December 31, 2020 and 2019, we do not hold any treasury shares.

PART III FINANCIAL INFORMATION

The information contained herein should be read in conjunction with the accompanying 2020 audited financial statement of IP E-Games Ventures, Inc. and 2019 Consolidated and 2018 audited financial statements (standalone) and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of December 31, 2020 (with comparative figures for 2019 & 2018) and for the periods ended December 31, 2019 and 2018 (see attached audited financial statements).

(A) Management's Discussion and Analysis of Financial Condition and Results of Operations

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games.

2017 Financial Highlights

- Effective in 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. DPI is accounted for via equity accounting method.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthened the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address

loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan.

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of P56.5 million resulting to a loss of P36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc.

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 billion divided into 280 billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

Selected Financial Data

The selected audited stand-alone financial information set forth in the following tables, as prepared by the Company, were derived from the stand-alone audited financial statements of the Company as of December 31, 2018 with comparative figures for standalone audited financial statements for 2017 and 2016.

The audited financial statement for the year ended December 31, 2019 and audited financial statements (stand-alone) as of and for the year ended December 31, 2018, and 2017 were audited by Alas Oplas & Co. The financial statements are all in accordance with PFRS.

Statement of Income Data:	**For the years ended December 31,**		
	2020	**2019**	**2018**
(In Thousand Pesos, except per share data)	**Consolidated**	**Consolidated**	**Stand-alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross loss	-	-	-
Operating expenses	(1,439)	(3,508)	(400)
Loss on asset written off	(8,492)	-	-
Loss on partial disposal of investment	-	2,500	-
Impairment losses	(1,914,282)	(41,288)	(169)
Provision for expected credit losses	(88,499)		
Loss before tax	(₱2,012,712)	(₱42,296)	(₱569)
Income tax Expense	-	(50)	-
LOSS	(₱2,012,712)	(₱42,346)	(₱569)
Other comprehensive loss	(₱-)	(₱1,235)	(₱8,320)
Total Comprehensive Loss	(₱2,012,712)	(₱43,581)	(₱8,889)
Earnings per share:			
Basic	(₱0.0000)	(₱0.0002)	(₱0.0000)
Diluted	(₱0.0000)	(₱0.0002)	(₱0.0000)

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Balance Sheet Data: *(In Thousand Pesos)*	For the Year Ended December 31, 2020	2019	2018
	Consolidated	**Consolidated**	**Stand-alone**
ASSETS			
Cash	₱ 52	₱ 52	₱ 52
Trade and other receivables	-	-	9,961
Due from related parties	118,709	208,976	202,428
Other current assets	3,303	3,395	3,395
Total current assets	₱ 122,064	₱ 212,423	₱ 215,836
Investment in subsidiary	₱ -	₱ -	₱ -
Deposit for future investments	-	-	2,500,000
Financial assets at fair value through other comprehensive income	585,718	2,508,492	9,727
Property and equipment	-	-	-
Deferred tax assets	-	-	-
Other noncurrent assets	-	-	41,257
Total noncurrent assets	₱ 585,718	₱ 2,508,492	₱ 2,550,984
TOTAL ASSETS	₱ 707,782	₱ 2,720,915	₱ 2,766,820
LIABILITIES AND EQUITY			
Trade and other payables	₱ 65,871	₱ 66,532	₱ 68,855
Due to related parties	26,106	25,867	25,867
Due to directors	9,784	9,784	9,784
Provisions for contingencies	2,906	2,906	2,906
Total current liabilities	₱ 104,667	₱ 105,089	₱ 107,412
Share Capital	₱ 2,800,000	₱ 2,800,000	₱ 2,800,000
Share Premium	255,536	255,536	255,536
Deficit	(2,452,421)	(396,732)	(354,386)
Other comprehensive loss	-	(42,977)	(41,742)
Total Equity	₱ 603,115	₱ 2,615,827	₱ 2,659,408
TOTAL LIABILITIES AND EQUITY	₱ 707,782	₱ 2,720,915	₱ 2,766,820

Key Performance Indicators
The key performance indicators, as of December 31, 2020 with comparative figures of the key performance for December 31, 2019 and 2018, and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	December 31,		
	2020	2019	2018
	Stand-alone	Stand-alone	Stand-alone
Financial Ratios:			
Current ratio (x)	1.17	2.01	2.01
Asset to stockholders' equity (x)	1.17	1.04	1.04
Debt to stockholders' equity (x)	0.17	0.04	0.04
Interest rate coverage (x)	-	-	-
Gross margin (%)	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)
Basic and diluted earnings per share	(0.0000)	(0.0002)	(0.0000)

Current Ratio
This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio
This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio
This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. From 2016 to 2018, the ratios show that it is leaning towards the owners contributing to the Company's capital.

Interest Rate Coverage Ratio
This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin
This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin
This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

Results of Operations
Year ended December 31, 2020 vs. 2019

A. *Revenues*

Net revenues is nil in 2020 and 2019.

The breakdown of revenues is shown in the following table:

(In Thousand Pesos)	For the Year Ended December 31, 2020		2019		Increase (Decrease)	
	Consolidated ₱000	%	Consolidated ₱000	%	₱000	%
E-Games Revenues:						
Game box selling	₱-	0%	₱-	0%	(₱-)	0%
In-game advertisements	-	0%	-	0%	-	0%
Other sources	-	0%	-	0%	-	0%
Game box selling	-	0%	-	0%	-	0%
In-game advertisements	-	0%	-	0%	-	0%
	₱-	**0%**	**₱-**	**0%**	**(-)**	**(0%)**

B. *Cost of Sales and Services*

The following table shows the major components of our cost of sales and services for the periods indicated.

(In Thousand Pesos)	For the Year Ended December 31, 2020		2019		Increase (Decrease)	
	Consolidated ₱000	%	Consolidated ₱000	%	₱000	%
Cards and pins	₱-	0%	₱-	0%	₱-	0%
Rent	-	0%	-	0%	-	0%
Salaries and wages	-	0%	-	0%	-	0%
Utilities	-	0%	-	0%	-	0%
Depreciation and Amortization	-	0%	-	0%	-	0%
Communication and co-location	-	0%	-	0%	-	0%
Maintenance	-	0%	-	0%	-	0%
Royalties	-	0%	-	0%	-	0%
Others	-	0%	-	0%	-	0%
Total Cost of Services	**₱-**	**0%**	**₱-**	**0%**	**₱-**	**0%**

Our cost of services is nil in 2020 and 2019.

C. *Operating Expenses*

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Year Ended December 31, 2020		2019		Increase (Decrease)	
	Consolidated ₱000	%	Consolidated ₱000	%	₱000	%
Professional fees	₱1,148	80%	₱2,525	72%	(₱1,377)	(54%)
Fees and subscription	261	18%	568	16%	(307)	(54%)
Depreciation and Amortization	-	0%	-	0%	(0)	(0%)
Others	29	2%	415	12%	(386)	(93%)
Total Operating Expenses	**₱1,438**	**100%**	**₱3,508**	**100%**	**(₱2,070)**	**(59%)**

As a percentage of total net revenues, operating expenses account for 0% for year ended 2020 and 2019 respectively. Total operating expenses amounted to ₱1.4M and ₱3.5M in 2020 and 2019, respectively, a decrease of 59% or ₱2 million.

D. *Other Income (Charges)*

The following table shows our other income (charges), by amount and percentage of our revenues, for the periods indicated:

(In Thousand Pesos)	For the Year Ended December 31,					
	2020		2019		Increase (Decrease)	
	₱000	%	₱000	%	₱000	%
Impairment losses	(₱1,914,282)	95%	(₱41,256)	1.06%	₱(1,873,026)	4,540%
Other Income	-	(0%)	2,500	(6%)	(2,500)	(100%)
Others – net	(96,991)	5%	(31)	-	(96,960)	312,774%
	(₱2,011,273)	**100%**	**(₱38,787)**	**100%**	**(₱1,972,486)**	**(5085.43%)**

E. *Net Income (Loss)*

Our bottom figure posted a net loss of ₱2 billion n in 2020 and ₱43.5 million in 2019.

F. *Liquidity and Capital Resources*

Our principal source of liquidity is net cash generated from our operations. We also source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

G. *Additional Disclosures*

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

(B) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

(C) Other Information

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the year ended December 31, 2020 on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;
f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

PART IV MANAGEMENT AND CERTAIN SECURITY HOLDERS

(A) Directors, Executive Officers, Promoters and Control Persons

(1) Directors and Executive Officers

Our BOD is responsible for the over-all management and direction of the Company. The regular directors were elected during annual meeting of the stockholders every July of each year, to serve for a term of one year and until their successors are elected and qualified.

As of December 31, 2020, the composition of our BOD is as follow:

Name of Person	Shareholdings in the Listed Company		Nature of Indirect Ownership
	Direct	Indirect	
Jaime C. Gonzalez	100	-	-
Jaime Enrique Y. Gonzalez	100	-	-
Juan Kevin G. Belmonte	100	-	-
Roger G. Stone	100	-	-
Srinivas Polishetty	100	-	-
Eduardo Martin T. Lichauco	-	100	-

As of December 31, 2020, the composition of our executive officers is as follow:

Name of Person	**Position**	**Shareholdings in the Listed Company**		**Nature of Indirect Ownership**
Jaime C. Gonzalez	Chairman	100	-	-
Jaime Enrique Y. Gonzalez	Deputy Chairman, President and Chief Executive Officer	100	-	-
Mary Jenelle C. Palma	Acting Chief Financial Officer	-	-	-
Mary Zoelli R. Velasco	Corporate Secretary	-	-	-
Juname C. De Leon	Compliance Officer and Alternative Corporate Information Officer			
Jose Voltaire A. Bautista	Assistant Corporate Secretary	-	-	-

The following discussion presents a brief description of the business experience of each of our directors and executive officers over the past five years.

Jaime C. Gonzalez, Chairman of the Board

Jaime C. Gonzalez is a co-founder, Chairman and CEO of AO Capital Partners. Prior to joining AO Capital Partners, he held senior executive positions with a major U.S. investment bank in Asia. Mr. Gonzalez was Vice Chairman and President of Philippine International Trading Corporation, the trading arm of the Philippine government, and special trade negotiator of the Ministry of Industry and Trade of the Philippines. He also serves on the boards of a number of publicly listed companies including Euromoney PLC (UK), Export and Industry Bank, Inc. and ArthaLand Corporation (formerly, EIB Realty Developers, Inc.) and is an independent director of Esquire Financing, Inc..

Jaime Enrique Y. Gonzalez, President, Chief Executive Officer and Deputy Chairman

Jaime Enrique Y. Gonzalez oversees strategic direction of the IPVI group, and directly handles all investment-related activities including fund-raising, mergers, acquisitions and divestments. Mr. Gonzalez has been intimately involved in the start-up process of all business units, and works with business unit heads to ensure that they meet or exceed operating targets. Mr. Gonzalez has had a successful track record in the internet space, having founded a series of

internet start-ups that have been acquired by larger U.S.-based firms match.ph/itzamatch.com) and has taken IPVG from garage to public. Mr. Gonzalez has a Bachelor of Arts in International Politics and Economics from Middlebury College. He attended the program for Masters in Entrepreneurship at the Asian Institute of Management.

Juan Kevin G. Belmonte, Director

Juan Kevin G. Belmonte is the President of Nuvoland, a real estate company, and Philstar Global Corporation, which owns and operates philstar.com, a leading portal. He sits on the boards of the Philippine Star Group of Companies and Nuvoland. Mr. Belmonte was a partner at Arthur Andersen & Co./SycipGorresVelayo& Co. ("SGV").

Roger G. Stone, Director

Roger G. Stone served as the Chief Executive Officer of IQ-Ludorum. Mr. Stone is a UK national with over 35 years experience in marketing, sales, software development and executive management in the IT and telecommunications industries. He has developed specialized expertise in establishing new operations in emerging markets particularly in Europe and Asia. More than 25 years of his working life has been on international assignments in UK, Austria, Hong Kong, India, Philippines, Vietnam, Thailand and Costa Rica. His career includes 25 years with Unisys Corp., mainly in Asia, heading operations in India and the Philippines. Mr. Stone served as the Head of Unisys Philippines, Tata-Unisys in India and Unisys South Asia. He also served as Head of retail for IDT in Europe for 3 years. He has top management experience and regional expertise in the IT&T industry. He served as the Chairman of the Board at IP-Converge Data Center, Inc. He served as Deputy Chairman of IP-Converge Data Center, Inc. until July 27, 2012 and serves as its Director. He has been a Director of IP E-Game Ventures Inc. Mr. Stone graduated from Loughborough University of Technology in the UK.

Eduard Martin T. Lichauco, Independent Director

Eduard Martin T. Lichauco has over 20 years in local and regional cross-border private equity/venture capital investing experience, having co-managed US$750 million in global/regional funds and US$30 million in local funds from various forms of investors throughout his career. A number of the investments he was involved in have led to successful local and regional public listings or profitable corporate acquisitions. Mr. Lichauco was previously Managing Director and Head of Asia for Siemer & Associates, Managing Partner at early-stage venture capital firm Global Gateway Venture Capital, and also spent 12 years at Walden International, a cross-border private equity investment firm that pioneered US-style venture investing in Asia, where he served as Country Manager for the Philippines. He started his private equity/venture capital career at Hambrecht & Quist Asia Pacific and has also held investment banking positions at the ING Group and American Orient Capital Partners. Mr. Lichauco earned a Master of Business Administration degree (Honors) from the Arthur D. Little School of Management in Chestnut Hill, Massachusetts, and a Bachelor's degree in Economics from the Ateneo de Manila University.

Srinivas Polishetty, Independent Director

Srinivas Polishetty, also known as Srini, has been Vice President and Managing Director of American Orient Capital Partners (Philippines) since 1998. Mr. Polishetty serves as Compliance Officer of Arthaland Corp. He served as a Treasurer of IPVG Corp from July 2005 to January 14, 2013 and as Director from February 13, 2004 to January 14, 2013. He is presently a Director of IP Ventures, Inc. He served as an Equity Research Analyst covering Asian utilities and served as a Deputy Director for a leading Indian oil and gas firm. He has over twenty-five years of senior level executive experience. He began his career in 1989 with Oil & Natural Gas Corporation of India (ONGCindia) where he served as Deputy Director in its global procurements division. He has been Director of Enhanced Oil Resources, Inc. since December 18, 2014. He has been a Director of Arthaland Corp. since June 2013.. He has an MBA degree from the Asian Institute of Management and McGill University of Montreal. He holds Chemical Engineering from IIT Council.

Mary Zoelli R. Velasco, Corporate Secretary

Mary Zoelli Regalado Velasco. Atty. Velasco is an Associate of DivinaLaw Offices since 2018, and is involved in the practice areas of Corporate Division and Special Projects, Corporate Housekeeping, Immigration and Naturalization, and Intellectual Property. She holds a Juris Doctor degree from the College of Law, University of the Philippines-Diliman, and a Bachelor of Arts degree major in Public Administration from the National College of Public Administration, graduating as College Salutatorian with Magna Cum Laude honors.

Mary Jenelle C. Palma Acting Chief Financial Officer

Mary Jenelle C. Palma is a Certified Public Accountant by profession with more than 17 years of combined experience in public accounting practice, finance and accounting, and business advisory roles. Ms. Palma has assumed the CFO and Controllership roles for various companies and is adept in Financial Reporting, Budgeting, and Tax compliance. Ms. Palma has extensive experience in the field of external audit having worked for several years with KPMG Philippines. She was also one of the country trainers for the firm's audit methodology alongside her audit role. She also served as an Audit Manager in one of the audit firms in Singapore. Ms. Palma graduated Cum Laude from the University of Santo Tomas in 2003 and obtained her CPA license in the same year.

Jose Voltaire A. Bautista, Asst. Corporate Secretary and Internal Legal Counsel

Jose Voltaire A. Bautista is the internal legal counsel for the IP Ventures, Inc. and its affiliates. Pursuant to our Management Agreement with IPVI, IPVI shares its legal department with the Company. He holds a Bachelor of Arts degree, major in Organizational Communications, from the University of the Philippines, and a Bachelor of Laws degree from San Beda College in Manila, Philippines. Prior to joining the IP Ventures group of companies in 2010, Mr. Bautista practiced law with the law firm, Rico & Associates.

Juname C. De Leon, Compliance Officer and Alternative Information Officer

Juname C. De Leon has over two decades of experience in legal practice and had previously served as Compliance Officer and Alternative Compliance Officer for the Corporation from January 2009 to March 2013. She has also previously worked in the Philippine Stock Exchange-Market Regulation Division (CMIC) and the Securities and Exchange Commission as a hearing officer. She obtained her Juris Doctor degree from the Ateneo de Manila University Law School.

(2) Significant Employee

While we value the contribution of each executive and non-executive employee, no single employee who is not an executive officer is expected to make a significant contribution to the business. Other than standard employment contracts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

(3) Family Relationships

Jaime C. Gonzalez, Chairman, is the father of Jaime Enrique Y. Gonzalez, President and Chief Executive Officer.

(4) Involvement in Certain Legal Proceedings

To the best of our knowledge, there has been no occurrence during the past five years up to the date of this report of any of the following events that are material to an evaluation of the ability or integrity of any of our directors and executive officers:

(a) 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;

(b) 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;

(c) 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

(d) 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.

(B) Executive Compensation

(1) General

(a) All Compensation Covered

As a standard arrangement with our Board, an allowance or per diem, as may be fixed by the Board, is given to each member of the Board during each regular meeting of our Board, provided that the said director participates in the said meeting. Additionally, our By-Laws provides that an amount which shall not exceed 10.0% of our net income before income tax during the preceding year, may by resolution of the Board, be allocated to and distributed among the members of the Board. Such compensation shall be determined and apportioned among the members in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

Our By-Laws further provides that the officers enumerated therein (i.e., the Chairman of the Board, the President, the Vice-Presidents, the Treasurer and the Corporate Secretary) shall receive such remuneration as the Board may determine. All other officers shall receive such remuneration as the Board may determine upon recommendation of our President.

The following are our executive officers including our chief executive officer and our four most highly compensated executive officers other than our chief executive officer for the years 2020-2016:

Year	Name	Position
2020	(1) Gonzalez, Jaime Enrique	Chief Executive Officer
2019	(1) Gonzalez, Jaime Enrique	Chief Executive Officer
2018	(1) Gonzalez, Jaime Enrique	Chief Executive Officer
2017	(1) Gonzalez, Jaime Enrique	Chief Executive Officer
2016	(1) Gonzalez, Jaime Enrique	Chief Executive Officer

(2) Summary Compensation Table

(a) General

Presented below is the table which shows the aggregate annual compensation received by the executive officers named above for the calendar years 2013 to 2018:

	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION	TOTAL
Most highly compensated officers named above	2013	1,002,800	-	-	1,002,800
	2014	-	-	-	-
	2015	-	-	-	-
	2016	-	-	-	-
	2017	-	-	-	-
	2018	-	-	-	-
All officers and directors as a group unnamed	2013	1,152,800	-	-	1,152,800
	2014	-	-	-	-
	2015	-	-	-	-
	2016	-	-	-	-
	2017	-	-	-	-
	2018	-	-	-	-

(3) Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

There are no special employment contracts between us and our named executive officers.

Our standard employment contract for officers contains the following salient provisions:

We have the right to transfer, relocate and reassign the officer to a similar position in any one of our subsidiaries and/or affiliates in accordance with operational demands and requirements, provided such transfer, relocation and reassignment shall not result in diminution of compensation and benefits already vested to the officer.

Salary and benefits which the officers are entitled to include: (a) a monthly basic salary, which shall be subject to withholding tax and any deductions that the we are authorized or required by law to make; (b) pre-approved business-related expenses incurred, such as travel, accommodation, food and communication expenses, shall be for our account and shall be subject to reimbursement; (c) cellular phone entitlement; (d) opportunity to be part of our employee stock option plan; and (e) monthly communication and gasoline allowance.

The officer is prohibited, during his employment, from working for another employer and/or engaging in any activity prejudicial to our interests or which will interfere with the officer's job performance, whether within or outside working hours.

Our standard employment contract for managers contains the following salient provisions:

Depending on operation requirements, the manager may be assigned to other jobs and locations. The manager may also be temporarily detailed or assigned to any affiliated company at such time and for such duration as we may determine.

The manager shall be subject to a six months probationary period. Should the manager's performance be found satisfactory during the probationary period, his employment shall be converted to a regular status.
The manager shall receive a monthly basic salary guaranteed at 13 months per annum. The basic salary shall be subject to annual review, taking into consideration the manager's performance and achievement of mutually agreed goals.

The manager is prohibited, during his employment, from working for another employer and/or engaging in any activity prejudicial to our interests or which will interfere with the manager's job performance, whether within or outside working hours.

Except as described above, there are no other arrangements pursuant to which any of our directors and officers was compensated, or is to be compensated, directly or indirectly since our incorporation in November 2005.

(5) Warrants and Options Held by the Executive Officers and Directors

As of December 31, 2020 and 2019, none of our directors and executive officers hold any warrants or options in the company.

(6) Other Arrangements

Except as described above, there are no other arrangements pursuant to which any of our directors and officers was compensated, or is to be compensated, directly or indirectly since our incorporation in November 2005.

(C) Security Ownership of Certain Record and Beneficial Owners and Management.

(1) Security Ownership of Certain Record and Beneficial Owners

Following is the security ownership of record and beneficial owners of more than 5.0% of the common shares of the Company as of December 31, 2020:

Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	%
IPE Global Holding Corp	Various stockholders	Filipino	170,489,638,425	75%
IPVG EMPLOYEES INC.	Various stockholders	Filipino	27,000,000,000	12%
Abacus Securities Corporation (direct & indirect thru PCD)	Various stockholders	Filipino	29,318,681,889	13%

Other than the abovementioned, there are no other stockholders owning more than 5.0% of the Company's securities.

(2) Security Ownership of Management

The following is the security ownership (commons shares) of the Company's management as of December 31, 2020.

Name of Beneficial Owner and Relationship with Issuer	Citizenship	Number of Shares Held; Nature of Beneficial Ownership	%
Jaime C. Gonzalez - Chairman of the Board	Filipino	100 (direct)	-nil-
Jaime Enrique Y. Gonzalez - Deputy Chairman, President	Filipino	100 (direct)	-nil-

Eduard Martin T. Lichauco – Director	Filipino	100 (in-direct)	-nil-
Juan Kevin G. Belmonte – Director	Filipino	100 (direct)	-nil-

(3) Voting Trust Holders of 5% Or More

We have no knowledge of any voting trust agreements or any other similar arrangement which may result in a change in control of the Company.

(4) Changes in Control

In July 2011, the Company is 69.75%-owned by IPE Global Holdings Corporation (IPE Global or Parent Company), a company incorporated in the British Virgin Islands and 23.59%-owned by IPVG Corp. (IPVG), a company incorporated in the Philippines and whose shares are also listed in the PSE. IPE Global was 71%-owned by IPVG, making IPVG the ultimate parent of the Company. On the same date, the shareholders and the Board of Directors (BOD) of IPVG approved IPVG's Restructuring Plan, which aims to increase shareholder value and potentially generate cash for IPVG. As part of the Restructuring Plan, IP Ventures Inc. (IPVI) was incorporated in the Philippines on September 16, 2011. IPVI is owned by the same shareholders of IPVG in the same proportion as their shareholdings in the latter. Following the formation of IPVI, IPVG transferred substantially all its assets and liabilities, including its equity interest in the shares of the stock of the Company pursuant to the Asset Purchase Agreement (APA) dated September 28, 2011. As a result of the APA, IPVI became the ultimate parent of the Company.

Throughout 2016 and 2017, the Company listed additional shares for public ownership. As a result, the controlling interest vested in the Parent Company was diversified into various stockholders.

Due to the last increase in authorize capital and related subscription agreements IPE Global Holding Corp is now the controlling shareholder.

(D) Certain Relationships and Related Transactions

In the ordinary course of business, we enter into transactions with associates, affiliates, subsidiaries and other related parties consisting principally of cash advances and reimbursement of expenses, various guarantees, management and service agreements and intercompany charges. Please refer to the notes of the audited financial statements as of December 31, 2018 and 2017 for the significant transactions with related parties.

Meanwhile, there has been no material transaction during the past two years involving the Company or any of our subsidiaries in which a director, executive officer or stockholder owning 10.0% or more of the total outstanding shares and members of the immediate family of such director, executive officer or stockholder had or is to have a direct or indirect material interest. Moreover, we do not have any transaction or relationship with other non-related parties, with whom we (or our related parties) have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent, parties on an arm's length basis.

PART V CORPORATE GOVERNANCE

On April 5, 2002, the SEC promulgated the Code of Corporate Governance (SEC Memorandum Circular No. 2, Series of 2002, as revised by SEC Memorandum Circular No. 6, Series of 2009) consistent with and in pursuit of the State's policy to promote corporate governance reforms aimed at raising investor confidence, developing the capital market, and helping achieve high, sustained growth for the corporate sector and the economy. This Code applies to all corporations whose securities are registered or listed, corporations which are grantees of permits/licenses and secondary franchise from the SEC. It also applies to public companies and branches or subsidiaries of foreign corporations operating in the Philippines whose securities are registered or listed. Each of these corporations is required to promulgate and adopt its corporate governance rules and principles.

The Code of Corporate Governance prescribes the detailed qualifications and disqualifications, duties, functions and responsibilities of the Board of Directors and each member thereof, the Chairman, the Chief Executive Officer, and the Corporate Secretary. It also mandates the creation of specific board committees in aid of good corporate governance, to wit, an Audit and Compliance Committee, a Nomination Committee and a Compensation Committee, and requires the Board to commit itself to the protection of the rights of stockholders.

To fully comply with the adopted leading practices on good corporate governance, we have prepared and executed our Corporate Governance Manual which is currently pending review and evaluation by the SEC. Our Corporate Governance Manual provides for, among others, the following:

Appointment of a compliance officer, who shall hold the position of a Corporate Secretary, and have direct reporting responsibilities to the Chairman of the Board, and monitor compliance with the provisions and requirements of the Corporate Governance Manual;

Responsibilities, specific duties and functions of the BOD, which includes ensuring that the Company complies with all relevant laws, regulations and codes of best business practices, adopting a system of internal checks and balances, and identify key risk areas and key performance indicators and monitor these factors with due diligence;

Creation of Board Committees, such as the Audit Committee, the Nomination Committee and the Compensation Committee;

Qualifications of the Company's External Auditor and Internal Auditor;

The conduct of a training process for the purpose of conducting an orientation program or workshop to operationalize the Corporate Governance Manual;

Procedures for monitoring and assessment compliance with the Corporate Governance Manual; and

Penalties for non-compliance with the Corporate Governance Manual.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **ANNUAL REPORT FOR THE PERIOD ENDED December 31, 2020 (SEC Form 17-A)**, to be signed on its behalf by the undersigned thereunto duly authorized on January 21, 2026.

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her capacity as Chief Finance Officer and Duly Authorized Signatory

REPUBLIC OF THE PHILIPPINES)
San Juan City) S.S.

SUBSCRIBED AND SWORN TO before me this___ day of JAN 21 2026 the following person exhibiting to me her Tax Identification Number as follows:

	TIN ID No.	Place of Issue
Mary Jenelle Palma	228-440-201-000	Makati City

Doc No. 254;
Page No 52;
Book No. I;
Series of 2026.

ATTY. ERYNNE ANGELIE T. BULAON
APPOINTMENT NO. 010 (2026-2027)
NOTARY PUBLIC FOR SAN JUAN CITY
Until December 31, 2027
4th Floor Textron Building 168 Luna Mencias St.
Barangay Addition Hills, San Juan City
Roll of Attorneys No. 84263
IBP No. 564060/ 12/09/2025 RIZAL RSM
PTR No. SJ1895208/ SAN JUAN CITY
MCLE Compliance No. VIII-0005697/ 4-14-2028

IP E-GAME VENTURES INC. AND SUBSIDIARY
MAKATI CITY – PHILIPPINES

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

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E-GAMES.COM.PH

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") is responsible for the preparation and fair presentation of consolidated financial statements including the schedules attached therein, for the years ended December 31, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders of the Group.

Alas, Oplas & Co., CPAs, the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group 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.

Juan Kevin G. Belmonte
Chairman of the Board

Jaime Enrique Y. Gonzalez
Deputy Chairman/President

Mary Jenelle Palma
Chief Financial Officer/Treasurer

Signed this 10th day of February, 2025.

Alas Oplas & Co., CPAs

Alas Oplas & Co., CPAs
7/F Philippine AXA Life Centre
1286 Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Phone: (632) 7116-4366
Email: aocheadoffice@alasoplas.com
Website: www.alasoplascpas.com

Independent Member of
BKR International

INDEPENDENT AUDITOR'S REPORT TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have examined the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") for the years ended December 31, 2020 and 2019 on which we have rendered the attached report dated February 10, 2025.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the said Group has a total number of thirty-nine (39) stockholders owning one hundred (100) or more shares each.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2023, issued on February 9, 2023; effective until February 8, 2026
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period
TIN 232-158-286-000
PTR No. 10466283, issued on January 2, 2025, Makati City

February 10, 2025
Makati City, Philippines

Alas Oplas & Co., CPAs

INDEPENDENT AUDITORS' REPORT

Alas Oplas & Co., CPAs
7/F Philippine AXA Life Centre
1286 Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Phone: (632) 7116-4366
Email: aocheadoffice@alasoplas.com
Website: www.alasoplascpas.com

Independent Member of
BKR International

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

Opinion

We have audited the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") which comprise the consolidated statement of financial position as of December 31, 2020 and 2019, and the consolidated statement of comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 consolidated opinion on these matters. For the matters below, our description of how our audit addressed the matter is provided in that context.

Valuation of Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

As disclosed in Note 14 to the consolidated financial statements, the Group has financial assets at FVOCI. In assessing the fair value of financial assets, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where observable market data is not available, in particular for Level 3 equity instruments, estimates were developed based on the most appropriate source data and are subject to significant judgement. Changes in assumptions about these factors could affect the fair value of such financial assets.

The valuation of the Group's financial assets at fair value was considered a key area of audit focus due to the complexity involved in the valuation process.

Audit Response

We ascertained that the valuation techniques used are appropriate and consistent with prior years.

We performed audit procedures over the valuation and accounting of such financial assets. We ensure the financial assets are being classified, accounted and disclosed in line with PFRS 9.

We also tested that the valuation techniques adopted reflect the best appropriate basis for valuation of the investments. We checked the reasonableness of inputs to the valuation techniques used.

We reviewed and discussed with management and those charged with governance the Group's assessment of whether there is objective evidence that a financial asset is impaired and the identification and completeness of impaired assets.

Based on our procedures, we found that management's assessments regarding the impairment of the investment in fair value through other comprehensive income amounting to ₱1,914,282,281 were reasonable and adequately disclosed in the consolidated financial statements.

Provisions and Contingencies

As disclosed in Note 22 to the consolidated financial statements, the Group is currently involved in legal proceedings. These matters are significant to our audit because the recognition and estimate of provision related to these legal proceedings require significant judgment by management.

Audit response

We discussed the status of the legal proceedings with the management and the Group's external legal counsel for the status of the legal proceedings and obtained opinion of their external legal counsel.

We reviewed management's assessment on the possible outcome of the legal proceedings and assessed whether there is a need to recognize additional provision based on the status of the case and considering relevant local rules and regulations.

Consolidation Process

The Group's consolidated financial statements comprise the financial statements of IP E-Game Ventures Inc. and its subsidiariy after the elimination of material intercompany transactions. The Group's consolidation process is significant to our audit because of the complexity of the process. It involves identifying and eliminating various intercompany transactions and balances to properly reflect the consolidated financial position of the Group, its consolidated financial performance and its consolidated cash flows in accordance with PFRSs.

Audit response

We obtained an understanding of the Group structure and its consolidated policy and process, including the procedures for identifying intercompany transactions and reconciling intercompany transactions and reconciling intercompany balances.

We verified the accuracy and appropriateness of intercompany elimination entries, such as but not limited to, elimination of investments in subsidiary, elimination of intercompany transactions and balances, and other significant consolidation adjustments.

We reviewed the sufficiency and adequacy of disclosures in the Group's consolidated financial statements in accordance with PFRSs.

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 and Annual Report for the year ended December 31, 2019. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2019 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 audits 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 audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with Philippine Financial Reporting Standards, 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 Group'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 Group or to cease operations, 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- 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.
- Obtain sufficient audit evidence regarding the financial information of the entities of 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 audit. We are solely responsible for our audit opinion.

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, related safeguards.

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 2020 audit resulting in this independent auditor's report is Ryan A. Sabug.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2023, issued on February 9, 2023; effective until February 8, 2026
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period
TIN 232-158-286-000
PTR No. 10466283, issued on January 2, 2025, Makati City

February 10, 2025
Makati City, Philippines

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Notes	**2020**	2019
ASSETS			
Current Assets			
Cash	11	**52,198**	52,198
Trade and other receivables – net	12	**–**	–
Advances to related parties	9	**118,708,627**	208,975,849
Prepayments and other current assets	13	**3,303,121**	3,395,521
Total Current Assets		**122,063,946**	212,423,568
Non-current Asset			
Financial assets at fair value through other comprehensive income	14	**585,717,719**	2,508,491,720
TOTAL ASSETS		**707,781,665**	2,720,915,288
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Trade and other payables	15	**65,871,105**	66,531,900
Advances from related parties	9	**26,106,401**	25,867,177
Due to stockholders	9	**9,783,783**	9,783,783
Provision for contingencies	22	**2,905,661**	2,905,661
Total Liabilities		**104,666,950**	105,088,521
EQUITY			
Share capital	16	**2,800,000,000**	2,800,000,000
Share premium	16	**255,535,853**	255,535,853
Deficit		**(2,452,421,138)**	(396,731,549)
Other comprehensive loss	14	**–**	(42,977,537)
Total Equity		**603,114,715**	2,615,826,767
TOTAL LIABILITIES AND EQUITY		**707,781,665**	2,720,915,288

See Notes to the Consolidated Financial Statements.

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Notes	2020	2019
Other income	17	**–**	2,500,000
Operating expenses	18	**(1,438,722)**	(3,507,766)
Impairment loss	14	**(1,914,282,281)**	–
Loss on asset written off	19	**(8,491,720)**	(41,256,400)
Provision for expected credit losses	9,12	**(88,499,329)**	(31,468)
Loss before tax		**(2,012,712,052)**	(42,295,634)
Income tax expense	20	**–**	(50,000)
LOSS		**(2,012,712,052)**	(42,345,634)
Other comprehensive loss	14	**–**	(1,235,282)
TOTAL COMPREHENSIVE LOSS		**(2,012,712,052)**	(43,580,916)
LOSS PER SHARE			
Basic and diluted	21	**(0.0072)**	(0.0002)

See Notes to the Consolidated Financial Statements.

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Share capital (Note 16)	Share premium (Note 16)	Deficit	Other comprehensive loss (Note 14)	Total
Balance at December 31, 2018	2,800,000,000	255,535,853	(354,385,915)	(41,742,255)	2,659,407,683
Comprehensive income:					
Loss for the year	–	–	(42,345,634)	–	(42,345,634)
Unrealized loss on financial assets at FVOCI	–	–	–	(1,235,282)	(1,235,282)
Total comprehensive loss	–	–	(42,345,634)	(1,235,282)	(43,580,916)
Balance at December 31, 2019	2,800,000,000	255,535,853	(396,731,549)	(42,977,537)	2,615,826,767
Comprehensive income:					
Loss for the year	–	–	(2,012,712,052)	–	(2,012,712,052)
Unrealized loss on financial assets at FVOCI – reclassification adjustment	–	–	(42,977,537)	42,977,537	–
Total comprehensive loss	–	–	(2,055,689,589)	42,977,537	(2,012,712,052)
Balance at December 31, 2020	**2,800,000,000**	**255,535,853**	**(2,452,421,138)**	–	**603,114,715**

See Notes to the Consolidated Financial Statements

IP E-GAME VENTURES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Notes	**2020**	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(2,012,712,052)**	(42,295,634)
Adjustments for:			
Impairment loss		**1,914,282,281**	–
Provision for expected credit losses	9,12	**88,499,329**	31,468
Loss on asset written off	19	**8,491,720**	41,256,400
Operating cash flows before working capital changes		**(1,438,722)**	(1,007,766)
Increase in prepayments and other current assets		**92,400**	(50,400)
Increase in trade and other payables		**(660,795)**	(2,323,500)
Net cash used in operating activities		**(2,007,117)**	(3,381,666)
CASH FLOWS FROM INVESTING ACTIVITY			
Collection of advances to related parties	9	**1,767,893**	3,381,666
CASH FLOW FROM FINANCING ACTIVITY			
Proceeds from advances from related parties	9	**239,224**	–
NET INCREASE IN CASH		**–**	–
CASH AT BEGINNING OF YEAR		**52,198**	52,198
CASH AT END OF YEAR	11	**52,198**	52,198

See Notes to the Consolidated Financial Statements.

1. CORPORATE INFORMATION

1.01 IP E-Game Ventures Inc. (the "Parent Company")

The Parent Company was incorporated and registered with the SEC on November 22, 2005. The principal activities of the Parent Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish thru joint venture or otherwise, internet shops; provide internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management, technical and maintenance support and services; and as a consequence and as may be necessarily useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Parent Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Parent Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Group's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Parent Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Parent Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City. On May 22, 2015, the Parent Company's Board of Directors has approved the change of principal office address from 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City to 1003 10th Floor, Centerpoint Condominium, Garnet Road corner Julia Vargas Avenue, Ortigas Center, Pasig City. The Parent Company is domiciled in the Philippines.

1.02 New Wave Strategic Holdings Ltd. (the "Subsidiary")

The Subsidiary was registered and incorporated in the British Virgin Islands on May 19, 2017, under the BVI Business Companies Act 2004 (as amended). The Subsidiary is established to exercise its powers to do the following:

1. Grant options over unissued shares in the Company and treasury shares;
2. Issue securities that are convertible into shares;
3. Give financial assistance to any person in connection with the acquisition of the Company's owns shares
4. Issue debt obligations of any kind and grant options, warrants and rights to acquire debt obligations;
5. Guarantee a liability or obligation of any person and secure any of its obligations by mortgage, pledge or other charge, of any of its assets for that purpose; and
6. Protect the assets of the Company for the benefit of the Company, its creditors and its members and, at the discretion of the directors, for any person having a direct or indirect interest in the Company.

On January 1, 2019, the Parent Company acquired 50,000,000 shares of the Subsidiary at US$1.00 per share, representing 100% of the Subsidiary's outstanding capital stock.

The Parent Company and the Subsidiary are collectively known as the "Group".

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The consolidated financial statements are prepared on a going concern basis under the historical cost convention, except for financial assets at fair value through other comprehensive income.

2.03 Presentation and Functional Currency

The consolidated financial statements are presented in Philippine Peso, which is the functional and presentation currency of the Parent Company. Each entity determines its own functional currency, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity, and items included in the financial statements of each entity are measured using that functional currency.

All financial information expressed in Philippine Peso has been rounded off to the nearest Peso, unless when otherwise indicated.

2.04 Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its Subsidiary, which it controls as at December 31, 2019. Control is achieved when the Parent is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent controls an investee if and only if the Parent has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
b. Exposure, or rights, to variable returns from its involvement with the investee, and
c. The ability to use its power over the investee to affect its returns

When the Parent has less than a majority of the voting or similar rights of an investee, the Parent considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee
b. Rights arising from other contractual arrangements
c. The Parent's voting rights and potential voting rights

The Parent re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent obtains control over the subsidiary and ceases when the Parent loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Parent gains control or until the date the Group ceases to control the Subsidiary.

The financial statements of the Subsidiary are prepared for the same reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions including inter-group unrealized profits and losses are eliminated in preparing the consolidated financial statements.

The financial statements of the Subsidiary are included in the consolidated financial statements from the date when the Parent Company obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the Subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

2.05 Use of Judgments and Estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Group's consolidated financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.06 Going Concern Assumption

The Group is not aware of any significant uncertainties that may cast doubts upon the Group's ability to continue as a going concern.

3. ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

3.01 New and Amended Standards and Interpretations Effective on January 1, 2024

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024, unless otherwise stated:

- Classification of Liabilities as Current or Non-current (Amendments to PAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to PFRS 16) – not applicable
- Supplier Finance Arrangements (Amendments to PAS 7 and PFRS 7) – not applicable
- Non-current Liabilities with Covenants (Amendments to PAS 1) – not applicable

These amendments do not have a significant impact on these consolidated financial statements.

3.02 Standards Issued but Not Yet Effective (Effective Beginning on or After January 1, 2025)

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Lack of Exchangeability (Amendments to PAS 21)

  In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Company does not expect these amendments to have a material impact on its operations or financial statements.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 and 7)

  On 30 May 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

  The Company does not expect these amendments to have a material impact on its operations or separate financial statements.

- PFRS 18 'Presentation and Disclosure in Financial Statements'

  PFRS 18 will replace PAS 1, *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

  Management is currently assessing the detailed implications of applying the new standard on the Company's separate financial statements. The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with PFRS 18.

- PFRS 19 'Subsidiaries without Public Accountability: Disclosures'

  Issued in May 2024, PFRS 19 allows for certain eligible subsidiaries of parent entities that report under PFRSs to apply reduced disclosure requirements. The Company does not expect this standard to have an impact on its operations or separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Group recognizes financial assets when the entity becomes party to the contractual provision of the financial instruments.

4.01.01 Classification and Impairment of Financial Assets (PFRS 9)

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Group's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell. The Group may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Group had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in consolidated statement of comprehensive income.

As of December 31, 2020 and 2019, the Group has not designated any financial assets at FVPL.
Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Group may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation.* This option is available and made on an instrument by instrument basis.
Dividends from equity instruments held at FVOCI are recognized in consolidated statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the consolidated statement of financial position. These fair value changes are recognized in equity and are not reclassified to consolidated statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost

As part of its classification process, the financial assets of the Group are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using effective interest method, less in impairment in value.

The Group's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment

The Group recognizes an allowance for ECL for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

The Group considers a financial asset in default when contractual payments are 30 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the consolidated statement of financial position as current asset when they are expected to be expensed within one year or the entity's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Impairment of Non-Financial Assets

At each reporting date, the Group assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.04 Financial Liabilities and Equity Instruments

4.04.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements

4.04.02 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Group's consolidated statement of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by the Group since its inception. Deficit is reduced by profits.

Unappropriated retained earnings are accumulated earnings of the Group available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.04.03 Financial Liabilities
Financial liabilities are classified as either financial liabilities 'at FVPL' or 'other financial liabilities'.

The Group's financial liabilities as presented in the consolidated statement of financial position comprise of trade and other payables excluding government payables, due to stockholder and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.04.04 Derecognition of Financial Liabilities
The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.05 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.06 Provisions, Contingent Liabilities and Contingent Assets

4.06.01 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.06.02 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.07 Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent.

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

Interest income
Interest income is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.08 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.09 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.10 Related Parties and Related Party Transactions

4.10.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Group, post-employment benefit plans for the benefit of Group's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Group that gives them significant influence in the financial and operating policy decisions of the Group are also considered to be related parties.

4.10.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Group when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Group.

4.11 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.11.01 Current Income Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.11.02 Deferred Income Tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.12 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.13 Events After the Reporting Date

The Group identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Group's financial position at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when the consolidated financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

5.01.01 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Group takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.02 Classification of Financial Assets
The Group follows the guidance of PFRS 9 in classifying financial assets at initial recognition whether it will be subsequently measured at fair value through other comprehensive income, at amortized cost, or at fair value through profit or loss. The Group determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. The Group determines whether the contractual cash flows associated with the financial asset are solely payments of principal and interest (the "SPPI"). If the instrument fails the SPPI test, it will be measured at fair value through statement of comprehensive income.

5.01.03 Classification of Costs and Expenses
The Group determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Group. All other costs and expenses are classified as administrative expenses.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Assessment for ECL on Trade Receivables
The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Group has recognized provision for ECL on trade and other receivables amounting to nil and ₱31,468 in 2020 and 2019, respectively. The carrying amount of trade and other receivables is nil, net of allowance for ECL amounting to ₱3,772,468, as of December 31, 2020 and 2019, as disclosed in Note 12.

5.02.02 Assessment for ECL on Other Financial Assets at Amortized Cost
The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:
- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and,
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Group has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and companies with good credit standing and relatively low risk of defaults. Provision for ECL recognized on other financial assets at amortized cost amounted to ₱88,499,329 and nil in 2020 and 2019, respectively. The carrying amounts of other financial assets at amortized cost are as follows:

	Notes		2020		2019
Cash	11	**₱**	**52,198**	₱	52,198
Advances to related parties	9		**118,708,627**		208,975,849
		₱	**118,762,845**	₱	209,028,047

5.02.03 Realization of Deferred Tax Assets
The Group reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

No deferred tax assets relating to NOLCO, MCIT, and allowance for expected credit losses were recognized for the years ended December 31, 2020, since management believes that the Group will not generate future taxable income that may allow the deferred tax assets to be utilized. As of December 31, 2020 and 2019, deferred tax assets not recognized amounted to ₱21,804,587 and ₱1,507,570, respectively, as disclosed in Note 20.

5.02.04 Provision and Contingencies
The Group is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 22. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Group's defense in these matters and is based on an analysis of potential results. The Group's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Group's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 22.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Group's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, financial assets at FVOCI and trade and other payables. The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2020		2019
Financial assets					
Cash	11	₱	**52,198**	₱	52,198
Trade and other receivables – net	12		**–**		–
Advances to related parties	9		**118,708,627**		208,975,849
Financial assets at FVOCI	14		**585,717,719**		2,508,491,720
		₱	**704,478,544**	₱	2,717,519,767
Financial liabilities					
Trade and other payables*	15	₱	**41,603,520**	₱	42,124,155
Advances from related parties	9		**26,106,401**		25,867,177
Due to stockholders	9		**9,783,783**		9,783,783
		₱	**77,493,704**	₱	77,775,115

**excluding statutory and other payables to government agencies amounting to ₱24,267,585 and ₱24,407,745 as of December 31, 2020 and 2019, respectively*

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group principally transacts with its related party.

The Group does not have significant credit risk exposure to any single counterparty.

Also, the Group manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the consolidated financial statements represents the Group's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Group as of December 31, 2020 and 2019, without considering the effects of credit risk mitigation techniques.

	Notes		2020		2019
Cash in banks	11	₱	**52,198**	₱	52,198
Trade and other receivables – gross	12		**3,772,468**		3,772,468
Advances to related parties	9		**207,207,956**		208,975,849
Financial assets at FVOCI	14		**585,717,719**		2,508,491,720
		₱	**796,750,341**	₱	2,721,292,235

The Group does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subject to 12-month ECL (Stage 1) or lifetime ECL (Stage 2 and Stage 3).

2020	**12-month ECL (Stage 1)**	**Lifetime ECL – not credit impaired (Stage 2)**	**Lifetime ECL – credit impaired (Stage 3)**	**Measured at fair value**	**Total**
Cash in banks	52,198	–	–	–	52,198
Trade and other receivables	–	–	3,772,468	–	3,772,468
Advances to related parties	207,207,956	–	–	–	207,207,956
Financial assets at FVOCI	–	–	–	585,717,719	585,717,719
	207,260,154	**–**	**3,772,468**	**585,717,719**	**796,750,341**

2019	12-month ECL (Stage 1)	Lifetime ECL – not credit impaired (Stage 2)	Lifetime ECL – credit impaired (Stage 3)	Measured at fair value	Total
Cash in banks	52,198	–	–	–	52,198
Trade and other receivables	–	–	3,772,468	–	3,772,468
Advances to related parties	208,975,849	–	–	–	208,975,849
Financial assets at FVOCI	–	–	–	2,508,491,720	2,508,491,720
	209,028,047	–	3,772,468	2,508,491,720	2,721,292,235

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment

The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

Trade and other receivables
The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed per customer type, credit terms, offsetting arrangements. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking information.

The aging analysis of trade and other receivables is presented in Note 12.

Other financial assets at amortized cost
The Group's other financial assets at amortized cost pertain to cash in banks and advances to related parties. The Group limits its exposure to credit risk by investing its cash only with banks with good credit standing and reputation in the local and international banking industry. Also, the Group transacts only with parties with good credit rating, thus risk of default is low.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2020	**On Demand**	**Within 1 Year**	**Over 1 Year**	**Total**
Cash	₱ 52,198	₱ –	₱ –	₱ 52,198
Trade and other receivables	3,772,468	–	–	3,772,468
Advances to related parties	207,207,956	–	–	207,207,956
Financial assets at FVOCI	585,717,719	–	–	585,717,719
	₱ 796,750,341	**₱ –**	**₱ –**	**₱ 796,750,341**

2019	On Demand	Within 1 Year	Over 1 Year	Total
Cash	₱ 52,198	₱ –	₱ –	₱ 52,198
Trade and other receivables	3,772,468	–	–	3,772,468
Advances to related parties	208,975,849	–	–	208,975,849
Financial assets at FVOCI	2,508,491,720	–	–	2,508,491,720
	₱ 2,721,292,235	₱ –	₱ –	₱ 2,721,292,235

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2020	**On Demand**	**Within 1 Year**	**Over 1 Year**	**Total**
Trade and other payables*	₱ 41,603,520	₱ –	₱ –	₱ 41,603,520
Advances from related parties	26,106,401	–	–	26,106,401
Due to stockholder	9,783,783	–	–	9,783,783
	₱ 77,493,704	**₱ –**	**₱ –**	**₱ 77,493,704**

**Excluding statutory and other payables to government agencies amounting to ₱24,267,585.*

2019	On Demand	Within 1 Year	Over 1 Year	Total
Trade and other payables*	₱ 42,124,155	₱ –	₱ –	₱ 42,124,155
Advances from related parties	25,867,177	–	–	25,867,177
Due to stockholder	9,783,783	–	–	9,783,783
	₱ 77,775,115	₱ –	₱ –	₱ 77,775,115

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

7. FAIR VALUE MEASUREMENTS

The following table summarizes the carrying amounts and the fair values by level of the fair value hierarchy of the Group's financial assets that are carried at fair value as at December 31, 2020 and 2019.

2020	**Carrying Amount**	**Fair Value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements:					
Financial assets at FVOCI	585,717,179	–	–	585,717,179	585,717,179

2019	**Carrying Amount**	**Fair Value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements:					
Financial assets at FVOCI	2,508,491,720	–	–	2,508,491,720	2,508,491,720

7.01 Fair Value Hierarchy

The Group uses the following hierarchy as guide for determining fair value of financial instruments:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchange;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability that are not based on observable market data (observable inputs). This level includes equity investment (if any,) and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

As of December 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

7.02 Fair Value Determination

Basis or assumptions in determining the fair value of financial instruments are disclosed below:

7.02.01 Cash in Banks
The estimated fair value of fixed interest-bearing deposits is made based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

7.02.02 Trade and Other Receivables and Advances to Related Parties
Trade and other receivables are net of allowance for doubtful accounts. The estimated fair value of trades and other receivables advances to related parties represents the discounted amount of estimated future cash flows expected to be received.

7.02.03 Financial Assets at FVOCI
Financial assets at FVOCI pertain to investments in shares of stocks not traded in an active market. Since alternative reliable measurements of fair value are not available, management deemed that the investee's net assets multiplied by the Group's percentage share is the best estimate of the fair value of the investment.

7.02.04 Trade and Other Payables and Other Financial Liabilities
Due to their short duration, the carrying amounts of trade and other payables and other financial liabilities in the statement of financial position are considered to be reasonable approximations of their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and equity of the Group (comprising issued capital, share premium, and retained earnings).

The Group is not subject to any externally imposed capital requirements. The Group's Board of Directors reviews the capital structure of the Group on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2020		2019
Debt	₱	**104,666,950**	₱	105,088,521
Cash		**(52,198)**		(52,198)
Net Debt	₱	**104,614,752**	₱	105,036,323
Equity		**603,114,715**		2,615,826,767
Net debt to equity ratio		**0.17:1**		0.04:1

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Group that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

The Group's related parties are as follows:

Company	Relationship
IP Ventures, Inc.	Ultimate Parent
IPE Global Holdings Corp.	Parent
IPVG Employees, Inc.	Entity Under Common Control
GRCO Mining Isulan Corporation	Entity Under Common Control
Highlands Coffee Philippines Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
I-Pay Commerce Ventures, Inc.	Entity Under Common Control
Level Up, Inc.	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control
X-Play Online Games Incorporated	Entity Under Common Control
Y-Fi Business Solutions, Inc.	Entity Under Common Control

Entities under common control refer to entities that are ultimately controlled by the same parties.

9.02 Related Party Transactions and Balances

Related party transactions and balances consists of the following:

9.02.01 Advances to Related Parties:

		2020		2019
IPE Global Holdings Corp.	₱	**81,357,960**	₱	81,357,960
Y-Fi Business Solutions, Inc.		**62,928,454**		62,928,454
IP Ventures, Inc.		**22,518,475**		24,286,368
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
X-Play Online Games Incorporated		**7,141,369**		7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
		207,207,956		208,975,849
Allowance for expected credit losses		**(88,499,329)**		–
	₱	**118,708,627**	₱	208,975,849

Movement of allowance for ECL on advances to related parties is disclosed below:

		2020		2019
Balance, January 1	₱	**–**	₱	–
Provision		**88,499,329**		–
Balance at December 31	₱	**88,499,329**	₱	–

9.02.02 Advances from Related Parties:

		2020		2019
Webworx Computer Technology Corporation	₱	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
Highlands Coffee Philippines, Inc.		**361,312**		361,312
IPVG Employees, Inc.		**239,224**		–
	₱	**26,106,401**	₱	25,867,177

9.02.03 Due to Stockholder

		2020		2019
Due to stockholder	₱	**9,783,783**	₱	9,783,783

During 2020 and 2019, the Group entered into the following transactions with related parties:

Transactions and Advances to and from Related Parties for the year 2020 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to	₱ (1,767,893)	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Parent:				
IPE Global Holdings Corporation				
a. Advances to	–	81,357,960	On demand; non-interest bearing	Unsecured, no impairment
Entities under common control:				
IPVG Employees, Inc.				
a. Advances from	239,224	239,224	On demand; non-interest bearing	Unsecured, no impairment
X-Play Online Incorporated				
a. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, no impairment
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	–	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
Ipay Commerce Ventures				
a. Advances to	–	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworx Computer Technology Corporation				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc.				
a. Advances from	–	361,312	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Stockholder:				
a. Due to	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ (1,767,893)**	**₱ 207,207,956**		
Total advances from	**₱ 239,224**	**₱ 26,106,401**		
Total due to	**₱ –**	**₱ 9,783,783**		

Transactions and Advances to and from Related Parties for the year 2019 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to	₱ (3,324,506)	₱ 24,286,368	On demand; non-interest bearing	Unsecured, no impairment
Parent:				
IPE Global Holdings Corporation				
b. Advances to	–	81,357,960	On demand; non-interest bearing	Unsecured, no impairment
Entities under common control:				
X-Play Online Incorporated				
b. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, no impairment
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
b. Advances to	(57,160)	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
Ipay Commerce Ventures				
a. Advances to	–	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworx Computer Technology Corporation				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc.				
a. Advances from	–	361,312	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Stockholder:				
a. Due to	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	₱ (3,381,666)	₱ 208,975,849		
Total advances from	₱ –	₱ 25,867,177		
Total due to	₱ –	₱ 9,783,783		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for 2020 and 2019.

10. BUSINESS COMBINATION

On January 1, 2019, the Parent Company acquired 50,000,000 shares of the Subsidiary, representing 100% ownership, for US$1.00 a share, or a total consideration of US$50,000,000, equivalent to ₱2.5 billion.

The fair values of the identified assets and liabilities of the Subsidiary at the time of acquisition and the purchase price was allocated as follows:

		Amount
Investment in equity securities	₱	2,500,000,000
Percentage share of net assets acquired		100%
Net assets acquired	₱	2,500,000,000

11. CASH

Cash represents cash in bank, amounting to ₱52,198 as of December 31, 2020 and 2019.

Interest income generated from cash in banks and cash equivalent amounted to nil for 2020 and 2019.

12. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables consist of:

		2020		2019
Trade receivables	₱	**3,741,000**	₱	3,741,000
Advances to officers and employees		**31,468**		31,468
		3,772,468		3,772,468
Allowance for doubtful accounts		**(3,772,468)**		(3,772,468)
	₱	**–**	₱	–

The average credit period on sales of goods is 15 to 30 days. No interest is charged on trade receivables.

Aging of trade and other receivables are as follows:

		2020		2019
Current:				
1 – 30 days outstanding	₱	**–**	₱	–
Past due:				
31 – 60 days outstanding		**–**		–
61 – 90 days outstanding		**–**		–
over 90 days outstanding		**3,772,468**		3,772,468
Balance at December 31	₱	**3,772,468**	₱	3,772,468

Movement of allowance for ECL on trade and other receivables is disclosed below:

		2020		2019
Balance, January 1	₱	**3,772,468**	₱	3,741,000
Provision		**–**		31,468
Balance at December 31	₱	**3,772,468**	₱	3,772,468

13. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Group's prepayments and other current assets are shown below:

		2020		2019
Prepaid taxes	₱	**1,929,281**	₱	1,929,281
Advances to suppliers		**887,429**		887,429
Deposit		**486,411**		486,411
Deferred input VAT		**–**		50,400
Input VAT		**–**		42,000
	₱	**3,303,121**	₱	3,395,521

Prepaid taxes consist of tax credit carried over for the next period.

Deposit pertains to advance rental paid by the Group to its previous lessor, which is still to be collected.

Deferred input VAT pertains to input VAT related to the accrual of professional fee for 2019.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The account consists of investment in shares of stocks of the following entities:

		2020		2019
Winvest Vietnam Investments Ltd.	₱	**2,500,000,000**	₱	2,500,000,000
Digital Paradise, Inc.		**–**		51,469,257
Total cost		**2,500,000,000**		2,551,469,257
Unrealized fair value loss – recognized in OCI		**–**		(42,977,537)
Impairment loss		**(1,914,282,281)**		–
At December 31	₱	**585,717,719**	₱	2,508,491,720

Such investments were presented as financial assets at FVOCI since it is not held for trading.

In 2020, a revaluation of the investment in Winvest Vietnam Investments Ltd. has been performed due to an indication of potential impairment of land lease value. A development of a five-star hotel was planned at the proposed site, with an assumption that the surrounding areas will see a sharp increase in recreational economic activities. However, with the onset of COVID-19, the development of the hotel could not be achieved in due time and the commercial development of the whole area has been postponed indefinitely.

Due to the above conditions, the Group recognized an impairment loss on its investment in Winvest Vietnam Investments Ltd. amounting to ₱1,914,282,281 in 2020.

Movements in the account are disclosed below:

	2020	2019
At January 1	₱ **2,508,491,720**	₱ 2,509,727,002
Unrealized fair value loss – recognized in OCI	**–**	(1,235,282)
Write-off (Note 19)	**(8,491,720)**	–
Impairment loss	**(1,914,282,281)**	–
At December 31	₱ **585,717,719**	₱ 2,508,491,720

No dividends were received from this investment for the year ended December 31, 2020.

15. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

	2020	2019
Trade payables	₱ **25,475,002**	₱ 25,475,002
Output VAT	**12,817,156**	13,001,371
Accrued expenses	**11,788,254**	12,308,889
Withholding taxes	**11,450,429**	11,406,374
Subscription payable	**–**	–
Other non-trade payables	**4,340,264**	4,340,264
	₱ **65,871,105**	₱ 66,531,900

Trade payables are payables which are related directly to the Group's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Subscriptions payable pertain to subscription of IPVG Employees, Inc. (IEI) to Cosamera Resorts Corporation (CRC) assigned to the Group.

IEI subscribed to 500,000 shares of CRC at a par value of ₱10 per share, or a total of ₱5,000,000. Out of the total amount, ₱2,500,000 was already paid by IEI. On March 2, 2012, IEI executed a deed of assignment wherein IEI assigns its subscription of CRC's shares of stocks to the Group, and the Group will assume the payment of the unpaid subscription equivalent to ₱2,500,000. In 2019, the payable was reversed to other income, as disclosed in Note 17.

Other non-trade payables pertain to payables not directly related to the Group's core operating business.

16. EQUITY

16.01 Share Capital and Premium

The share capital and premium of the Group is as follows:

	2020	2019
Share capital	₱ **2,800,000,000**	₱ 2,800,000,000
Share premium	**255,535,853**	255,535,853
	₱ **3,055,535,853**	₱ 3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2020		2019	
	Shares	**Amount**	Shares	Amount
Authorized share capital				
₱0.01 par value	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid,				
December 31	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date, the Group has a total number of 25 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

17. OTHER INCOME

Other income of the Group amounting to nil and ₱2,500,000 for the years ended December 31, 2020 and 2019, respectively, pertains to the reversal of subscriptions payable, as disclosed in Note 15.

18. OTHER EXPENSES

The account is composed of the following operating expenses:

	2020	2019
Professional fees	**₱ 1,148,461**	₱ 2,524,912
Listing fees	**261,000**	567,840
Fines and penalties	**–**	155,000
Taxes and licenses	**–**	500
Others	**29,261**	259,514
	₱ 1,438,722	₱ 3,507,766

Others pertain to meals, company meetings, and miscellaneous expenses.

19. LOSS ON ASSET WRITTEN OFF

Loss on assets written off consists of the following:

	Note	**2020**	2019
Loss on write-off of:			
Financial assets at FVOCI	14	**₱ 8,491,720**	₱ –
Other non-current assets		**–**	41,256,400
		₱ 8,491,720	₱ 41,256,400

20. INCOME TAXES

20.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

	2020	2019
Current tax expense	**₱ –**	₱ 50,000
Deferred tax expense	–	–
	₱ –	₱ 50,000

A numerical reconciliation between tax expense and the product of accounting loss multiplied by the tax rate in 2020 follows:

	2020	2019
Accounting loss	**₱ (2,012,712,052)**	₱ (42,295,634)
Tax benefit at 25%/30%	**(503,178,013)**	(12,688,690)
Additions to income tax resulting from:		
Unrecognized DTA on provision for ECL	**22,124,832**	9,440
Unrecognized DTA on NOLCO	**359,681**	255,830
Non-deductible expenses	**480,693,500**	12,423,420
Excess MCIT over RCIT	**–**	50,000
	₱ –	₱ 50,000

20.02 Net Operating Loss Carry-over (NOLCO)

Under Section 24 of NIRC, the net operating loss of the Group for any taxable year immediately preceding the current taxable year which had not been previously offset as deduction from gross income, shall be carried over as a deduction from gross income for the next three consecutive taxable years immediately following the year of such loss.

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

Details of Group's NOLCO which can be applied as special deduction against future taxable are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2019	852,766	–	–	–	852,766	2022
2020	1,438,722	–	–	–	1,438,722	2025
₱	**2,291,488 ₱**	**– ₱**	**– ₱**	**– ₱**	**2,291,488**	

20.03 Minimum Corporate Income Tax (MCIT)

Section 27(E) of the National Internal Revenue Code of 1997 provides that an MCIT of two percent (2%) of the gross income as of the end of the taxable year is imposed on a taxable corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operation, when the MCIT is greater than RCIT for the taxable year.

Details of Group's MCIT which can be claimed as tax credits against regular income tax are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2019	**₱ 50,000 ₱**	**– ₱**	**– ₱**	**– ₱**	**50,000**	**2022**

20.04 Deferred Tax Assets

Details of the Group's unrecognized deferred tax assets are disclosed below:

		2020		2019
Allowance for expected credit losses	₱	**21,181,715**	₱	1,131,740
NOLCO		**572,872**		375,830
MCIT		**50,000**		–
	₱	**21,804,587**	₱	1,507,570

20.05 Republic Act No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Law

On February 03, 2021, the final provisions of Senate Bill No. 1357 and House Bill No. 4157 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Bill, which seeks to reform corporate income taxes and incentives in the country, had been ratified by the Senate and the House of Representatives of the Philippines.

Under the bill, the corporate income tax will be reduced from the current 30% to 20% for domestic corporations with total assets not exceeding ₱100 million, excluding land, and total net taxable income of not more than P5 million. The corporate income tax of all other corporations, meanwhile, will be lowered to 25%. The bill would also lower the MCIT from 2% to 1% effective July 1, 2020 until June 30, 2023.

Other key provisions of the CREATE bill include:

1. One percent tax rate for Proprietary Educational Institutions and Hospitals which are non-Profit effective July 1, 2021 until June 30, 2023
2. Value-added tax (VAT) exemption threshold for socialized and low-cost housing to ₱2.5 million and P4.2 million for house and lot
3. VAT exemption for medicines for cancer, mental illness, tuberculosis, and kidney diseases
4. VAT-free importation and sale of COVID-19 medicines, PPEs beginning until December 31, 2023
5. Reduced preferential tax rates from 10% to 1% for non-profit hospitals and educational institutions effective July 1, 2021 to June 30, 2023.

Also, CREATE bill grants up to 17 years of incentives, including four to seven years of income tax holiday and 10 years of special corporate income tax or enhanced deduction, for exporters and for "critical" domestic market enterprises, which will be defined by the National Economic and Development Authority.

For other domestic market enterprises, the CREATE bill gives up to 12 years of incentives, including four to seven years of income tax holiday and five years of special corporate income tax or enhanced deductions.

As disclosed in Note 30, the CREATE bill is enacted into a law by the President of the Philippines on March 26, 2021.

21. EARNINGS PER SHARE

The Group's basic and diluted earnings per share are presented below:

21.01 Basic Loss per Share

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

		2020		2019
Loss used in the calculation of total basic earnings per share	₱	**(2,012,712,052)**	₱	(42,345,234)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	₱	**(0.0072)**	₱	(0.0002)

The Group has no dilutive potential common shares outstanding in 2020 and 2019. Thus, basic and diluted EPS are stated at the same amount.

22. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

22.01 Provision

22.01.01 Beijing Perfect World Software, Inc.
On May 9, 2011, the Group was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Group was again notified of a resolution ordering the Group to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 31, 2020 and 2019, the parties are still in the course of pleadings and other evidence in support of their respective claims. However, the Group's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Group's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to ₱2,905,661 as of December 31, 2020 and 2019, and presented as "provision for contingencies" in the consolidated statement of financial position.

22.02 Contingencies

22.02.01 Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City)
A criminal case for qualified theft filed on 07 June 2010 before the Office of the City Prosecutor (OCP) of Makati City by the Group erring former employees (respondents herein). The Group seeks to recover in the form of civil liability in the amount of ₱2,625,500, which was lost from the concerted acts of the accused in unlawfully inserting imbalanced items in the Cabal Games.

Accused Milongo was arrested but the rest of the accused remains at large. The criminal case proceeded against Milongo. The contending parties have completed the presentation of their respective evidence and have submitted their respective memorandum prior to the promulgation by the court of the decision with respect to accused Milongo.

22.02.02 George Tan
The Group and its Board of Directors received a civil complaint for the brokering sale of Digital Paradise Inc. to the Group in 2010.

The trial court in its decision dated 08 December 2015 dismissed the case against the individual members of the Board of Directors, but held the Group liable for ₱4.03 million. The case is presently pending appeal before the Court of Appeals.

Other than the case of Beijing Perfect World Software, Inc., it is believed that the pendency of the foregoing cases will not have material adverse effect on the operations and financial position of the Group. Accordingly, no provision has been made in the consolidated financial statements for the years ended December 31, 2020 and 2019.

23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the reconciliation analysis of liabilities arising from financing activities for the year ended December 31, 2020:

	2019	**Cash inflows**	**Cash outflows**	**Non-cash changes**	**2020**
Advances from related parties	**25,867,177**	**239,224**	**–**	**–**	**26,106,401**

	2018	Cash inflows	Cash outflows	Non-cash changes	2019
Advances from related parties	25,867,177	–	–	–	25,867,177

24. EVENTS AFTER THE END OF THE REPORTING PERIOD

24.01 CREATE Bill

On March 26, 2021, the CREATE Bill was signed into law by President Rodrigo Duterte. The said law will take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation.

The CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes. Full discussion of the law and its impact to the financial statements are disclosed in Note 20.

24.02 NCR Plus under Enhanced Community Quarantine

As a measure to contain the COVID-19 outbreak, on March 27, 2021, President Rodrigo Duterte placed Metro Manila, Bulacan, Cavite, Laguna and Rizal, also called the “NCR Plus”, under Enhanced Community Quarantine, which is effectively a total lockdown, restricting the movement of the population with exceptions, in response to the growing pandemic of Coronavirus Disease 2019 (COVID-19) in the country. Additional lockdown restrictions mandated the temporary closure of non-essential shops and businesses.

The Company considers the measures taken by the government as a non-adjusting event, which does not impact its financial position and performance as of and for the year ended December 31, 2020. However, it could have a material impact on its 2021 financial results and even periods thereafter. The Company cannot determine at this time the impact of such events to its financial position, performance and cash flows. The Company will continue to monitor the situation.

24.03 Sale of Investment in Subsidiary

On December 17, 2021, the Parent Company and IPE Global Holdings Corp. (the "Buyer") entered into a Share Purchase Agreement, wherein the Parent Company agreed to unconditionally and irrevocably sell, transfer, and convey to the Buyer, all of its rights, title and interests in and to the Parent Company's investment in the Subsidiary (the "Sale Shares"). The Buyer likewise agreed to unconditionally and irrevocably purchase the Sale Shares.

The Company considers the transaction as a non-adjusting event, which does not impact its financial position and performance as of and for the year ended December 31, 2020. However, it could have a material impact on its 2021 financial results and even periods thereafter.

The Group considers the above events as non-adjusting events, which does not impact its financial position and performance as of and for the year ended December 31, 2020. However, it could have a material impact on its 2021 financial results and even periods thereafter. The Group cannot determine at this time the impact of such events to its financial position, performance and cash flows. The Group will continue to monitor the situation.

25. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issue by the Board of Directors and Management on February 10, 2025.

Alas Oplas & Co., CPAs

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Independent Member of
BKR International

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES

To the Stockholders and the Board of Directors
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Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") as at and for the years ended December 31, 2020 and 2019, included in this Form 17-A and have issued our report thereon dated February 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements are the responsibility of the Group's management. These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and are not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2023, issued on February 9, 2023; effective until February 8, 2026
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period
TIN 232-158-286-000
PTR No. 10466283, issued on January 2, 2025, Makati City

February 10, 2025
Makati City, Philippines

IP E-GAME VENTURES INC. AND SUBSIDIARY

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

Schedule	Contents
A	Financial assets
B	Amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties)
C	Amounts receivable from related parties which are eliminated during the consolidation of financial assets
D	Long term debt
E	Indebtedness to related parties (long-term loans and related companies)
F	Guarantees of securities of other issuers
G	Capital Stock

Other schedules:

Reconciliation of Retained Earnings Available for Dividend Declaration

Map showing the relationships between and among the Group and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates

SCHEDULE A

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON FINANCIAL ASSETS

AS OF DECEMBER 31, 2020

NAME OF ISSUING ENTITY AND ASSOCIATION OF EACH ISSUE	NUMBER OF SHARES OR PRINCIPAL AMOUNT OF BONDS AND NOTES	AMOUNT IN THE BALANCE SHEET	INCOME RECEIVED & ACCRUED
ADVANCES TO RELATED PARTIES			
IPE Global Holdings Corp.	81,357,960	–	nil
Y-Fi Business Solutions, Inc.	62,928,454	62,928,454	nil
IP Ventures, Inc.	22,518,475	22,518,475	nil
IPE Global Pte Ltd.	22,041,667	22,041,667	nil
GRCO Isulan Mining Corporation	9,929,910	9,929,910	nil
X-Play Online Games, Incorporated	7,141,369	–	nil
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,072,645	1,072,645	nil
I-PAY Commerce Ventures, Inc.	217,476	217,476	nil
TOTAL	**207,207,956**	**118,708,627**	
FINANCIAL ASSETS AT FAIR VALUE THROIGH OTHER COMPREHENSIVE INCOME (EQUITY)			
Digital Paradise, Inc.	34,629,050	–	nil
Winvest Investment Ltd. Vietnam	50,000,000	585,717,719	nil
TOTAL		**585,717,719**	

SCHEDULE B

IP E-GAME VENTURES INC AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES AND RELATED PARTIES

FOR THE YEAR ENDED DECEMBER 31, 2020

NAME	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
IPE Global Holdings Corp.	81,357,960	–	–	–	81,357,960	–	81,357,960
Y-FI Business Solutions, Inc.	62,928,454	–	–	–	62,928,454	–	62,928,454
IP Ventures, Inc.	24,286,368	–	(1,767,893)	–	22,518,475	–	22,518,475
IPE Global Pte Ltd.	22,041,667	–	–	–	22,041,667	–	22,041,667
GRCO Isulan Mining Corporation	9,929,910	–	–	–	9,929,910	–	9,929,910
X-Play Online Games Incorporated	7,141,369	–	–	–	7,141,369	–	7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,072,645	–	–	–	1,072,645	–	1,072,645
I-PAY Commerce Ventures, Inc.	217,476	–	–	–	217,476	–	217,476

SCHEDULE C

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION PERIOD

FOR THE YEAR ENDED DECEMBER 31, 2020

NAME (Debtor)	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
NONE TO REPORT							

SCHEDULE D

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON LONG-TERM DEBT

FOR THE YEAR ENDED DECEMBER 31, 2020

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT PORTION OF LONG-TERM DEBT	LONG-TERM DEBT (NET OF CURRENT PORTION)	INTEREST RATE	NO. OF PERIODIC INSTALLMENT	MATURITY DATE
NONE TO REPORT						

SCHEDULE E

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON INDEBTEDNESS TO RELATED PARTIES FOR THE YEAR ENDED DECEMBER 31, 2020

NAME OF RELATED PARTY (CREDITOR)	BALANCE AT BEGINNING OF PERIOD	BALANCE AT END OF PERIOD
NONE TO REPORT		

The Company does not have indebtedness related to parties that are above 5% of its total assets as of December 31, 2020.

SCHEDULE F

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON GUARANTEES OF SECURITIES OF OTHER ISSUERS
FOR THE YEAR ENDED DECEMBER 31, 2020

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE GROUP FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENTS FILED	NATURE OF GUARANTEE
NONE TO REPORT				

The Bank does not have guarantees of securities of other issuers as of December 31, 2020.

SCHEDULE G

IP E-GAME VENTURES INC. AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE ON CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2020

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING AND SHOWN UNDER RELATED BALANCE SHEET CAPTION				Number of shares reserved for options, warrants conversion	Number of shares held by related parties	Directors, officers, and employees	Others
		ISSUED	SUBSCRIBED	TREASURY SHARES	TOTAL				
Ordinary shares	280,000,000,000	280,000,000,000	–	–	280,000,000,000	–	197,489,638,425	400	82,510,361,175

IP E-GAME VENTURES INC. AND SUBSIDIARY
Reconciliation of Retained Earnings Available for Dividend Declaration
As of DECEMBER 31, 2020

Unappropriated Retained Earnings, beginning of reporting period		**(396,731,549)**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation	–	
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	–	
Reclassification adjustment of cumulative unrealized loss on financial assets through other comprehensive income	**(42,977,537)**	**(42,977,537)**
Unappropriated Retained Earnings, as adjusted		**(439,709,086)**
Add/Less: Net Income (loss) for the current year		**(2,012,712,052)**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (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	–	
Reversal of retirement benefit obligation	–	
Gain on reversal of liabilities	–	
Sub-total		–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalent	–	
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 (describe nature	–	
Sub-total		–

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 (describe nature)	–	
Sub-total		–
Adjusted Net Income/Loss		**(2,452,421,138)**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Unrealized foreign exchange loss	–	
Sub-total		–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others (describe nature)	–	
Sub-total		–
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 setup of service concession asset and concession payable	–	
Adjustment due to deviation from PFRS/GAAP -gain (loss)	–	
Others	–	
Sub-total		–
Total Retained Earnings, end of the reporting period available for dividend		**(2,452,421,138)**

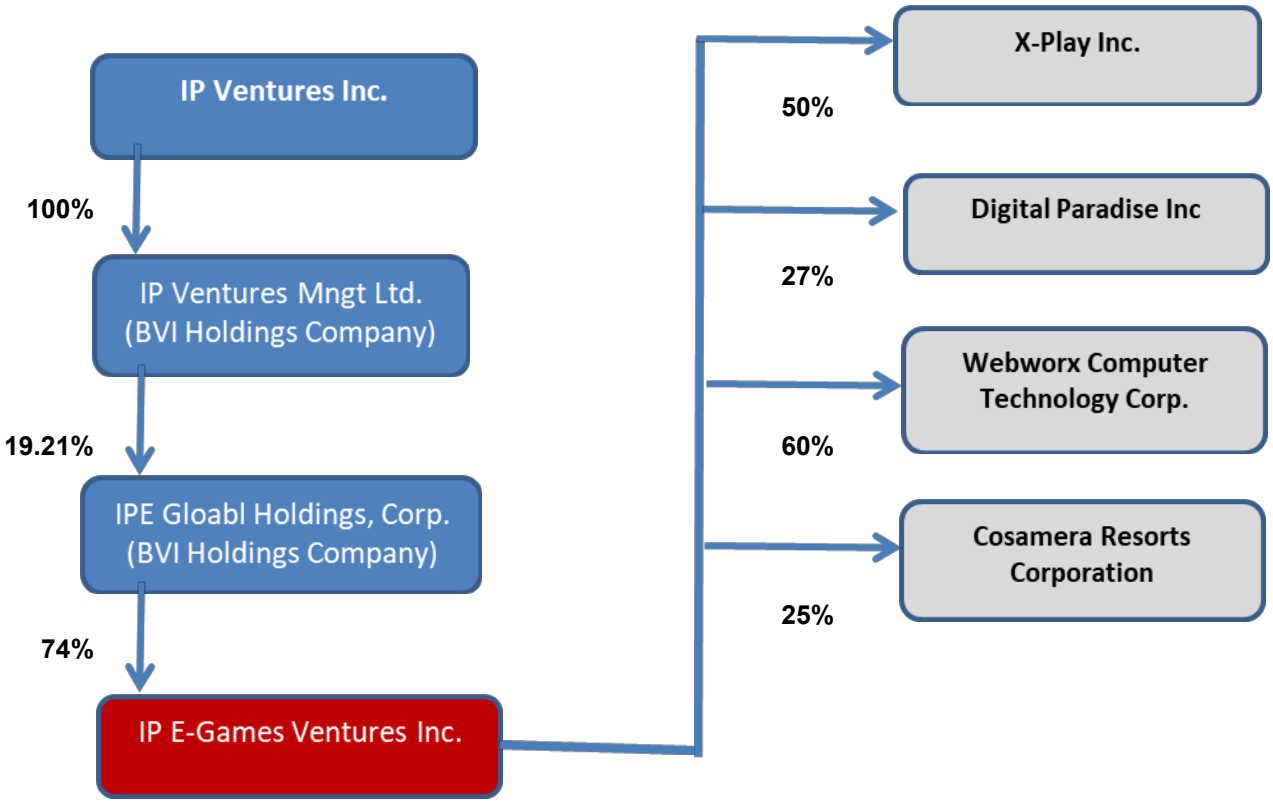
FOOTNOTES:

1. The amount of retained earnings of a company should be based on its separate ("stand-alone") audited separate financial statements.
2. Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.
3. Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the Parent Company and must be adjusted in the reconciliation to reflect the actual distributable amount.
4. This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of Its distributable income should be in accordance with the REIT Act and its Implementing Rules and Regulations.

IP E-GAME VENTURES INC. AND SUBSIDIARY

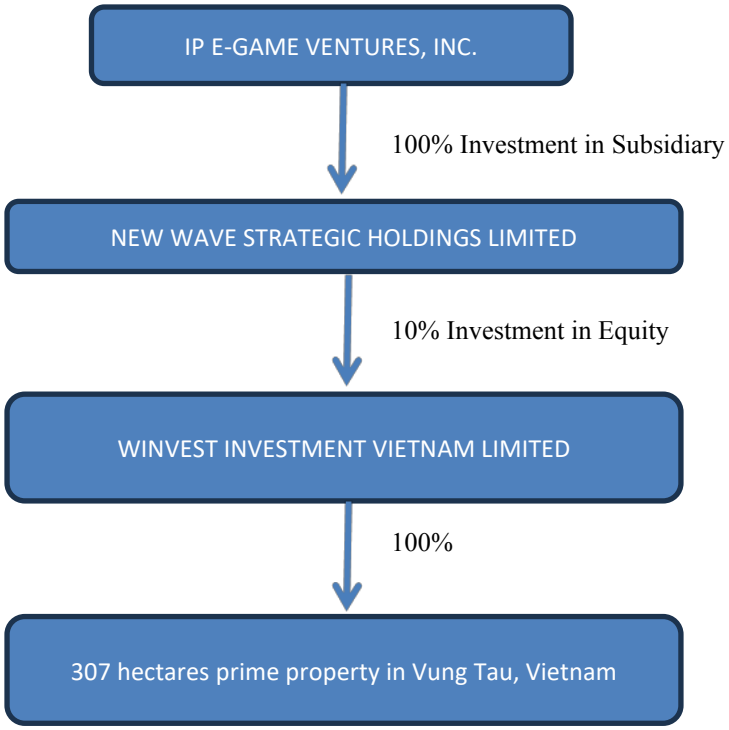
MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE GROUP AND ITS ULTIMATE PARENT, MIDDLE PARENT, SUBSIDIARIES AND CO-SUBSIDIARIES, AND ASSOCIATES
FOR THE YEAR ENDED DECEMBER 31, 2020

CORPORATE STRUCTURE



IP E-GAME VENTURES INC. AND SUBSIDIARY

MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE GROUP AND ITS ULTIMATE PARENT, MIDDLE PARENT, SUBSIDIARIES AND CO-SUBSIDIARIES, AND ASSOCIATES
FOR THE YEAR ENDED DECEMBER 31, 2020



Alas Oplas & Co., CPAs

Alas Oplas & Co., CPAs
7/F Philippine AXA Life Centre
1286 Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Phone: (632) 7116-4366
Email: aocheadoffice@alasoplas.com
Website: www.alasoplascpas.com

Independent Member of
BKR International

INDEPENDENT AUDITORS' REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated February 10, 2025. 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 are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2020 and 2019, and no material exceptions were noted.

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TIN 002-013-406-000

By:

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TIN 232-158-286-000
PTR No. 10466283, issued on January 2, 2025, Makati City

February 10, 2025
Makati City, Philippines

ANNEX 68-E

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

IP E-GAME VENTURES INC. AND SUBSIDIARY
As of December 31, 2020

Ratio	Formula	Current Year	Prior Year
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	116.62%	202.14%
Acid test ratio	$\frac{\text{Quick Assets}}{\text{Current Liabilities}}$	113.47%	198.91%
Solvency ratio	$\frac{\text{Net Income + Depreciation and Amortization}}{\text{Total Liabilities}}$	-1922.97%	-40.30%
Debt-to-equity ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	17.35%	4.02%
Asset-to-equity ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	117.35%	104.02%
Interest rate coverage ratio	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$	N/A	N/A
Return on equity	$\frac{\text{Net Income}}{\text{Average Total Equity}}$	-333.72%	-1.62%
Return on assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	-284.37%	-1.56%
Net profit margin	$\frac{\text{Net Income}}{\text{Revenue}}$	N/A	N/A

SUSTAINABILITY REPORT

Contextual Information

Company Details	
Name of Organization	IP E-GAME VENTURES INC.
Location of Headquarters	Unit 1003 Centerpoint Bldg., Doña Julia Vargas Ave., cor. Garnet St., Ortigas Cntr., Pasig City
Location of Operations	Unit 1003 Centerpoint Bldg., Doña Julia Vargas Ave., cor. Garnet St., Ortigas Cntr., Pasig City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	
Business Model, including Primary Activities, Brands, Products, and Services	Holding Company
Reporting Period	December 31, 2020
Highest Ranking Person responsible for this report	

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
With no current operations except for relevant payments to regulatory agencies and professional consultations, there are no current environmental and social impacts, risks and opportunities.

[1] See *GRI 102-46* (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	0.00	PhP
Direct economic value distributed:		
a. Operating costs	0.00	PhP
b. Employee wages and benefits	0.00	PhP
c. Payments to suppliers, other operating costs	**1,438,722**[2]	Php
d. Dividends given to stockholders and interest payments to loan providers	0.00	PhP
e. Taxes given to government	0.00	PhP
f. Investments to community (e.g. donations, CSR)	0.00	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
N.A.	*N.A.*	*N.A.*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
N.A.	*N.A.*	*N.A.*
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
N.A.	*N.A.*	*N.A.*

Climate-related risks and opportunities[3]

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities NA	Disclose the actual and potential impacts[4] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Disclose how the organization identifies, assesses, and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is

[2] Expenses for professional fees, listing fees, fines and penalties, and others as reflected in the Company's 2020 AFS.
[3] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.
[4] For this disclosure, impact refers to the impact of climate-related issues on the company.

	where such information is material		material
Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities NA	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	a) Describe the organization's processes for identifying and assessing climate-related risks	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
b) Describe management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	*N.A.*	%

What is the impact and where does it occur? What is the organization's involvement in the impact? *N.A.*	**Which stakeholders are affected?** *N.A.*	**Management Approach**
Identify the impact and where it occurs (i.e., primary business	*(e.g. employees, community, suppliers, government, vulnerable*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects,*

operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*groups)*	*programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified? **NA**	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	0	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	0	%
Percentage of directors and management that have received anti-corruption training	0	%
Percentage of employees that have received anti-corruption training	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

business relationship) NA		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization NA		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization NA		

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified? NA	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization NA		
What are the Opportunity/ies Identified? NA	**Which stakeholders are affected?**	**Management Approach**

Identify the opportunity/ies related to material topic of the organization		

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	0	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	0	kWh
Energy reduction (gasoline)	0	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the		

organization		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	0	Cubic meters
Water recycled and reused	0	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	0	kg/liters
• non-renewable	0	kg/liters

Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	**Quantity**	**Units**
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	(identify all sites)	
Habitats protected or restored		ha
IUCN[5] Red List species and national conservation list species with habitats in areas affected by operations	(list)	

What is the impact and where does it occur? What is the organization's involvement in the	**Which stakeholders are affected?**	**Management Approach**

[5] International Union for Conservation of Nature

impact? NA		
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions		Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions		Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)		Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

business relationship)		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Air pollutants

Disclosure	Quantity	Units
NO_x	0	kg
SO_x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Identify the opportunity/ies related to material topic of the organization		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	0	kg
Reusable	0	kg
Recyclable	0	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Hazardous Waste

Disclosure	Quantity	Units

Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Effluents

Disclosure	**Quantity**	**Units**
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to*

(i.e., caused by the organization or linked to impacts through its business relationship)		*manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[6]	0	
a. Number of female employees	0	#
b. Number of male employees	0	#
Attrition rate[7]	0	rate
Ratio of lowest paid employee against minimum wage	0	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	N	0%	0%
PhilHealth	N	0%	0%
Pag-ibig	N	0%	0%
Parental leaves	N	0%	0%
Vacation leaves	N	0%	0%
Sick leaves	N	0%	0%
Medical benefits (aside from PhilHealth))	N	0%	0%
Housing assistance (aside from Pag-ibig)	N	0%	0%
Retirement fund (aside from SSS)	N	0%	0%
Further education support	N	0%	0%
Company stock options	N	0%	0%
Telecommuting	N	0%	0%
Flexible-working Hours	N	0%	0%
(Others)	N	0%	0%

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

[6] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)
[7] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

relationship)	
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Employee Training and Development

Disclosure	**Quantity**	**Units**
Total training hours provided to employees		
a. Female employees	0	hours
b. Male employees	0	hours
Average training hours provided to employees		
a. Female employees	0	hours/employee
b. Male employees	0	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Labor-Management Relations

Disclosure	**Quantity**	**Units**
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees	0	#

concerning employee-related policies		

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Diversity and Equal Opportunity

Disclosure	**Quantity**	**Units**
% of female workers in the workforce	0	%
% of male workers in the workforce	0	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	

What are the Opportunity/ies Identified?	Management Approach
Identify the opportunity/ies related to material topic of the organization	

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	0	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	

Child labor	N	
Human Rights	N	

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

_____

Do you consider the following sustainability topics when accrediting suppliers?

Topic	**Y/N**	**If Yes, cite reference in the supplier policy**
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

relationship)	
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	**Location**	**Vulnerable groups (if applicable)***	**Does the particular operation have impacts on indigenous people (Y/N)?**	**Collective or individual rights that have been identified that or particular concern for the community**	**Mitigating measures (if negative) or enhancement measures (if positive)**

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	**Quantity**	**Units**
FPIC process is still undergoing	N	#
CP secured	N	#

What are the Risk/s Identified?	**Management Approach**

Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What	Management Approach

is the organization's involvement in the impact? NA	
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Marketing and labelling

Disclosure	**Quantity**	**Units**
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact? NA	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**

Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
NA			

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

Annex A-3-1

Jose Voltaire Bautista <voltaire.bautista@ipvg.com>

IP E-GAME VENTURES, INC. SEC Form 17-Q For Period Ending 30 Sept. 2022

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> Wed, Dec 7, 2022 at 1:09 PM

To: voltaire.bautista@ipvg.com

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD. (Subject to Verification and Review of the Quality of the Attached Document) Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

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NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) Secondary Reports such as: 17-A, 17-C, 17-L, 17-Q, ICASR, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AMLA-CF,NPM,NPAM, BP-FCLC, CHINESEWALL, 39-AR,36-AR, PNFS, MCG, S10/SEC-NTCE-EXEMPT, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the ELECTRONIC FILING AND SUBMISSION TOOL (eFAST) such as: AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT,
FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please go to SEC website:

https://apps010.sec.gov.ph

For your information and guidance.

[Quoted text hidden]

COVER SHEET

C	S	2	0	0	5	1	8	7	7	9

S.E.C. Registration Number

I	P		E	-	G	A	M	E		V	E	N	T	U	R	E	S	,		I	N	C	.						

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I	P	E		G	l	o	b	a	l		H	o	l	d	i	n	g	s											

C	o	r	p	o	r	a	t	i	o	n	)																		

(Company's Full Name)

8	t	h		F	l	o	o	r		A	r	t	h	a	l	a	n	d		C	e	n	t	u	r	y			

P	a	c	i	f	i	c		T	o	w	e	r	,		5	t	h		A	v	e	n	u	e		c	o	r	.

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C	i	t	y	,		T	a	g	u	i	g		C	i	t	y		1	6	3	4								

(Business Address: No. Street Company / Town / Province)

Mary Jenelle C. Palma Acting CFO

Contact Person

(02) 8359-3715

Company Telephone Number

0	9

Month

3	0

Day

SEC Form 17-Q

FORM TYPE

Every Last Monday of July

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

			3	9

Total No. of Stockholders

Total Amount of Borrowings

₱–

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **September 30, 2022**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **8th Floor Arthaland Century Pacific Tower, 5th Ave. cor 30th St., Bonifacio Global City, Taguig City**
   Address of principal office

   Postal Code **1634**

8. Issuer's telephone number, including area code **+63 2 8359 3715**

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

    Philippine Stock Exchange **Common Shares**

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

    Yes [ ] No [ ]

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

    Yes [✓] No [ ]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **QUARTERLY REPORT FOR THE PERIOD ENDED September 30, 2022 (SEC Form 17-Q),** to be signed on its behalf by the undersigned thereunto duly authorized on **December 7, 2022.**

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her Capacity as Chief Finance Officer and Duly Authorized Signatory

Before me REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO before me this DEC 07 2022 **day of December 2022**, the following persons exhibiting me their Tax Identification Numbers, as follows:

	Tin No.	Place of Issue
Mary Jenelle Palma	228-440-201	Makati City

Doc No. 255;
Page No. 51;
Book No. XVI;
Series of 2022.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DECEMBER 2023
PTR No. 8852980 ; 1-4-22 ; Makati City
IBP O.R. No. 170148 ; 12-13-21 Makati City
Appt. No. M-073 for the City of Makati
SC Roll No. 49491

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of September 30, 2022 (with comparative figures as of December 31, 2021) and for the period ended September 30, 2022 (with comparative figures for the periods ended September 30, 2021) **(see Annex A).**

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

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

BUSINESS AND GENERAL INFORMATION

IP E-Game Ventures, Inc. (the "Company") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005.

The Company used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippines Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/ systems development for the on-line computer systems.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above, the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games

2017 Financial Highlights

- Effective in 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. As the Company lost control over DPI, the investment was designated as investment at fair value through profit and loss.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthen the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to

₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of ₱56.5 million resulting to a loss of ₱36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 Billion divided into 280 Billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

2012 Financial Highlights

- On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

- On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

  The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

- On July 31, 2012, during the Regular Stockholders Meeting, the Corporation approved the amendment of Article Third of the Amended Articles of Incorporation to change the principal office of the Corporation to 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila.

- On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

- In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

- On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

- We have become one of the leading online games publishers in the country, garnering a community of over 15.9 million registered gamers and 447,055 active users per month that play our online games. In line with our efforts to increase market share, we have entered into discussions for a possible merger with our biggest competitor, LUI. The aim is to combine gaming assets with LUI and substantially increase our gaming community, distribution and reach to the market. On March 31, 2012, we completed our merger with LUI.

- On March 2, 2012, the Company acquired a 25% stake in Cosamera, a company with primary business in the Cagayan Special Economic Zone and Freeport. Cosamera is in the business of hotel and resort facilities which shall serve tourists frequenting the Cagayan Economic Zone Authority including visitors to its gaming facilities. As of date, Cosamera does not have available financial information, hence the investment was reported as part of noncurrent assets in 2012 balance sheet.

- On January 9, 2012, the Company executed a Content License and Distribution Agreement with NBAP for the right and license to operate the official website of the NBA targeted at the Philippine market. NBAP is a company based in New York that operates various commercial activities of the NBA around the world, outside of Greater China. The agreement is binding and effective until September 30, 2014 unless earlier terminated. The rights granted under this agreement shall not be assigned, sublicensed or subcontracted without the prior written consent, which consent may, in the sole discretion of NBAP, (i) be contingent upon a fee payable by IPE or the transferee, and/or (ii) impose other terms and conditions upon the assignment or transfer. The Company has plans of transferring the content license to X-Play Online Games, Inc.

- DPI secured loan with HSBC in the amount of ₱200 million, to be backed by a guarantee from the Philippine Export-Import Credit Agency (PHILEXIM). The proceeds of the loan shall be used for the expansion and development of DPI's internet café chain.

- The Company and X-Play signed an exclusive local publishing agreement with Take-Two International S.A. ("Take-Two") for online sports and social web game. The said online social web game will be locally hosted and operated in the Philippines. Take-Two, a subsidiary of

Take-Two Interactive Software, Inc., is a leading developer, marketer and publisher of interactive entertainment for consumers' world-wide.

- Pursuant to the approval of the Company's BOD on May 9, 2012, the Company, through RAN Online, Inc., (ROI) a wholly-owned subsidiary of E-Games, acquired a 36,000 square meters of property in Cagayan Ecozone for a purchase price of P70.0 million, through combination of cash and shares of stock. As of December 31, 2012, Transfer Certificates of Title covering a total of 26,405 square meters of the total lot area being purchased have been issued to ROI with total cost recorded per books amounting to ₱37.3 million.

- On April 30, 2012, the Board authorized the Company to enter into a surety agreement in relation to the loan of IPVI with China Banking Corporation.

2011 Financial Highlights

- On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

- On December 3, 2011, the Company subscribed to 60,000 common shares of AB Fiber Corporation at ₱100 per share or a total subscription price of ₱36 million, ₱6 million of which was paid for by applying the Company's dividend payable from FCCDCI. The Company's stake in AB Fiber was subsequently transferred to IP Converge.

- On November 15, 2011, GMA provided a sponsorship certification of ₱30 million to X-Play for development of advergaming assets to be used by GMA in their digital advertising efforts.

- On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth ₱130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

- On October 18, 2011, the Company entered into a Licensing and Distribution Agreement with Blizzard Entertainment International granting the Company exclusive license to market, sell and distribute physical boxed versions of World of Warcraft, Starcraft, Legacy Products and Diablo.

- On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

- In July 2011, we entered into a memorandum of agreement with RS Concepts whereby the parties agreed to enter into a reseller agreement allowing RS Concepts to sell E-Games' available advertising inventory. The specific terms and conditions of the agreement are subject to further discussion and negotiations. RS Concept is a non-traditional advertising company.

- On July 8, 2011, we commercially launched Point Blank, a first person shooter game whose active user base has surpassed the performance of our flagship MMORPGs in terms of number of users and growth rate.

- On April 13, 2011, our Board approved the transfer of our 40% stake in First Cagayan Converge Data Center, Inc. ("FCCDI") to IPCDCI. The transfer, which was done in three tranches, was part of the IPVG Groups' thrust to rationalize and consolidate its interests and business operations into the respective subsidiaries and affiliates.

As part of a rationalization of our services to focus on consumer Internet instead of a wider array of Internet services, we decided to transfer our holdings in FCCDCI to publicly listed data center operator IPCDCI. As of June 30, 2011, we have transferred 1/3 of our 40% stake in FCCDCI to IPCDCI and on September 30, 2011 we transferred an additional 1/3 of our 40% stake therein. The remaining 1/3 was sold on December 31, 2011. The total sale price was ₱114.0 million of which ₱100.0 million will be paid in cash and ₱20.0 million in future services, including internet bandwidth and co-location services. The transfer of our 40% stake in FCCDCI also includes the transfer of our equity stake, comprising 60,000 shares, in AB Fiber Corporation, the company that owns the fiber optic cables. As of December 31, 2011, the Company has completed the transfer of FCCDCI to IPCDCI.

- On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of ₱145 million, or approximately ₱1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

- On April 1, 2011, we executed a Software Development and License Agreement with Zepetto Co., a South Korean company which owns the worldwide and exclusive right to market and distribute Point Blank, a casual FPS game. Pursuant to the agreement, we were granted the exclusive, royalty-bearing and non-transferrable license for the use, promotion, distribution and marketing of the localized version of Point Blank for a period of three years from the date of commercial launch. We launched the game commercially on July 8, 2011.

- In January 2011, we conducted a right offering and offered 134,182,216Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

SELECTED FINANCIAL DATA

The selected financial information set forth in the following tables, as prepared by the Company, were derived from the unaudited stand-alone financial statements of the Company as of September 30, 2022 (with comparative figures as of unaudited December 31, 2021) and for the period ended September 30, 2022 (with comparative figures for the periods ended September 30, 2021 and 2020).

These financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included in this submission. The summary of financial information set out below does not purport to project the results of our operations or financial condition for any future period or date.

Statement of Income Data:	**For the nine months period ended September 30,**		
	2022	**2021**	**2020**
(In Thousand Pesos, except per share data)	**Stand-Alone**	**Stand-Alone**	**Stand-Alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross profit	-	-	-
Operating expenses	(2,683)	(2,703)	(1,611)
Equity in net losses of an associate and a joint venture			
Other income (charges)	(-)	(-)	-
Income (loss) before income tax	(-)	(-)	-
Provision for (benefit from) Income tax	-	(-)	-
Net income (loss)/ Total comprehensive income (loss)	(₱2,683)	(₱ 2,703)	(₱ 1,611)
Net income (loss)/Total comprehensive income (loss) attributable to:			
Equity holder of the company	(₱ -)	(₱ -)	-
Non-controlling interests	(-)	(-)	(-)
	(₱2,683)	(₱ 2,703)	(₱ 1,611)
Earnings per share:			
Basic	₱ 0.0001	₱ 0.0001	₱ 0.0001
Diluted	0.0001	0.0001	0.0001

The comparative figures for the nine months period ended September 30, 2022 were adjusted to report the stand-alone statement income data.

Balance Sheet Data:	For the Periods Ended		
(In Thousand Pesos)	**September 30, 2022(Unaudited Stand-Alone)**	**December 31, 2021(Unaudited , Stand-Alone)**	**December 31, 2020(Unaudited , Stand-Alone)**
ASSETS			
Current Assets			
Cash	₱ 52	₱ 52	₱ 52
Trade and other receivables	500,000	500,000	-
Due from related parties	118,709	118,709	118,709
Other current assets	3,303	3,303	3,303
Total current assets	**622,064**	**622,064**	**122,064**
Noncurrent Assets			
Deposit for future investments	-	-	2,500,000
Other noncurrent assets	-	-	-
Total noncurrent assets	**-**	**-**	**2,500,000**
TOTAL ASSETS	**₱ 622,064**	**₱ 622,064**	**₱ 2,622,064**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	₱ 65,906	₱ 65,871	₱ 65,871
Due to related parties	42,785	40,137	35,651
Provisions for contingencies	2,906	2,906	2,906
Income tax payable	-	-	-
Total current liabilities	**111,597**	**108,914**	**104,428**
Noncurrent Liability			
Deferred tax liabilities	-	-	-
Total Liabilities	**111,597**	**108,914**	**104,428**
Equity attributable to equity holders of the Parent	510,467	513,150	2,517,636
Non-controlling Interest	-	-	-
Total Equity	510,467	**513,150**	**2,517,636**
TOTAL LIABILITIES AND EQUITY	**₱ 622,064**	**₱ 622,064**	**₱ 2,622,064**

KEY PERFORMANCE INDICATORS

The Group's top key performance indicators, as of September 30, 2022 (with comparative figures as of December 31, 2021) and for the periods ended September 30, 2022 and 2021 and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	For the nine months period ended September 30, 2022		For the year ended December 31, (Unaudited)	
	2022	2021	2021	2020
	Stand-Alone	Stand-Alone	Stand-Alone	Stand-Alone
Financial Ratios:				
Current ratio (x)	5.57	5.71	5.71	1.17
Asset to stockholders' equity (x)	1.22	1.21	1.21	1.04
Debt to stockholders' equity (x)	0.22	0.21	0.21	0.04
Interest rate coverage (x)	-	-	-	-
Gross margin (%)	-	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)	(0)
Basic and diluted earnings per share	0.0000	(0.0001)	(0.0002)	(0.0002)

Current Ratio

This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio

This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio

This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. There is no significant movement in the ratio for the comparative nine months period September 30 and year ended December 31 presented above.

Interest Rate Coverage Ratio

This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin

This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin

This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

RESULTS OF OPERATIONS

For the nine months period ended September 30, 2022 compared with the nine months period ended September 30, 2021.

Revenues

No revenues recognized for the nine months period ended September 30, 2022 and 2021.

Operating Expenses

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Nine Months Period Ended September 30,				Increase (Decrease)	
	2022		2021			
	₱000	₱000	₱000	%	₱000	%
	Stand-Alone		Stand-Alone			
Professional fees	2,403	90%	2,154	80%	249	12%
Taxes and licenses	-	-	-	0%	-	0%
Others	280	10%	549	20%	(269)	(49%)
Total Operating Expenses	**₱ 2,683**	**100%**	**₱ 2,703**	**100%**	**(₱20)**	**(1%)**

Total operating expenses amounted to P2,683 and P2,703 for 2022 and 2021, respectively.

Professional fees include third party payments to legal and audit and other consultancy services.

Taxes and licenses which pertain to payments to the BIR (i.e. income tax, capital gains tax), business permits, import/export duties, if any, and all other expenditure levied by the national or local governments. We endeavor to structure the company's business transactions such that optimal tax savings are attained while ensuring that the Company is in adherence to all tax laws all the time.

Transportation and travel expenses include local transportation costs incurred for business purposes, and travel costs (including meals and lodging) while away from home overnight for business purposes.

Net Income (Loss)

Our bottom figure posted a net loss of ₱2.6 million and ₱2.7 million for the nine months period ended September 30, 2022 and 2021 respectively.

Liquidity and Capital Resources

The Company source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

As of September 30, 2022 and December 31, 2021, we have cash ₱.52 million. We expect to meet our working capital and capital expenditure requirements primarily from continuous efforts raising cash flows from operations, financing or from issuance of shares of stock.

Additional Disclosures

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

PART II- OTHER INFORMATION

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the quarter ended September 30, 2022, particularly on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;

f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

ANNEX A

IP E-GAME VENTURES INC.

MAKATI CITY – PHILIPPINES

FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND DECEMBER 31, 2021
(UNAUDITED)

IP E-GAME VENTURES, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2022 AND DECEMBER 31, 2021
In Philippine Peso

	Notes	(Unaudited) September 30, 2022	(Unaudited) December 31, 2021
ASSETS			
Current Assets			
Cash	10	**52,198**	52,198
Trade and other receivables – net	11	**500,000,000**	500,000,000
Due from related parties	9	**118,708,627**	118,708,627
Other current assets	12	**3,303,121**	3,303,121
Total Current Assets		**622,063,946**	622,063,946
Non-current Assets			
Financial assets at fair value through other comprehensive income	14	-	-
Property and equipment – net	15	-	-
Other non-current assets	16	-	-
Total Non-current Assets		-	-
TOTAL ASSETS		**622,063,946**	622,063,946
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	17	**65,906,106**	65,871,106
Advances from related parties	9	**33,001,327**	30,353,567
Due to stockholders	9	**9,783,783**	9,783,783
Provision for contingencies	17,19	**2,905,661**	2,905,661
Total Current Liabilities		**111,596,877**	108,914,117
Total Liabilities		**111,596,877**	108,914,117
Equity			
Share capital	18	**2,800,000,000**	2,800,000,000
Additional paid-in capital	18	**255,535,853**	255,535,853
Deficit		**(2,545,068,783)**	(2,542,386,023)
Total Equity		**510,467,070**	513,149,830
TOTAL LIABILITIES AND EQUITY		**622,063,946**	622,063,946

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022 AND 2021
In Philippine Peso

	Notes	Unaudited 9 months	
		Sept. 30, 2022 Stand-Alone	Sept. 30, 2021 Stand-Alone
Revenues	20	-	-
Cost of services	21	(-)	(-)
Gross profit		-	-
Operating expenses	22	**(2,682,760)**	(2,702,771)
Other income (loss) – net	14,24	**(2,682,760)**	(-)
Profit (loss) before income tax		**(2,682,760)**	(2,702,771)
Income tax (expense) benefit: Current	25	-	-
		(2,682,760)	(2,702,771)
Profit (Loss)		**(2,682,760)**	(2,702,771)
Other comprehensive income		-	-
Total comprehensive income (Loss)		**(2,682,760)**	(2,702,771)
Basic and Diluted Earnings per share Attributable to equity holders of the parent	26	**(0.00)**	(0.00)

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022 AND 2021
In Philippine Peso

	Notes	Unaudited 3 months	
		Sept. 30, 2022 Stand-Alone	Sept. 30, 2021 Stand-Alone
Revenues	20	-	-
Cost of services	21	(-)	(-)
Gross profit		-	-
Operating expenses	22	**(433,407)**	**(1,377,726)**
Fair Value Loss	14	(-)	-
Other income (charges) – net	24	-	-
Profit (loss) before income tax		**(433,407)**	**(1,377,726)**
Income tax (expense) benefit: Current	25	-	-
Profit (Loss)		-	**(1,377,726)**
Other Comprehensive Income		-	-
Total Comprehensive Income (Loss)		**(433,407)**	**(1,377,726)**
Basic and Diluted Earnings per share Attributable to equity holders of the parent	26	**(0.00)**	0.00

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022 AND 2021
In Philippine Peso

	Unaudited	
	Sept. 30, 2022	Sept. 30, 2021
CAPITAL STOCK (Note 18)		
Balance at beginning of year	**2,800,000,000**	2,800,000,000
Issuances of shares	**–**	–
Balance at end of year	**2,800,000,000**	2,800,000,000
ADDITIONAL PAID-IN CAPITAL(Note 18)		
Balance at beginning of year	**255,535,853**	255,535,853
Premiums received	**–**	–
Balance at end of year	**255,535,853**	255,535,853
DEFICIT		
Balance at beginning of year	**(2,542,386,023)**	(537,899,633)
Net income (loss) for the year	**(2,682,760)**	(2,004,486,390)
Balance at end of year	**(2,545,068,783)**	(2,542,386,023)
TOTAL EQUITY	**510,467,070**	513,149,830

See Notes to Financial Statements.

IP E-GAME VENTURES, INC
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022 AND 2021
In Philippine Peso

	Notes	Sept. 30, 2022	Sept. 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(2,682,760)**	(2,004,486,390)
Adjustments for:			
Depreciation	15	-	-
Fair Value Loss	14		2,000.000,000
Impairment Loss	24		-
Operating cash flows before working capital changes		**(2,682,760)**	(4,486,390)
Increase in prepayments and other current assets	12	-	-
Decrease in trade and other payables	17	**35,000**	-
Cash used in operations		**(2,647,760)**	(4,486,390)
Income tax benefit		-	-
Net cash used in operating activities		-	-
CASH FLOWS FROM INVESTING ACTIVITY			
Collection of advances to related parties	9	**2,647,760**	4,486,390
Net used in investing activity		**2,647,760**	4,486,390
NET DECREASE IN CASH		-	-
CASH AT BEGINNING OF YEAR	10	**52,198**	52,198
CASH AT END OF YEAR	10	**52,198**	52,198

See Notes to Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

Registration with the Board of Investment (BOI)
The Company was registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City. The Company's principal office address is 8th Floor Arthaland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, Taguig City 1634.

The Company is domiciled in the Philippines.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The financial statements are prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.04 Use of Judgments and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.05 Going Concern Assumption

The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted in 2022

The Company has adopted the following amendments to PFRS effective January 1, 2022 and accordingly, changed its accounting policies in the following areas:

- Property, Plant and Equipment - Proceeds before Intended Use *(Amendments to PAS 16, Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

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

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to standards.

- Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

    - replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements;

    - added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

    - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The adoption of the amended standards did not have a material effect on the interim financial statements of the Company.

3.02 New Standards and Amendments Issued but not yet Effective

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

    - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

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

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

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

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments clarify that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity

develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes selecting a measurement technique (estimate or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in the inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgments). The key amendments to PAS 1 include requiring entities to disclose material accounting policies rather than significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are material to the financial statements. The amendments to PFRS Practice Statement 2 provide guidance and examples on the application of materiality to accounting policy disclosures.

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

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments require an entity to recognize deferred tax on transactions, such as leases for the lessee and decommissioning obligations, that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial asset when the Company becomes a party to the contractual provision of the financial instruments.

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c;)

mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flow's or to both collect contractual cash flows and sell, The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if during so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in statement of comprehensive income.

As of September 30, 2022 and December 31, 2021, the Company has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial instruments: Presentation. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using efferctive interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for ECL for all debt instruments not held at FWPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will

include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the statement of financial position as current asset when they are expected to be expensed within one year or the entity's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at cost less any accumulated depreciation, amortization and impairment losses. Cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 to 10 years
Furniture, fixtures and office equipment	–	5 years
Transportation equipment	–	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of

potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company accounts for its investments in subsidiary using the cost method in its financial statements.
Under the cost method, the investor recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Deposits for stock subscriptions represent funds received by the Company which it records as such with a view of applying the same for additional shares of increase in capital stock. Deposits for stock subscriptions are presented as a separate line item in the equity section of the statements of financial position.

Unappropriated are accumulated earnings of the Company available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.06.03 Financial Liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.
The Company's financial liabilities as presented in the statements of financial position comprise of trade and other payables excluding government payables, due to stockholders and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4.09.01 Interest Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued

on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.09.02 Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non- monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Company's financial position

at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

5.01.01 Determining Functional Currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the rendering of services and the cost of providing the services.

5.01.02 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Company takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.03 Classification of Financial Assets and Liabilities
The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 4 to the financial statements.

5.01.04 Classification of Costs and Expenses
The Company determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Company. All other costs and expenses are classified as administrative expenses.

5.01.05 Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

No deferred tax asset was recognized for the period ended Septemeber 30, 2019 and 2018, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized.

5.01.06 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28

The Company evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Company designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through profit or loss, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Estimating Useful Lives of Assets

The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The net carrying amount of the Company's property and equipment amounted to nil as of September 30, 2022 and 2021, respectively, as disclosed in Note 15.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, intangible assets and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Management has determined that the Company's property and equipment and investments are not impaired, hence, no impairment loss was recognized in September 30, 2019 and 2018.

5.02.03 Realization of Deferred Tax Assets
The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of September 30, 2022 and 2021, deferred tax assets amounted to nil as disclosed in Note 25.

5.02.04 Estimating Allowances for Doubtful Accounts
The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

Allowance for doubtful accounts for the period ended September 30, 2022 and 2021 amounted to nil, respectively, as disclosed in Note 11.

5.02.05 Provision and Contingencies
The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 20. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Company's defense in these matters and is based on an analysis of potential results. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 19.

5.02.06 Post-employment and Other Employee Benefits
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expenses and recorded obligation in such future period.

As of September 30, 2022 and December 31, 2021, the Company has no retirement benefit obligation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, available-for-sale investments and trade and other payables. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2022	2021
Financial assets				
Cash and cash equivalents	10	₱	**52,198**	52,198
Trade and other receivables – net	11		**500,000,000**	500,000,00
Advances to related parties	9		**118,708,627**	118,708,627
		₱	**618,760,825**	618,760,825
Financial liabilities				
Trade and other payables*	18	₱	**65,906,106**	65,871,106
Advances from related parties	9		**33,001,327**	30,353,567
Due to stockholders	9		**9,783,783**	9,783,783
		₱	**108,691,216**	106,008,456

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Also, the Company manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Company as of September 30, 2019 and December 31, 2018 without considering the effects of credit risk mitigation techniques.

	Notes		2022		2021
Cash in banks and cash equivalents	10	₱	**52,198**	₱	52,198
Trade and other receivables – gross	11		**500,000,000**		500,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below shows the credit quality by class of financial assets of the Company:

2022	**Neither past due nor impaired**	**Past due but not impaired**	**Impaired**	**Total**
Cash in banks	52,198	–	–	52,198
Cash equivalents	–	–	–	–
Trade and other receivables	500,000,000	–	-	500,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	618,760,825	**-**	**-**	**618,760,825**

2021	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	52,198	–	–	52,198
Cash equivalents	–	–	–	–
Trade and other receivables	500,000,000	–	-	500,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	618,760,825	**-**	**-**	**618,760,825**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment
The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2022	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 52,198	₱ –	₱ –	₱ –	₱ 52,198
Trade and other receivables	–	500,000,000	–	–	500,000,000
Advances to related parties	118,708,627	–	–	–	202,427,605
	₱ 118,760,825	**₱ 500,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

2021	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 52,198	₱ –	₱ –	₱ –	₱ 52,198
Trade and other receivables	–	500,000,000	–	–	500,000,000
Advances to related parties	118,708,627	–	–	–	202,427,605
	₱ 118,760,825	**₱ 500,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2022	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 65,906,106	₱ –	₱ –	₱ 65,906,106
Advances from related parties	–	33,001,327	–	–	33,001,327
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 98,907,433**	**₱ –**	**₱ –**	**₱ 108,691,216**

2021	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 65,871,106	₱ –	₱ –	₱ 65,871,106
Advances from related parties	–	30,353,567	–	–	30,353,567
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 96,224,673**	**₱ –**	**₱ –**	**₱ 106,008,456**

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of September 30, 2022 and December 31, 2021 are presented below:

		Fair Value			
2022	Carrying Value	Quoted (Unadjusted) Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
ASSETS					
Cash and cash equivalents	52,198	–	52,198	–	52,198
Trade and other receivables – net	500,000,000	–	500,000,000	–	500,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	65,906,106	–	65,906,106	–	65,906,106
Advances from related parties	33,001,327	–	33,001,327	–	33,001,327
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	108,691,216	**–**	**108,691,216**	**–**	**108,691,216**

		Fair Value			
2021	Carrying Value	Quoted (Unadjusted) Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
ASSETS					
Cash and cash equivalents	52,198	–	52,198	–	52,198
Trade and other receivables – net	500,000,000	–	500,000,000	–	500,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	65,871,106	–	65,871,106	–	65,871,106
Advances from related parties	30,353,567	–	30,353,567	–	30,353,567
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	106,008,456	**–**	**106,008,456**	**–**	**106,008,456**

There are no transfers between fair value measurements in 2022 and 2021.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash in Bank, Short-term Trade and Other Receivables, Deposits, and Trade and Other Payables
The carrying values of these financial assets and liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Investment at FVTPL and Available-for-sale Investments
There are no quoted market prices for the unlisted shares. Management deemed that the carrying value of the Company's investments approximates its fair value.

Advances and Due to/from Related Parties
Since there are no specific repayment dates agreed by the Company and its related party, carrying values of these liabilities are deemed by the Company's management to approximate their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

The capital structure of the Company consists of net debt and net equity of the Company (comprising issued capital, and share premium, and net deficit).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2022		2021
Debt	₱	**111,596,877**	₱	**108,914,117**
Cash		**(52,198)**		**(52,198)**
Net Debt	₱	**111,544,678**	₱	**108,861,918**
Net Equity		**510,467,070**		**513,149,830**
Net debt to equity ratio		**0.22:1**		**0.21:1**

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	Relationship
IP Ventures, Inc.	Ultimate Parent
Level-Up Inc.	Associate
GRCO Isulan Mining Corp	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2022		2021
Y-Fi Business Solutions, Inc.	₱	**62,928,454**	₱	62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
	₱	**118,708,627**	₱	118,708,627

9.02.02 Advances from Related Parties:

		2022		2021
Webworx Computer Technology Corporation	₱	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
IPVG Employees Inc		**7,134,150**		4,486,390
Highlands Coffee		**361,312**		361,312
	₱	**33,001,327**	₱	30,353,567

9.02.03 Due to Stockholders

		2022		2021
Due to stockholders	₱	**9,783,783**	₱	9,783,783

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for the nine months period ended September 30, 2022 and December 31, 2021.

During 2022 and 2021, the Company entered into the following transactions with related parties:

Sales Transactions and Trade Receivables and Payables to Related Parties as of September 30, 2022 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	-	873,992	On demand; non-interest bearing	Unsecured, no impairment
Subsidiary:				
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
a. Advances to	-	-	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	2,647,760	7,134,150	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	-	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	-	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-FI Business Solutions, Inc.				
a. Advances to	-	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	-	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
a. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Directors:				
a. Advances from	-	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627**		
Total advances from	**₱ 2,647,760**	**₱ 42,785,110**		

Sales Transactions and Trade Receivables and Payables to Related Parties as of December 31, 2021 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to*	₱ -	₱ 22,518,475	Advances to*	
Associate:				
Level-Up Inc.				
a. a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Subsidiary:				
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
a. Advances to	–	-	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	4,486,390	4,486,390	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Directors:				
a. Advances from	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
IP Ventures, Inc.				
Advances to*	–	22,518,475		
Associate:				
b. Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Subsidiary:				
Total advances to	**₱ -**	**₱ 202,427,605**		
Total advances from	**₱ 4,486,390**	**₱ 40,137,350**		

**advances amounting to ₱50,000,000 is not a cash transaction but an offset of subscriptions payable*

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2022	2021
Cash in banks	**52,198**	52,198

Cash in bank earns interest at the applicable bank deposit rate.

Interest income generated from cash in banks and cash equivalent amounted to nil for the nine months ended September 30, 2022 and 2021, respectively, as disclosed in Note 24.

11. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

	2022	2021
Trade receivables	-	-
Other receivable	₱ **500,000,000**	₱ 500,000,000
	₱ **500,000,000**	₱ 500,000,000

As of September 30, 2022 and December 31, 2021, the sale of the investment in New Wave Strategic Holdings Limited (NWSHL) is recorded under Other receivables.

Aging of trade and other receivables are as follows:

	2022	2021
Current -	**500,000,000**	500,000,000
Balance	₱ **500,000,000**	₱ 500,000,000

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

	2022	2021
Prepaid taxes	₱ **1,929,281**	₱ **1,929,281**
Advances to suppliers	**887,429**	**887,429**
Prepaid rent	**486,411**	**486,411**
	₱ **3,303,121**	₱ **3,303,121**

Prepaid taxes consist of tax credit carried over for the next period.

13. INVESTMENTS IN SUBSIDIARY

Details of the Company's investments in subsidiary are as follows:

		2022		2021	
Entity	Nature of Business	Ownership Interest	Amount	Ownership Interest	Amount
New Wave Strategic Holdings Ltd.	Holding Company	n/a	–	n/a	–

In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.

On 18 November 2021, at the special meeting of the Board of Directors (the "Board"), it was resolved that the Corporation shall sell its entire shareholding in New Wave Strategic Holdings Limited (NWSHL).

14. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This account consists of an investment designated at fair value through profit or loss during initial recognition.

Movements in the account are disclosed below:

		2022		2021
Cost	₱	51,469,257	₱	51,469,257
Unrealized fair value loss – recognized in OCI		(51,469,257)		(51,469,257)
At December 31	₱	-	₱	-

On December 1, 2014, the Company executed a deed of assignment in favor of Y-Fi Business Solutions, Inc. (the Assignee), in which the Company hereby cedes, transfers and assigns to the Assignee all rights and interests to 62,928,454 shares of stock of DPI for a total consideration of ₱62,928,454, equivalent to ₱1.00 per share. As a result, the ownership of the Company in DPI decreased to 26.62%. However, the Company still has control over DPI until December 31, 2016. The Company lost control over DPI effective in 2017. Thus, the investment was designated as investment at fair value through profit or loss since 2017.

Management assessed that certain financial assets at FVOCI will not generate future benefits to the Company; thus, it was written-off. Unrealized loss recognized in OCI amounted to P51,469,257.

15. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2022		Computer and network equipment		Furniture, fixtures and office equipment		Transportation equipment		Total
Cost:								
Balance, January 1	₱	5,463,436	₱	1,598,421	₱	1,035,714	₱	8,097,571
Additions		–		–		–		–
Balance, September 30		5,463,436		1,598,421		1,035,714		8,097,571
Accumulated Depreciation:								
Balance, January 1		5,463,436		1,598,421		1,035,714		8,097,571
Depreciation				–		–		
Balance, September 30		5,463,436		1,598,421		1,035,714		8,097,571
Net carrying value	₱	–	₱	–	₱	–	₱	–

2021	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

During the year, the Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment loss has occurred on its property and equipment. There were no additions or disposals during the nine months period ended September 30, 2022 and year ended December 31, 2021.

No amount of property and equipment has been pledged as security for the Company's liabilities. As of September 30, 2022 and December 31, 2021, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

16. OTHER NON-CURRENT ASSETS

The Company's other non-current assets amounting to nil as of September 30, 2022 and December 31, 2021.

17. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

	2022	2021
Trade payables	₱ **25,475,002**	₱ 25,475,002
Output VAT	**12,776,956**	12,791,956
Accrued expenses	**11,813,454**	**11,813,454**
Withholding taxes	**11,500,429**	11,450,429
Provision for Contingencies (Note 20)	**2,905,661**	2,905,661
Other non-trade payables	**4,340,264**	4,340,264
	₱ **68,811,766**	₱ 68,776,766

Trade payables are payables which are related directly to the Company's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

18. EQUITY

18.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

	2022	2021
Share capital	₱ 2,800,000,000	₱ 2,800,000,000
Share premium	255,535,853	255,535,853
	₱ 3,055,535,853	₱ 3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2022		2021	
	Shares	Amount	Shares	Amount
Authorized share capital				
₱0.01 par value	280,000,000,000	₱ 2,800,000,000	280,000,000,000	₱ 2,800,000,000
Issued and fully paid,				
December 31	280,000,000,000	₱ 2,800,000,000	280,000,000,000	₱ 2,800,000,000

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

As of reporting date the Company has a total number of 39 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

19. PROVISIONS AND CONTINGENCIES

19.01 Provision

Beijing Perfect World Software, Inc.
On May 9, 2011, the Company was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Company was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at September 30, 2022 and December 31, 2021, the parties are still in the course of pleadings and other evidence in support of their respective claims. However the Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to ₱2,905,661 for both 2019 and 2018 and presented as "provision for contingencies" in the statements of financial position.

19.02 Contingencies

As of September 30, 2022, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1.) *People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)*

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "B.P. 22"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "Respondent") with the Office of the City Prosecutor of Makati City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran,

Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2.) *IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)*

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("OCP") of Makati City by the Company against erring former employees (the "Respondents"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents: Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "RTC"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

20. REVENUES

The Company has no revenues for the period ended September 30, 2022 and December 31, 2021.

21. COST OF SALES AND SERVICES

The Company has no cost of sales and services for the period ended September 30, 2022 and December 31, 2021.

22. OPERATING EXPENSES

The account is composed of the following operating expenses:

	2022	2021
Professional fees	**2,402,760**	3,354,472
Fees and Subscription	**280,000**	329,409
Others	**-**	2,000,802,509
	₱ **2,682,760**	₱ 2,004,486,390

23. SALARIES AND OTHER EMPLOYEE BENEFITS

The Company has no salaries and other employee benefits for the period ended September 30, 2022 and December 31, 2021.

24. OTHER INCOME (LOSS)

The Company has no other income (loss) for the period ended September 30, 2022 and December 31, 2021.

26. INCOME TAXES

26.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

	2022	2021
Current tax expense	₱ -	₱ -
Deferred tax expense	-	-
	₱ -	₱ -

26.02 Deferred Tax Asset

The components of the Company's deferred tax assets and their respective movements are as follows:

	2022	2021
At January 1	₱ -	₱ -
Reversal	-	-
At December 31	₱ –	₱ –

Management does not expect that the Company will generate future taxable income that will allow the deferred tax asset to be utilized.

27. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below:

27.01 Basic Earnings (Loss) per Share

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

		2022		2021
Earnings (Loss) used in the calculation of total basic earnings per share	₱	**(2,682,760)**	₱	(2,004,486,390)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	₱	**(0.00)**	₱	(0.00)

The Company has no dilutive potential common shares outstanding as of September 30, 2022 and December 31, 2021. Thus, basic and diluted EPS are stated at the same amount.

Annex A-4-1

Jose Voltaire Bautista <voltaire.bautista@ipvg.com>

IP E-GAME VENTURES, INC. SEC Form 17-Q For Period Ending 31 March 2023

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> Fri, May 12, 2023 at 4:16 PM
To: voltaire.bautista@ipvg.com

Thank you for reaching out to ictdsubmission@sec.gov.ph. Your submission is subject for Verification and Review of the Quality of the Attached Document only for **Secondary Reports**. Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order from receipt through the SEC Express System at https://secexpress.ph/. Or you may call 8737-8888 for further clarifications.

NOTICE

Please be informed that selected reports should be filed through ***ELECTRONIC FILING AND SUBMISSION TOOL*** **(EFAST)**. **https://cifss-ost.sec.gov.ph/user/login**

such as: **AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS**)

Further, pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in **PORTABLE DOCUMENT FORMAT (PDF)** Secondary Reports such as:

17-A, 17-C, 17-L, 17-Q, ICASR, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AMLA-CF,NPM,NPAM, BP-FCLC, CHINESEWALL, 39-AR,36-AR, PNFS, MCG, S10/SEC-NTCE-EXEMPT, through email at

ictdsubmission@sec.gov.ph

FOR **MC28**, please go to SEC website:

https://apps010.sec.gov.ph

For your information and guidance.

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COVER SHEET

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(Company's Full Name)

8	t	h		F	l	o	o	r		A	r	t	h	a	l	a	n	d		C	e	n	t	u	r	y			

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(Business Address: No. Street Company / Town / Province)

Mary Jenelle C. Palma **Acting CFO**

Contact Person

(02) 8359-3715

Company Telephone Number

0	3

Month

3	1

Day

SEC Form 17-Q

FORM TYPE

Every Last Monday of July

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

			4	0

Total No. of Stockholders

Total Amount of Borrowings

~~₱~~ –

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2023**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **8th Floor Arthaland Century Pacific Tower, 5th Ave. cor 30th St., Bonifacio Global City, Taguig City**
   Address of principal office

   Postal Code **1634**

8. Issuer's telephone number, including area code **+63 2 8359 3715**

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	**Common Shares**

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

    Yes [ ] No [ ]

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

    Yes [✓] No [ ]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **QUARTERLY REPORT FOR THE PERIOD ENDED March 31, 2023 (SEC Form 17-Q)**, to be signed on its behalf by the undersigned thereunto duly authorized on **May 12, 2023.**

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her Capacity as Chief Finance Officer and Duly Authorized Signatory

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO before me this 12th **day of May 2023**, the following persons exhibiting me their Tax Identification Numbers, as follows:

	Tin No.	Place of Issue
Mary Jenelle Palma	228-440-201	Makati City

Doc No. 393;
Page No. 79;
Book No. XVI;
Series of 2023.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DEC. 2023
PTR No. 9566318 ; 1-3-23 ; Makati City
IBP O.R. No. 259608 ; 12-19-22 ; Makati City
Appt. No. M-073 for the City of Makati
SC Roll No. 49491

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of March 31, 2023 (with comparative figures as of December 31, 2022) and for the period ended March 31, 2023 (with comparative figures for the periods ended March 31, 2022) **(see Annex A).**

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

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

BUSINESS AND GENERAL INFORMATION

IP E-Game Ventures, Inc. (the "Company") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005.

The Company used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippines Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/ systems development for the on-line computer systems.

2023 Financial Highlights

- No significant transactions and disclosures for the 3-month period ended March 31, 2023.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above, the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games

2017 Financial Highlights

- Effective in 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. As the Company lost control over DPI, the investment was designated as investment at fair value through profit and loss.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthen the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of ₱56.5 million resulting to a loss of ₱36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 Billion divided into 280 Billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

2012 Financial Highlights

- On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

- On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

- On July 31, 2012, during the Regular Stockholders Meeting, the Corporation approved the amendment of Article Third of the Amended Articles of Incorporation to change the principal office of the Corporation to 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila.

- On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

- In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

- On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

- We have become one of the leading online games publishers in the country, garnering a community of over 15.9 million registered gamers and 447,055 active users per month that play our online games. In line with our efforts to increase market share, we have entered into discussions for a possible merger with our biggest competitor, LUI. The aim is to combine gaming assets with LUI and substantially increase our gaming community, distribution and reach to the market. On March 31, 2012, we completed our merger with LUI.

- On March 2, 2012, the Company acquired a 25% stake in Cosamera, a company with primary business in the Cagayan Special Economic Zone and Freeport. Cosamera is in the business of hotel and resort facilities which shall serve tourists frequenting the Cagayan Economic Zone Authority including visitors to its gaming facilities. As of date, Cosamera does not have available financial information, hence the investment was reported as part of noncurrent assets in 2012 balance sheet.

- On January 9, 2012, the Company executed a Content License and Distribution Agreement with NBAP for the right and license to operate the official website of the NBA targeted at the Philippine market. NBAP is a company based in New York that operates various commercial activities of the NBA around the world, outside of Greater China. The agreement is binding and effective until September 30, 2014 unless earlier terminated. The rights granted under this agreement shall not be assigned, sublicensed or subcontracted without the prior written consent, which consent may, in the sole discretion of NBAP, (i) be contingent upon a fee payable by IPE or the transferee, and/or (ii) impose other terms and conditions upon the assignment or transfer. The Company has plans of transferring the content license to X-Play Online Games, Inc.

- DPI secured loan with HSBC in the amount of ₱200 million, to be backed by a guarantee from the Philippine Export-Import Credit Agency (PHILEXIM). The proceeds of the loan shall be used for the expansion and development of DPI's internet café chain.

- The Company and X-Play signed an exclusive local publishing agreement with Take-Two International S.A. ("Take-Two") for online sports and social web game. The said online social web game will be locally hosted and operated in the Philippines. Take-Two, a subsidiary of Take-Two Interactive Software, Inc., is a leading developer, marketer and publisher of interactive entertainment for consumers' world-wide.

- Pursuant to the approval of the Company's BOD on May 9, 2012, the Company, through RAN Online, Inc., (ROI) a wholly-owned subsidiary of E-Games, acquired a 36,000 square meters of property in Cagayan Ecozone for a purchase price of P70.0 million, through combination of cash and shares of stock. As of December 31, 2012, Transfer Certificates of Title covering a total of 26,405 square meters of the total lot area being purchased have been issued to ROI with total cost recorded per books amounting to ₱37.3 million.

- On April 30, 2012, the Board authorized the Company to enter into a surety agreement in relation to the loan of IPVI with China Banking Corporation.

2011 Financial Highlights

- On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

- On December 3, 2011, the Company subscribed to 60,000 common shares of AB Fiber Corporation at ₱100 per share or a total subscription price of ₱36 million, ₱6 million of which was paid for by applying the Company's dividend payable from FCCDCI. The Company's stake in AB Fiber was subsequently transferred to IP Converge.

- On November 15, 2011, GMA provided a sponsorship certification of ₱30 million to X-Play for development of advergaming assets to be used by GMA in their digital advertising efforts.

- On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth ₱130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

- On October 18, 2011, the Company entered into a Licensing and Distribution Agreement with Blizzard Entertainment International granting the Company exclusive license to market, sell and distribute physical boxed versions of World of Warcraft, Starcraft, Legacy Products and Diablo.

- On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

- In July 2011, we entered into a memorandum of agreement with RS Concepts whereby the parties agreed to enter into a reseller agreement allowing RS Concepts to sell E-Games' available advertising inventory. The specific terms and conditions of the agreement are subject to further discussion and negotiations. RS Concept is a non-traditional advertising company.

- On July 8, 2011, we commercially launched Point Blank, a first person shooter game whose active user base has surpassed the performance of our flagship MMORPGs in terms of number of users and growth rate.

- On April 13, 2011, our Board approved the transfer of our 40% stake in First Cagayan Converge Data Center, Inc. ("FCCDI") to IPCDCI. The transfer, which was done in three tranches, was part of the IPVG Groups' thrust to rationalize and consolidate its interests and business operations into the respective subsidiaries and affiliates.

  As part of a rationalization of our services to focus on consumer Internet instead of a wider array of Internet services, we decided to transfer our holdings in FCCDCI to publicly listed data center operator IPCDCI. As of June 30, 2011, we have transferred 1/3 of our 40% stake in FCCDCI to IPCDCI and on September 30, 2011 we transferred an additional 1/3 of our 40% stake therein. The remaining 1/3 was sold on December 31, 2011. The total sale price was ₱114.0 million of which ₱100.0 million will be paid in cash and ₱20.0 million in future services, including internet bandwidth and co-location services. The transfer of our 40% stake in FCCDCI also includes the transfer of our equity stake, comprising 60,000 shares, in AB Fiber Corporation, the company that owns the fiber optic cables. As of December 31, 2011, the Company has completed the transfer of FCCDCI to IPCDCI.

- On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of ₱145 million, or approximately ₱1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

- On April 1, 2011, we executed a Software Development and License Agreement with Zepetto Co., a South Korean company which owns the worldwide and exclusive right to market and distribute Point Blank, a casual FPS game. Pursuant to the agreement, we were granted the exclusive, royalty-bearing and non-transferrable license for the use, promotion, distribution and marketing of the localized version of Point Blank for a period of three years from the date of commercial launch. We launched the game commercially on July 8, 2011.

- In January 2011, we conducted a right offering and offered 134,182,216Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

SELECTED FINANCIAL DATA

The selected financial information set forth in the following tables, as prepared by the Company, were derived from the unaudited stand-alone financial statements of the Company as of March 31, 2023 (with comparative figures as of unaudited December 31, 2022) and for the period ended March 31, 2023 (with comparative figures for the periods ended March 31, 2022 and 2021).

These financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included in this submission. The summary of financial information set out below does not purport to project the results of our operations or financial condition for any future period or date.

Statement of Income Data:	**For the three months period ended March 31,**		
	2023	**2022**	**2021**
(In Thousand Pesos, except per share data)	**Stand-Alone**	**Stand-Alone**	**Stand-Alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross profit	-	-	-
Operating expenses	(468)	(1,815)	(965)
Equity in net losses of an associate and a joint venture			
Other income (charges)	(-)	(-)	-
Income (loss) before income tax	(-)	(-)	-
Provision for (benefit from) Income tax	-	(-)	-
Net income (loss)/ Total comprehensive income (loss)	(₱468)	(₱ 1,815)	(₱ 965)
Net income (loss)/Total comprehensive income (loss) attributable to:			
Equity holder of the company	(₱ -)	(₱ -)	-
Non-controlling interests	(-)	(-)	(-)
	(₱468)	(₱ 1,815)	(₱ 965)
Earnings per share:			
Basic	₱ 0.0000	₱ 0.0000	₱ 0.0000
Diluted	0.0000	0.0000	0.000

The comparative figures for the three-months period ended March 31, 2023 were adjusted to report the stand-alone statement income data.

Balance Sheet Data:	For the Periods Ended		
(In Thousand Pesos)	**March 31, 2023 (Unaudited Stand-Alone)**	**December 31, 2022(Unaudited , Stand-Alone)**	**December 31, 2021(Unaudited , Stand-Alone)**
ASSETS			
Current Assets			
Cash	₱ 52	₱ 52	₱ 52
Trade and other receivables	500,000	500,000	500,000
Due from related parties	118,709	118,709	118,709
Other current assets	3,303	3,303	3,303
Total current assets	**622,064**	**622,064**	**622,064**
Noncurrent Assets			
Deposit for future investments	-	-	-
Other noncurrent assets	-	-	-
Total noncurrent assets	**-**	**-**	**-**
TOTAL ASSETS	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	₱ 65,933	₱ 65,917	₱ 65,871
Due to related parties	43,681	43,230	40,137
Provisions for contingencies	2,906	2,906	2,906
Income tax payable	-	-	-
Total current liabilities	**112,520**	**112,053**	**108,914**
Noncurrent Liability			
Deferred tax liabilities	-	-	-
Total Liabilities	**112,520**	**112,053**	**108,914**
Equity attributable to equity holders of the Parent	509,544	510,011	513,150
Non-controlling Interest	-	-	-
Total Equity	509,544	**510,011**	**513,150**
TOTAL LIABILITIES AND EQUITY	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**

KEY PERFORMANCE INDICATORS

The Group's top key performance indicators, as of March 31, 2023 (with comparative figures as of December 31, 2022) and for the periods ended March 31, 2023 and 2022 and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	For the three months period ended March 31, 2023		For the year ended December 31, (Unaudited)	
	2023	2022	2021	2020
	Stand-Alone	Stand-Alone	Stand-Alone	Stand-Alone
Financial Ratios:				
Current ratio (x)	5.53	5.55	5.55	5.71
Asset to stockholders' equity (x)	1.22	1.22	1.22	1.21
Debt to stockholders' equity (x)	0.22	0.22	0.22	0.22
Interest rate coverage (x)	-	-	-	-
Gross margin (%)	-	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)	(0)
Basic and diluted earnings per share	0.0000	0.0000	0.0000	0.0000

Current Ratio

This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio

This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio

This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. There is no significant movement in the ratio for the comparative three months period March 31 and year ended December 31 presented above.

Interest Rate Coverage Ratio

This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin

This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin

This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

RESULTS OF OPERATIONS

For the three months period ended March 31, 2023 compared with the three months period ended March 31, 2022.

Revenues

No revenues recognized for the three months period ended March 31, 2023 and 2022.

Operating Expenses

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Three Months Period Ended March 31,				Increase (Decrease)	
	2023		2022			
	₱000	₱000	₱000	%	₱000	%
	Stand-Alone		Stand-Alone			
Professional fees	188	40%	1,535	85%	249	12%
Taxes and licenses	-	-	-	0%	-	0%
Others	280	60%	280	15%	(269)	(49%)
Total Operating Expenses	**₱ 468**	**100%**	**₱ 1,815**	**100%**	**(₱20)**	**(1%)**

Total operating expenses amounted to P468 thousand and P1,815 thousand for the 3 mos. period 2023 and 2022, respectively.

Professional fees include third party payments to legal and audit and other consultancy services.

Taxes and licenses which pertain to payments to the BIR (i.e. income tax, capital gains tax), business permits, import/export duties, if any, and all other expenditure levied by the national or local governments. We endeavor to structure the company's business transactions such that optimal tax savings are attained while ensuring that the Company is in adherence to all tax laws all the time.

Transportation and travel expenses include local transportation costs incurred for business purposes, and travel costs (including meals and lodging) while away from home overnight for business purposes.

Net Income (Loss)

Our bottom figure posted a net loss of ₱468 thousand ₱1.8 million for the three months period ended March 31, 2023 and 2022, respectively.

Liquidity and Capital Resources

The Company source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

As of March 31, 2023 and December 31, 2022, we have cash ₱.52 million. We expect to meet our working capital and capital expenditure requirements primarily from continuous efforts raising cash flows from operations, financing or from issuance of shares of stock.

Additional Disclosures

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

PART II- OTHER INFORMATION

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the quarter ended March 31, 2023, particularly on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;

f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

ANNEX A

IP E-GAME VENTURES INC.

MAKATI CITY – PHILIPPINES

FINANCIAL STATEMENTS
MARCH 31, 2023 AND DECEMBER 31, 2022
(UNAUDITED)

IP E-GAME VENTURES, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2023 AND DECEMBER 31, 2022
In Philippine Peso

	Notes	**(Unaudited) March 31, 2023**	(Unaudited) December 31, 2022
ASSETS			
Current Assets			
Cash	10	**52,198**	52,198
Trade and other receivables – net	11	**500,000,000**	500,000,000
Due from related parties	9	**118,708,627**	118,708,627
Other current assets	12	**3,303,121**	3,303,121
Total Current Assets		**622,063,946**	622,063,946
Non-current Assets			
Financial assets at fair value through other comprehensive income	14	**-**	-
Property and equipment – net	15	**-**	-
Other non-current assets	16	**-**	-
Total Non-current Assets		**-**	-
TOTAL ASSETS		**622,063,946**	622,063,946
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	17	**65,933,439**	65,916,772
Advances from related parties	9	**33,897,327**	33,446,327
Due to stockholders	9	**9,783,783**	9,783,783
Provision for contingencies	17,19	**2,905,661**	2,905,661
Total Current Liabilities		**112,520,210**	112,052,543
Total Liabilities		**112,520,210**	112,052,543
Equity			
Share capital	18	**2,800,000,000**	2,800,000,000
Additional paid-in capital	18	**255,535,853**	255,535,853
Deficit		**(2,545,992,117)**	(2,545,524,450)
Total Equity		**509,543,736**	510,011,403
TOTAL LIABILITIES AND EQUITY		**622,063,946**	622,063,946

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023 AND 2022
In Philippine Peso

	Notes	Unaudited 3 months	
		March 31, 2023 Stand-Alone	March 31, 2022 Stand-Alone
Revenues	20	**-**	-
Cost of services	21	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	22	**(467,667)**	(1,815,186)
Other income (loss) – net	14,24	**(467,667)**	(-)
Profit (loss) before income tax		**(467,667)**	(1,815,186)
Income tax (expense) benefit:	25		
Current		**-**	-
		(467,667)	(1,815,186)
Profit (Loss)		**(467,667)**	(1,815,186)
Other comprehensive income		**-**	-
Total comprehensive income (Loss)		**(467,667)**	(1,815,186)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	26	**(0.00)**	(0.00)

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF CHANGES IN EQUITY
MARCH 31, 2023 AND DECEMBER 31, 2022
In Philippine Peso

	Unaudited	
	March 31, 2023	December 31, 2022
CAPITAL STOCK (Note 18)		
Balance at beginning of year	**2,800,000,000**	2,800,000,000
Issuances of shares	**–**	–
Balance at end of year	**2,800,000,000**	2,800,000,000
ADDITIONAL PAID-IN CAPITAL(Note 18)		
Balance at beginning of year	**255,535,853**	255,535,853
Premiums received	**–**	–
Balance at end of year	**255,535,853**	255,535,853
DEFICIT		
Balance at beginning of year	**(2,545,524,450)**	(2,542,386,023)
Net income (loss) for the year	**(467,667)**	(3,138,427)
Balance at end of year	**(2,545,992,117)**	(2,545,524,450)
TOTAL EQUITY	**509,543,736**	510,011,403

See Notes to Financial Statements.

IP E-GAME VENTURES, INC
STATEMENTS OF CASH FLOWS
MARCH 31, 2023 AND DECEMBER 31, 2022
In Philippine Peso

	Notes	March 31, 2023	December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(467,667)**	(3,138,427)
Adjustments for:			
Depreciation	15	**-**	-
Fair Value Loss	14	**-**	-
Impairment Loss	24	**-**	-
Operating cash flows before working capital changes		**(467,667)**	(3,138,427)
Increase in prepayments and other current assets	12	**-**	-
Increase in trade and other payables	17	**16,667**	-
Cash used in operations		**(451,000)**	(3,138,427)
Income tax benefit		**-**	-
Net cash used in operating activities		**(451,000)**	-
CASH FLOWS FROM FINANCING ACTIVITY			
Increase in advances from related parties	9	**451,000**	3,138,427
Net cash from financing activity		**451,000**	3,138,427
NET DECREASE IN CASH		**-**	-
CASH AT BEGINNING OF YEAR	10	**52,198**	52,198
CASH AT END OF YEAR	10	**52,198**	52,198

See Notes to Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

Registration with the Board of Investment (BOI)
The Company was registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City.

The Company's principal office address is 8th Floor Arthaland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, Taguig City 1634.

The Company is domiciled in the Philippines.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The financial statements are prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.04 Use of Judgments and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.05 Going Concern Assumption

The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted in 2022

The Company has adopted the following amendments to PFRS effective January 1, 2022 and accordingly, changed its accounting policies in the following areas:

- Property, Plant and Equipment - Proceeds before Intended Use *(Amendments to PAS 16, Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

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

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to standards.

- Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

    - replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements;

    - added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

    - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The adoption of the amended standards did not have a material effect on the interim financial statements of the Company.

3.02 New Standards and Amendments Issued but not yet Effective

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

    - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

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

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

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

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments clarify that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship

between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes selecting a measurement technique (estimate or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in the inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgments). The key amendments to PAS 1 include requiring entities to disclose material accounting policies rather than significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are material to the financial statements. The amendments to PFRS Practice Statement 2 provide guidance and examples on the application of materiality to accounting policy disclosures.

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

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments require an entity to recognize deferred tax on transactions, such as leases for the lessee and decommissioning obligations, that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial asset when the Company becomes a party to the contractual provision of the financial instruments.

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial

assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c;) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flow's or to both collect contractual cash flows and sell, The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if during so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in statement of comprehensive income.

As of March 31, 2023 and December 31, 2022, the Company has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial instruments: Presentation. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using efferctive interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for ECL for all debt instruments not held at FWPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an

approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the statement of financial position as current asset when they are expected to be expensed within one year or the entity’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at cost less any accumulated depreciation, amortization and impairment losses. Cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 to 10 years
Furniture, fixtures and office equipment	–	5 years
Transportation equipment	–	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of

potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company accounts for its investments in subsidiary using the cost method in its financial statements.
Under the cost method, the investor recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Deposits for stock subscriptions represent funds received by the Company which it records as such with a view of applying the same for additional shares of increase in capital stock. Deposits for stock subscriptions are presented as a separate line item in the equity section of the statements of financial position.

Unappropriated are accumulated earnings of the Company available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.06.03 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Company's financial liabilities as presented in the statements of financial position comprise of trade and other payables excluding government payables, due to stockholders and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4.09.01 Interest Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued

on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.09.02 Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non- monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Company's financial position

at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

5.01.01 Determining Functional Currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the rendering of services and the cost of providing the services.

5.01.02 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Company takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.03 Classification of Financial Assets and Liabilities
The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 4 to the financial statements.

5.01.04 Classification of Costs and Expenses
The Company determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Company. All other costs and expenses are classified as administrative expenses.

5.01.05 Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

No deferred tax asset was recognized for the period ended **March 31, 2023 and December 31, 2022**, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized.

5.01.06 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28

The Company evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Company designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through profit or loss, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Estimating Useful Lives of Assets

The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The net carrying amount of the Company's property and equipment amounted to nil as of **March 31, 2023 and December 31, 2022**, respectively, as disclosed in Note 15.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, intangible assets and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Management has determined that the Company's property and equipment and investments are not impaired, hence, no impairment loss was recognized in **March 31, 2023 and December 31, 2022.**

5.02.03 Realization of Deferred Tax Assets
The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of March 31, 2023 and December 31 2022, deferred tax assets amounted to nil as disclosed in Note 25.

5.02.04 Estimating Allowances for Doubtful Accounts
The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

Allowance for doubtful accounts for the period ended March 31, 2023 and December 31 2022 amounted to nil, respectively, as disclosed in Note 11.

5.02.05 Provision and Contingencies
The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 20. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Company's defense in these matters and is based on an analysis of potential results. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 19.

5.02.06 Post-employment and Other Employee Benefits
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expenses and recorded obligation in such future period.

As of March 31, 2023 and December 31, 2022, the Company has no retirement benefit obligation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, available-for-sale investments and trade and other payables. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		March 31, 2023	December 31, 2022
Financial assets				
Cash and cash equivalents	10	₱	**52,198**	52,198
Trade and other receivables – net	11		**500,000,000**	500,000,00
Advances to related parties	9		**118,708,627**	118,708,627
		₱	**618,760,825**	618,760,825
Financial liabilities				
Trade and other payables*	18	₱	**65,933,439**	65,916,772
Advances from related parties	9		**33,897,327**	33,446,327
Due to stockholders	9		**9,783,783**	9,783,783
		₱	**109,614,549**	109,146,882

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Also, the Company manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Company as of **March 31, 2023 and December 31, 2022** without considering the effects of credit risk mitigation techniques.

	Notes		2023		2022
Cash in banks and cash equivalents	10	₱	**52,198**	₱	52,198
Trade and other receivables – gross	11		**500,000,000**		500,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below shows the credit quality by class of financial assets of the Company:

2023	**Neither past due nor impaired**	**Past due but not impaired**	**Impaired**	**Total**
Cash in banks	52,198	–	–	52,198
Cash equivalents	–	–	–	–
Trade and other receivables	500,000,000	–	-	500,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	618,760,825	**-**	**-**	**618,760,825**

2022	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	52,198	–	–	52,198
Cash equivalents	–	–	–	–
Trade and other receivables	500,000,000	–	-	500,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	618,760,825	**-**	**-**	**618,760,825**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment
The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2023	**On Demand**	**Within 1 Year**	**1 – 5 Years**	**Over 5 Years**	**Total**
Cash and cash equivalents	₱ 52,198	₱ –	₱ –	₱ –	₱ 52,198
Trade and other receivables	–	500,000,000	–	–	500,000,000
Advances to related parties	118,708,627	–	–	–	202,427,605
	₱ 118,760,825	**₱ 500,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

2022	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 52,198	₱ –	₱ –	₱ –	₱ 52,198
Trade and other receivables	–	500,000,000	–	–	500,000,000
Advances to related parties	118,708,627	–	–	–	202,427,605
	₱ 118,760,825	**₱ 500,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2023	**On Demand**	**Within 1 Year**	**1 – 5 Years**	**Over 5 Years**	**Total**
Trade and other payables*	₱ –	₱ 65,933,439	₱ –	₱ –	₱ 65,933,439
Advances from related parties	–	33,897,327	–	–	33,897,327
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 99,830,766**	**₱ –**	**₱ –**	**₱ 109,614,519**

2022	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 65,916,772	₱ –	₱ –	₱ 65,916,772
Advances from related parties	–	33,446,327	–	–	33,446,327
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 99,363,099**	**₱ –**	**₱ –**	**₱ 109,146,882**

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of March 31, 2023 and December 31, 2022 are presented below:

		Fair Value			
2023	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	52,198	–	52,198	–	52,198
Trade and other receivables – net	500,000,000	–	500,000,000	–	500,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	65,933,439	–	65,933,439	–	65,933,439
Advances from related parties	33,897,327	–	33,897,327	–	33,897,327
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	109,614,549	**–**	**109,614,549**	**–**	**109,614,549**

		Fair Value			
2022	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	52,198	–	52,198	–	52,198
Trade and other receivables – net	500,000,000	–	500,000,000	–	500,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	65,916,772	–	65,916,772	–	65,916,772
Advances from related parties	33,446,327	–	33,446,327	–	33,446,327
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	109,146,882	**–**	**109,146,882**	**–**	**109,146,882**

There are no transfers between fair value measurements in 2023 and 2022.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash in Bank, Short-term Trade and Other Receivables, Deposits, and Trade and Other Payables
The carrying values of these financial assets and liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Investment at FVTPL and Available-for-sale Investments
There are no quoted market prices for the unlisted shares. Management deemed that the carrying value of the Company's investments approximates its fair value.

Advances and Due to/from Related Parties
Since there are no specific repayment dates agreed by the Company and its related party, carrying values of these liabilities are deemed by the Company's management to approximate their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

The capital structure of the Company consists of net debt and net equity of the Company (comprising issued capital, and share premium, and net deficit).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2023		2022
Debt	₱	**112,520,210**	₱	**112,052,543**
Cash		**(52,198)**		**(52,198)**
Net Debt	₱	**112,468,012**	₱	**112,000,345**
Net Equity		**509,543,736**		**510,011,403**
Net debt to equity ratio		**0.22:1**		**0.22:1**

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	**Relationship**
IP Ventures, Inc.	Ultimate Parent
Level-Up Inc.	Associate
GRCO Isulan Mining Corp	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2023		2022
Y-Fi Business Solutions, Inc.	₱	**62,928,454**	₱	62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
	₱	**118,708,627**	₱	118,708,627

9.02.02 Advances from Related Parties:

		2023		2022
Webworx Computer Technology Corporation	₱	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
IPVG Employees Inc		**8,030,150**		7,579,150
Highlands Coffee		**361,312**		361,312
	₱	**33,897,327**	₱	33,446,327

9.02.03 Due to Stockholders

		2023		2022
Due to stockholders	₱	**9,783,783**	₱	9,783,783

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for the nine months period ended **March 31, 2023 and December 31, 2022.**

During 2023 and 2022, the Company entered into the following transactions with related parties:

*Transactions, Receivables and Payables to/from Related Parties as of **March 31, 2023** are as follows:*

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Other Related Parties:				
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc.				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
I-PAY Commerce Ventures, Inc.				
a. Advances to	-	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
b. Advances from	451,000	8,030,150	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
a. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627**		
Total advances from	**₱ 451,000**	**₱ 33,897,327**		

*Transactions, Receivables and Payables to/from Related Parties as of **December 31, 2022** are as follows:*

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Other Related Parties:				
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc.				
b. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
I-PAY Commerce Ventures, Inc.				
b. Advances to	-	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
b. Advances from	3,092,760	7,579,150	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
b. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627**		
Total advances from	**₱ 3,092,760**	**₱ 33,446,327**		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2023	2022
Cash in banks	**52,198**	52,198

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Cash in bank earns interest at the applicable bank deposit rate.

Interest income generated from cash in banks and cash equivalent amounted to nil for the **three months ended March 31, 2023 and December 31 2022**, respectively, as disclosed in Note 24.

11. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

	2023	**2022**
Trade receivables	**-**	-
Other receivable	**₱ 500,000,000**	₱ 500,000,000
	₱ 500,000,000	₱ 500,000,000

As of **March 31, 2023 and December 31, 2022**, the sale of the investment in New Wave Strategic Holdings Limited (NWSHL) is recorded under Other receivables.

Aging of trade and other receivables are as follows:

	2023	2022
Current -	**500,000,000**	500,000,000
Balance	**₱ 500,000,000**	₱ 500,000,000

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

	2023	2022
Prepaid taxes	**₱ 1,929,281**	₱ **1,929,281**
Advances to suppliers	**887,429**	**887,429**
Prepaid rent	**486,411**	**486,411**
	₱ 3,303,121	₱ **3,303,121**

Prepaid taxes consist of tax credit carried over for the next period.

13. INVESTMENTS IN SUBSIDIARY

Details of the Company's investments in subsidiary are as follows:

		2023		2022	
			Ownership		Ownership
Entity	Nature of Business	**Interest**	**Amount**	Interest	Amount
New Wave Strategic Holdings Ltd.	Holding Company	**n/a**	**–**	**n/a**	–

In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.

On 18 November 2021, at the special meeting of the Board of Directors (the "Board"), it was resolved that the Corporation shall sell its entire shareholding in New Wave Strategic Holdings Limited (NWSHL).

14. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This account consists of an investment designated at fair value through profit or loss during initial recognition.

Movements in the account are disclosed below:

		2023		2022
Cost	₱	**51,469,257**	₱	51,469,257
Unrealized fair value loss – recognized in OCI		**(51,469,257)**		(51,469,257)
At December 31	**₱**	**-**	₱	-

On December 1, 2014, the Company executed a deed of assignment in favor of Y-Fi Business Solutions, Inc. (the Assignee), in which the Company hereby cedes, transfers and assigns to the Assignee all rights and interests to 62,928,454 shares of stock of DPI for a total consideration of ₱62,928,454, equivalent to ₱1.00 per share. As a result, the ownership of the Company in DPI decreased to 26.62%. However, the Company still has control over DPI until December 31, 2016. The Company lost control over DPI effective in 2017. Thus, the investment was designated as investment at fair value through profit or loss since 2017.

Management assessed that certain financial assets at FVOCI will not generate future benefits to the Company; thus, it was written-off. Unrealized loss recognized in OCI amounted to P51,469,257.

15. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2023		**Computer and network equipment**		**Furniture, fixtures and office equipment**		**Transportation equipment**		**Total**
Cost:								
Balance, January 1	₱	5,463,436	₱	1,598,421	₱	1,035,714	₱	8,097,571
Additions		–		–		–		–
Balance, March 31		**5,463,436**		**1,598,421**		**1,035,714**		**8,097,571**
Accumulated Depreciation:								
Balance, January 1		5,463,436		1,598,421		1,035,714		8,097,571
Depreciation				–		–		
Balance, March 31		**5,463,436**		**1,598,421**		**1,035,714**		**8,097,571**

Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

2022	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

During the year, the Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment loss has occurred on its property and equipment. There were no additions or disposals during the **three months period ended March 31, 2023** and year ended December 31, 2021.

No amount of property and equipment has been pledged as security for the Company's liabilities. **As of March 31, 2023 and December 31, 2022**, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

16. OTHER NON-CURRENT ASSETS

The Company's other non-current assets amounting to nil as of March 31, 2023 and December 31, 2022.

17. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

	2023	2022
Trade payables	**₱ 25,475,002**	₱ 25,475,002
Accrued expenses	**11,813,454**	11,813,454
Other non-trade payables	**28,644,983**	**28,628,316**
	₱ 65,933,439	₱ 65,916,772

Trade payables are payables which are related directly to the Company's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

18. EQUITY

18.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

	2023	2022
Share capital	**₱ 2,800,000,000**	₱ 2,800,000,000
Share premium	**255,535,853**	255,535,853
	₱ 3,055,535,853	₱ 3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2023		2022	
	Shares	**Amount**	Shares	Amount
Authorized share capital ₱0.01 par value	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid, December 31	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date the Company has a total number of 40 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

19. PROVISIONS AND CONTINGENCIES

19.01 Provision

Beijing Perfect World Software, Inc.
On May 9, 2011, the Company was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Company was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at March 31, 2023 and December 31, 2022, the parties are still in the course of pleadings and other evidence in support of their respective claims. However the Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to ₱2,905,661 for both 2019 and 2018 and presented as "provision for contingencies" in the statements of financial position.

19.02 Contingencies

As of March 31, 2023, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1.) People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "B.P. 22"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "Respondent") with the Office of the City Prosecutor of Makati City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran,

Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2.) *IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)*

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("OCP") of Makati City by the Company against erring former employees (the "Respondents"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents: Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "RTC"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

20. REVENUES

The Company has no revenues for the period ended March 31, 2023 and December 31, 2022.

21. COST OF SALES AND SERVICES

The Company has no cost of sales and services for the period ended March 31, 2023 and December 31, 2022.

22. OPERATING EXPENSES

The account is composed of the following operating expenses:

		March 31, 2023		March 31, 2022
Professional fees		**187,667**		1,535,187
Fees and Subscription		**280,000**		280,000
Others		**-**		-
	₱	**467,667**	₱	1,815,187

23. SALARIES AND OTHER EMPLOYEE BENEFITS

The Company has no salaries and other employee benefits for the period ended March 31, 2023 and December 31, 2022.

24. OTHER INCOME (LOSS)

The Company has no other income (loss) for the period ended March 31, 2023 and December 31, 2022.

26. INCOME TAXES

26.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2023		2022
Current tax expense	**₱**	**-**	₱	-
Deferred tax expense		**-**		-
	₱	**-**	₱	-

26.02 Deferred Tax Asset

The components of the Company's deferred tax assets and their respective movements are as follows:

		2023		2022
At January 1	**₱**	**-**	₱	-
Reversal		**-**		-
At December 31	**₱**	**–**	₱	–

Management does not expect that the Company will generate future taxable income that will allow the deferred tax asset to be utilized.

27. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below:

27.01 Basic Earnings (Loss) per Share

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

		March 31, 2023		March 31, 2022
Earnings (Loss) used in the calculation of total basic earnings per share	₱	**(467,667)**	₱	(1,815,186)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	₱	**(0.00)**	₱	(0.00)

The Company has no dilutive potential common shares outstanding as of March 31, 2023 and December 31, 2022. Thus, basic and diluted EPS are stated at the same amount.

Annex A-4-2

Jose Voltaire Bautista <voltaire.bautista@ipvg.com>

IP E-GAME VENTURES, INC. SEC Form 17-Q For Period Ending 30 June 2023

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> Mon, Aug 14, 2023 at 3:01 PM
To: voltaire.bautista@ipvg.com

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at https://secexpress.ph/. For further clarifications, please call (02) 8737-8888.

---------- NOTICE TO COMPANIES ----------

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15.BP-FCLC 20.S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through https://efast.sec.gov.ph/user/login.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at https://efast.sec.gov.ph/user/login :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of

Memorandum Circular No. 28 Series of 2020, please visit this link –
https://apps010.sec.gov.ph/

For your information and guidance.

Thank you.

COVER SHEET

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S.E.C. Registration Number

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C	o	r	p	o	r	a	t	i	o	n	)																		

(Company's Full Name)

8	t	h		F	l	o	o	r		A	r	t	h	a	l	a	n	d		C	e	n	t	u	r	y			

P	a	c	i	f	i	c		T	o	w	e	r	,		5	t	h		A	v	e	n	u	e		c	o	r	.

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(Business Address: No. Street Company / Town / Province)

Mary Jenelle C. Palma Acting CFO

Contact Person

(02) 8359-3715

Company Telephone Number

0	6

Month

3	0

Day

SEC Form 17-Q

FORM TYPE

Every Last Monday of July

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

			4	0

Total No. of Stockholders

Total Amount of Borrowings

₱ –

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **June 30, 2023**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **8th Floor Arthaland Century Pacific Tower, 5th Ave. cor 30th St., Bonifacio Global City, Taguig City**
   Address of principal office

   Postal Code **1634**

8. Issuer's telephone number, including area code **+63 2 8359 3715**

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	**Common Shares**

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

    Yes [ ] No [ ]

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

    Yes [✓] No [ ]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **QUARTERLY REPORT FOR THE PERIOD ENDED June 30, 2023 (SEC Form 17-Q)**, to be signed on its behalf by the undersigned thereunto duly authorized on **August 14, 2023.**

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her Capacity as Chief Finance Officer and Duly Authorized Signatory

Before me REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) S.S.

MAKATI CITY

SUBSCRIBED AND SWORN TO before me this 14 AUG 2023 **day of August 2023**, the following persons exhibiting me their Tax Identification Numbers, as follows:

	Tin No.	Place of Issue
Mary Jenelle Palma	228-440-201	Makati City

Doc No. 446;
Page No. 94;
Book No. XVI;
Series of 2023.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DECEMBER 2023
PTR No. 9763198 ; 1-3-2023 Makati City
IBP O.R. No. 259602 ; 12-19-22 Makati City
Appt. No. M-073 for the City of Makati
SC Roll No. 49491

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of June 30, 2023 (with comparative figures as of December 31, 2022) and for the period ended June 30, 2023 (with comparative figures for the periods ended June 30, 2022) **(see Annex A).**

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

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

BUSINESS AND GENERAL INFORMATION

IP E-Game Ventures, Inc. (the "Company") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005.

The Company used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippines Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/ systems development for the on-line computer systems.

2023 Financial Highlights

- No significant transactions and disclosures for the 3-month period ended June 30, 2023.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above, the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games

2017 Financial Highlights

- Effective in 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. As the Company lost control over DPI, the investment was designated as investment at fair value through profit and loss.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthen the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of ₱56.5 million resulting to a loss of ₱36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 Billion divided into 280 Billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

2012 Financial Highlights

- On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

- On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

- On July 31, 2012, during the Regular Stockholders Meeting, the Corporation approved the amendment of Article Third of the Amended Articles of Incorporation to change the principal office of the Corporation to 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila.

- On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

- In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

- On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

- We have become one of the leading online games publishers in the country, garnering a community of over 15.9 million registered gamers and 447,055 active users per month that play our online games. In line with our efforts to increase market share, we have entered into discussions for a possible merger with our biggest competitor, LUI. The aim is to combine gaming assets with LUI and substantially increase our gaming community, distribution and reach to the market. On March 31, 2012, we completed our merger with LUI.

- On March 2, 2012, the Company acquired a 25% stake in Cosamera, a company with primary business in the Cagayan Special Economic Zone and Freeport. Cosamera is in the business of hotel and resort facilities which shall serve tourists frequenting the Cagayan Economic Zone Authority including visitors to its gaming facilities. As of date, Cosamera does not have available financial information, hence the investment was reported as part of noncurrent assets in 2012 balance sheet.

- On January 9, 2012, the Company executed a Content License and Distribution Agreement with NBAP for the right and license to operate the official website of the NBA targeted at the Philippine market. NBAP is a company based in New York that operates various commercial activities of the NBA around the world, outside of Greater China. The agreement is binding and effective until September 30, 2014 unless earlier terminated. The rights granted under this agreement shall not be assigned, sublicensed or subcontracted without the prior written consent, which consent may, in the sole discretion of NBAP, (i) be contingent upon a fee payable by IPE or the transferee, and/or (ii) impose other terms and conditions upon the assignment or transfer. The Company has plans of transferring the content license to X-Play Online Games, Inc.

- DPI secured loan with HSBC in the amount of ₱200 million, to be backed by a guarantee from the Philippine Export-Import Credit Agency (PHILEXIM). The proceeds of the loan shall be used for the expansion and development of DPI's internet café chain.

- The Company and X-Play signed an exclusive local publishing agreement with Take-Two International S.A. ("Take-Two") for online sports and social web game. The said online social web game will be locally hosted and operated in the Philippines. Take-Two, a subsidiary of Take-Two Interactive Software, Inc., is a leading developer, marketer and publisher of interactive entertainment for consumers' world-wide.

- Pursuant to the approval of the Company's BOD on May 9, 2012, the Company, through RAN Online, Inc., (ROI) a wholly-owned subsidiary of E-Games, acquired a 36,000 square meters of property in Cagayan Ecozone for a purchase price of P70.0 million, through combination of cash and shares of stock. As of December 31, 2012, Transfer Certificates of Title covering a total of 26,405 square meters of the total lot area being purchased have been issued to ROI with total cost recorded per books amounting to ₱37.3 million.

- On April 30, 2012, the Board authorized the Company to enter into a surety agreement in relation to the loan of IPVI with China Banking Corporation.

2011 Financial Highlights

- On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

- On December 3, 2011, the Company subscribed to 60,000 common shares of AB Fiber Corporation at ₱100 per share or a total subscription price of ₱36 million, ₱6 million of which was paid for by applying the Company's dividend payable from FCCDCI. The Company's stake in AB Fiber was subsequently transferred to IP Converge.

- On November 15, 2011, GMA provided a sponsorship certification of ₱30 million to X-Play for development of advergaming assets to be used by GMA in their digital advertising efforts.

- On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth ₱130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

- On October 18, 2011, the Company entered into a Licensing and Distribution Agreement with Blizzard Entertainment International granting the Company exclusive license to market, sell and distribute physical boxed versions of World of Warcraft, Starcraft, Legacy Products and Diablo.

- On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

- In July 2011, we entered into a memorandum of agreement with RS Concepts whereby the parties agreed to enter into a reseller agreement allowing RS Concepts to sell E-Games' available advertising inventory. The specific terms and conditions of the agreement are subject to further discussion and negotiations. RS Concept is a non-traditional advertising company.

- On July 8, 2011, we commercially launched Point Blank, a first person shooter game whose active user base has surpassed the performance of our flagship MMORPGs in terms of number of users and growth rate.

- On April 13, 2011, our Board approved the transfer of our 40% stake in First Cagayan Converge Data Center, Inc. ("FCCDI") to IPCDCI. The transfer, which was done in three tranches, was part of the IPVG Groups' thrust to rationalize and consolidate its interests and business operations into the respective subsidiaries and affiliates.

  As part of a rationalization of our services to focus on consumer Internet instead of a wider array of Internet services, we decided to transfer our holdings in FCCDCI to publicly listed data center operator IPCDCI. As of June 30, 2011, we have transferred 1/3 of our 40% stake in FCCDCI to IPCDCI and on September 30, 2011 we transferred an additional 1/3 of our 40% stake therein. The remaining 1/3 was sold on December 31, 2011. The total sale price was ₱114.0 million of which ₱100.0 million will be paid in cash and ₱20.0 million in future services, including internet bandwidth and co-location services. The transfer of our 40% stake in FCCDCI also includes the transfer of our equity stake, comprising 60,000 shares, in AB Fiber Corporation, the company that owns the fiber optic cables. As of December 31, 2011, the Company has completed the transfer of FCCDCI to IPCDCI.

- On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of ₱145 million, or approximately ₱1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

- On April 1, 2011, we executed a Software Development and License Agreement with Zepetto Co., a South Korean company which owns the worldwide and exclusive right to market and distribute Point Blank, a casual FPS game. Pursuant to the agreement, we were granted the exclusive, royalty-bearing and non-transferrable license for the use, promotion, distribution and marketing of the localized version of Point Blank for a period of three years from the date of commercial launch. We launched the game commercially on July 8, 2011.

- In January 2011, we conducted a right offering and offered 134,182,216Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

SELECTED FINANCIAL DATA

The selected financial information set forth in the following tables, as prepared by the Company, were derived from the unaudited stand-alone financial statements of the Company as of June 30, 2023 (with comparative figures as of unaudited December 31, 2022) and for the period ended June 30, 2023 (with comparative figures for the periods ended June 30, 2022 and 2021).

These financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included in this submission. The summary of financial information set out below does not purport to project the results of our operations or financial condition for any future period or date.

Statement of Income Data:	**For the six months period ended June 30,**		
	2023	**2022**	**2021**
(In Thousand Pesos, except per share data)	**Stand-Alone**	**Stand-Alone**	**Stand-Alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross profit	-	-	-
Operating expenses	(733)	(2,255)	(1,325)
Equity in net losses of an associate and a joint venture			
Other income (charges)	(-)	(-)	-
Income (loss) before income tax	(-)	(-)	-
Provision for (benefit from) Income tax	-	(-)	-
Net income (loss)/ Total comprehensive income (loss)	(₱ 733)	(₱ 2,255)	(₱ 1,325)
Net income (loss)/Total comprehensive income (loss) attributable to:			
Equity holder of the company	(₱ -)	(₱ -)	-
Non-controlling interests	(-)	(-)	(-)
	(₱733)	(₱ 2,255)	(₱ 1,325)
Earnings per share:			
Basic	₱ 0.0000	₱ 0.0000	₱ 0.0000
Diluted	0.0000	0.0000	0.000

The comparative figures for the six-months period ended June 30, 2023 were adjusted to report the stand-alone statement income data.

Balance Sheet Data:	For the Periods Ended		
(In Thousand Pesos)	**June 30, 2023 (Unaudited Stand-Alone)**	**December 31, 2022(Unaudited , Stand-Alone)**	**December 31, 2021(Unaudited , Stand-Alone)**
ASSETS			
Current Assets			
Cash	₱ 52	₱ 52	₱ 52
Trade and other receivables	500,000	500,000	500,000
Due from related parties	118,709	118,709	118,709
Other current assets	3,303	3,303	3,303
Total current assets	**622,064**	**622,064**	**622,064**
Noncurrent Assets			
Deposit for future investments	-	-	-
Other noncurrent assets	-	-	-
Total noncurrent assets	**-**	**-**	**-**
TOTAL ASSETS	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	₱ 65,944	₱ 65,917	₱ 65,871
Due to related parties	43,935	43,230	40,137
Provisions for contingencies	2,906	2,906	2,906
Income tax payable	-	-	-
Total current liabilities	**112,785**	**112,053**	**108,914**
Noncurrent Liability			
Deferred tax liabilities	-	-	-
Total Liabilities	**112,785**	**112,053**	**108,914**
Equity attributable to equity holders of the Parent	509,279	510,011	513,150
Non-controlling Interest	-	-	-
Total Equity	509,279	**510,011**	**513,150**
TOTAL LIABILITIES AND EQUITY	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**

KEY PERFORMANCE INDICATORS

The Group's top key performance indicators, as of June 30, 2023 (with comparative figures as of December 31, 2022) and for the periods ended June 30, 2023 and 2022 and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	For the six months period ended June 30, 2023		For the year ended December 31, (Unaudited)	
	2023	2022	2021	2020
	Stand-Alone	Stand-Alone	Stand-Alone	Stand-Alone
Financial Ratios:				
Current ratio (x)	5.52	5.55	5.55	5.71
Asset to stockholders' equity (x)	1.22	1.22	1.22	1.21
Debt to stockholders' equity (x)	0.22	0.22	0.22	0.22
Interest rate coverage (x)	-	-	-	-
Gross margin (%)	-	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)	(0)
Basic and diluted earnings per share	0.0000	0.0000	0.0000	0.0000

Current Ratio

This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio

This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio

This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. There is no significant movement in the ratio for the comparative six months period June 30 and year ended December 31 presented above.

Interest Rate Coverage Ratio

This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin

This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin

This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

RESULTS OF OPERATIONS

For the six months period ended June 30, 2023 compared with the six months period ended June 30, 2022.

Revenues

No revenues recognized for the six months period ended June 30, 2023 and 2022.

Operating Expenses

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Six months Period Ended June 30,				Increase (Decrease)	
	2023		2022			
	₱000	₱000	₱000	%	₱000	%
	Stand-Alone		Stand-Alone			
Professional fees	453	62%	1,975	88%	(1,522)	(77%)
Taxes and licenses	-	-	-	0%	-	0%
Others	280	38%	280	12%	-	0%
Total Operating Expenses	**₱ 733**	**100%**	**₱ 2,255**	**100%**	**(₱1,522)**	**(67%)**

Total operating expenses amounted to P733 thousand and P2,255 thousand for the 6 mos. period 2023 and 2022, respectively.

Professional fees include third party payments to legal and audit and other consultancy services.

Taxes and licenses which pertain to payments to the BIR (i.e. income tax, capital gains tax), business permits, import/export duties, if any, and all other expenditure levied by the national or local governments. We endeavor to structure the company's business transactions such that optimal tax savings are attained while ensuring that the Company is in adherence to all tax laws all the time.

Transportation and travel expenses include local transportation costs incurred for business purposes, and travel costs (including meals and lodging) while away from home overnight for business purposes.

Net Income (Loss)

Our bottom figure posted a net loss of ₱733 thousand ₱2.2 million for the six months period ended June 30, 2023 and 2022, respectively.

Liquidity and Capital Resources

The Company source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

As of June 30, 2023 and December 31, 2022, we have cash ₱.52 million. We expect to meet our working capital and capital expenditure requirements primarily from continuous efforts raising cash flows from operations, financing or from issuance of shares of stock.

Additional Disclosures

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

PART II- OTHER INFORMATION

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the quarter ended June 30, 2023, particularly on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;

f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

ANNEX A

IP E-GAME VENTURES INC.

MAKATI CITY – PHILIPPINES

FINANCIAL STATEMENTS
JUNE 30, 2023 AND DECEMBER 31, 2022
(UNAUDITED)

IP E-GAME VENTURES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND DECEMBER 31, 2022
In Philippine Peso

	Notes	**(Unaudited) June 30, 2023**	(Unaudited) December 31, 2022
ASSETS			
Current Assets			
Cash	10	**52,198**	52,198
Trade and other receivables – net	11	**500,000,000**	500,000,000
Due from related parties	9	**118,708,627**	118,708,627
Other current assets	12	**3,303,121**	3,303,121
Total Current Assets		**622,063,946**	622,063,946
Non-current Assets			
Financial assets at fair value through other comprehensive income	14	**-**	-
Property and equipment – net	15	**-**	-
Other non-current assets	16	**-**	-
Total Non-current Assets		**-**	-
TOTAL ASSETS		**622,063,946**	622,063,946
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	17	**65,944,550**	65,916,772
Advances from related parties	9	**34,151,327**	33,446,327
Due to stockholders	9	**9,783,783**	9,783,783
Provision for contingencies	17,19	**2,905,661**	2,905,661
Total Current Liabilities		**112,785,321**	112,052,543
Total Liabilities		**112,785,321**	112,052,543
Equity			
Share capital	18	**2,800,000,000**	2,800,000,000
Additional paid-in capital	18	**255,535,853**	255,535,853
Deficit		**(2,546,257,228)**	(2,545,524,450)
Total Equity		**509,278,625**	510,011,403
TOTAL LIABILITIES AND EQUITY		**622,063,946**	622,063,946

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023 AND 2022
In Philippine Peso

	Notes	Unaudited 6 months	
		June 30, 2023 Stand-Alone	June 30, 2022 Stand-Alone
Revenues	20	**-**	-
Cost of services	21	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	22	**(732,778)**	(2,255,353)
Other income (loss) – net	14,24	(-)	(-)
Profit (loss) before income tax		**(732,778)**	(2,255,353)
Income tax (expense) benefit:	25		
Current		**-**	-
Profit (Loss)		**(732,778)**	(2,255,353)
Other comprehensive income		**-**	-
Total comprehensive income (Loss)		**(732,778)**	(2,255,353)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	26	**(0.00)**	(0.00)

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF CHANGES IN EQUITY
JUNE 30, 2023 AND DECEMBER 31, 2022
In Philippine Peso

	Unaudited	
	June 30, 2023	December 31, 2022
CAPITAL STOCK (Note 18)		
Balance at beginning of year	**2,800,000,000**	2,800,000,000
Issuances of shares	**–**	–
Balance at end of year	**2,800,000,000**	2,800,000,000
ADDITIONAL PAID-IN CAPITAL(Note 18)		
Balance at beginning of year	**255,535,853**	255,535,853
Premiums received	**–**	–
Balance at end of year	**255,535,853**	255,535,853
DEFICIT		
Balance at beginning of year	**(2,545,524,450)**	(2,542,386,023)
Net income (loss) for the year	**(732,778)**	(3,138,427)
Balance at end of year	**(2,546,257,228)**	(2,545,524,450)
TOTAL EQUITY	**509,278,625**	510,011,403

See Notes to Financial Statements.

IP E-GAME VENTURES, INC
STATEMENTS OF CASH FLOWS
JUNE 30, 2023 AND DECEMBER 31, 2022
In Philippine Peso

	Notes	June 30, 2023	December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(732,778)**	(3,138,427)
Adjustments for:			
Depreciation	15	**-**	-
Fair Value Loss	14	**-**	-
Impairment Loss	24	**-**	-
Operating cash flows before working capital changes		**(732,778)**	(3,138,427)
Increase in prepayments and other current assets	12	**-**	-
Increase in trade and other payables	17	**27,778**	-
Cash used in operations		**(705,000)**	(3,138,427)
Income tax benefit		**-**	-
Net cash used in operating activities		**(705,000)**	-
CASH FLOWS FROM FINANCING ACTIVITY			
Increase in advances from related parties	9	**705,000**	3,138,427
Net cash from financing activity		**705,000**	3,138,427
NET DECREASE IN CASH		**-**	-
CASH AT BEGINNING OF YEAR	10	**52,198**	52,198
CASH AT END OF YEAR	10	**52,198**	52,198

See Notes to Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

Registration with the Board of Investment (BOI)
The Company was registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City.

The Company's principal office address is 8th Floor Arthaland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, Taguig City 1634.

The Company is domiciled in the Philippines.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The financial statements are prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.04 Use of Judgments and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.05 Going Concern Assumption

The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted in 2023

The Company has adopted the following amendments to PFRS effective January 1, 2022 and accordingly, changed its accounting policies in the following areas:

- Property, Plant and Equipment - Proceeds before Intended Use *(Amendments to PAS 16, Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

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

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to standards.

- Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

    - replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements;

    - added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

    - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The adoption of the amended standards did not have a material effect on the interim financial statements of the Company.

3.02 New Standards and Amendments Issued

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

    - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

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

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

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

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments clarify that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship

between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes selecting a measurement technique (estimate or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in the inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgments). The key amendments to PAS 1 include requiring entities to disclose material accounting policies rather than significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are material to the financial statements. The amendments to PFRS Practice Statement 2 provide guidance and examples on the application of materiality to accounting policy disclosures.

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

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments require an entity to recognize deferred tax on transactions, such as leases for the lessee and decommissioning obligations, that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial asset when the Company becomes a party to the contractual provision of the financial instruments.

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial

assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c;) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flow's or to both collect contractual cash flows and sell, The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if during so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in statement of comprehensive income.

As of June 30, 2023 and December 31, 2022, the Company has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial instruments: Presentation. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using efferctive interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for ECL for all debt instruments not held at FWPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an

approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the statement of financial position as current asset when they are expected to be expensed within one year or the entity’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at cost less any accumulated depreciation, amortization and impairment losses. Cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 to 10 years
Furniture, fixtures and office equipment	–	5 years
Transportation equipment	–	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of

potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company accounts for its investments in subsidiary using the cost method in its financial statements.

Under the cost method, the investor recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Deposits for stock subscriptions represent funds received by the Company which it records as such with a view of applying the same for additional shares of increase in capital stock. Deposits for stock subscriptions are presented as a separate line item in the equity section of the statements of financial position.

Unappropriated are accumulated earnings of the Company available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.06.03 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Company's financial liabilities as presented in the statements of financial position comprise of trade and other payables excluding government payables, due to stockholders and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4.09.01 Interest Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued

on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.09.02 Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non- monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Company's financial position

at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

5.01.01 Determining Functional Currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the rendering of services and the cost of providing the services.

5.01.02 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Company takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.03 Classification of Financial Assets and Liabilities
The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 4 to the financial statements.

5.01.04 Classification of Costs and Expenses
The Company determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Company. All other costs and expenses are classified as administrative expenses.

5.01.05 Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

No deferred tax asset was recognized for the period ended **June 30, 2023 and December 31, 2022**, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized.

5.01.06 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28

The Company evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Company designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through profit or loss, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Estimating Useful Lives of Assets

The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The net carrying amount of the Company's property and equipment amounted to nil as of **June 30, 2023 and December 31, 2022**, respectively, as disclosed in Note 15.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, intangible assets and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Management has determined that the Company's property and equipment and investments are not impaired, hence, no impairment loss was recognized in **June 30, 2023 and December 31, 2022.**

5.02.03 Realization of Deferred Tax Assets
The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of June 30, 2023 and December 31 2022, deferred tax assets amounted to nil as disclosed in Note 25.

5.02.04 Estimating Allowances for Doubtful Accounts
The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

Allowance for doubtful accounts for the period ended June 30, 2023 and December 31 2022 amounted to nil, respectively, as disclosed in Note 11.

5.02.05 Provision and Contingencies
The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 20. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Company's defense in these matters and is based on an analysis of potential results. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 19.

5.02.06 Post-employment and Other Employee Benefits
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expenses and recorded obligation in such future period.

As of June 30, 2023 and December 31, 2022, the Company has no retirement benefit obligation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, available-for-sale investments and trade and other payables. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		June 30, 2023	December 31, 2022
Financial assets				
Cash and cash equivalents	10	₱	**52,198**	52,198
Trade and other receivables – net	11		**500,000,000**	500,000,00
Advances to related parties	9		**118,708,627**	118,708,627
		₱	**618,760,825**	618,760,825
Financial liabilities				
Trade and other payables*	18	₱	**65,944,550**	65,916,772
Advances from related parties	9		**34,151,327**	33,446,327
Due to stockholders	9		**9,783,783**	9,783,783
		₱	**109,879,660**	109,146,882

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Also, the Company manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Company as of **June 30, 2023 and December 31, 2022** without considering the effects of credit risk mitigation techniques.

	Notes		2023		2022
Cash in banks and cash equivalents	10	₱	**52,198**	₱	52,198
Trade and other receivables – gross	11		**500,000,000**		500,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below shows the credit quality by class of financial assets of the Company:

2023	**Neither past due nor impaired**	**Past due but not impaired**	**Impaired**	**Total**
Cash in banks	52,198	–	–	52,198
Cash equivalents	–	–	–	–
Trade and other receivables	500,000,000	–	-	500,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	618,760,825	**-**	**-**	**618,760,825**

2022	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	52,198	–	–	52,198
Cash equivalents	–	–	–	–
Trade and other receivables	500,000,000	–	-	500,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	618,760,825	**-**	**-**	**618,760,825**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment
The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2023	**On Demand**	**Within 1 Year**	**1 – 5 Years**	**Over 5 Years**	**Total**
Cash and cash equivalents	₱ 52,198	₱ –	₱ –	₱ –	₱ 52,198
Trade and other receivables	–	500,000,000	–	–	500,000,000
Advances to related parties	118,708,627	–	–	–	202,427,605
	₱ 118,760,825	**₱ 500,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

2022	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 52,198	₱ –	₱ –	₱ –	₱ 52,198
Trade and other receivables	–	500,000,000	–	–	500,000,000
Advances to related parties	118,708,627	–	–	–	202,427,605
	₱ 118,760,825	**₱ 500,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2023	**On Demand**	**Within 1 Year**	**1 – 5 Years**	**Over 5 Years**	**Total**
Trade and other payables*	₱ –	₱ 65,944,550	₱ –	₱ –	₱ 65,944,550
Advances from related parties	–	34,151,327	–	–	34,151,327
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 100,095,877**	**₱ –**	**₱ –**	**₱ 109,879,660**

2022	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 65,916,772	₱ –	₱ –	₱ 65,916,772
Advances from related parties	–	33,446,327	–	–	33,446,327
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 99,363,099**	**₱ –**	**₱ –**	**₱ 109,146,882**

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of June 30, 2023 and December 31, 2022 are presented below:

		Fair Value			
2023	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	52,198	–	52,198	–	52,198
Trade and other receivables – net	500,000,000	–	500,000,000	–	500,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	65,944,550	–	65,944,550	–	65,944,550
Advances from related parties	34,151,327	–	34,151,327	–	34,151,327
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	109,879,660	**–**	**109,879,660**	**–**	**109,879,660**

		Fair Value			
2022	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	52,198	–	52,198	–	52,198
Trade and other receivables – net	500,000,000	–	500,000,000	–	500,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	65,916,772	–	65,916,772	–	65,916,772
Advances from related parties	33,446,327	–	33,446,327	–	33,446,327
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	109,146,882	**–**	**109,146,882**	**–**	**109,146,882**

There are no transfers between fair value measurements in 2023 and 2022.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash in Bank, Short-term Trade and Other Receivables, Deposits, and Trade and Other Payables
The carrying values of these financial assets and liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Investment at FVTPL and Available-for-sale Investments
There are no quoted market prices for the unlisted shares. Management deemed that the carrying value of the Company's investments approximates its fair value.

Advances and Due to/from Related Parties
Since there are no specific repayment dates agreed by the Company and its related party, carrying values of these liabilities are deemed by the Company's management to approximate their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

The capital structure of the Company consists of net debt and net equity of the Company (comprising issued capital, and share premium, and net deficit).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2023		2022
Debt	₱	**112,785,321**	₱	**112,052,543**
Cash		**(52,198)**		**(52,198)**
Net Debt	₱	**112,733,123**	₱	**112,000,345**
Net Equity		**509,278,625**		**510,011,403**
Net debt to equity ratio		**0.22:1**		**0.22:1**

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	**Relationship**
IP Ventures, Inc.	Ultimate Parent
Level-Up Inc.	Associate
GRCO Isulan Mining Corp	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2023		2022
Y-Fi Business Solutions, Inc.	₱	**62,928,454**	₱	62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
	₱	**118,708,627**	₱	118,708,627

9.02.02 Advances from Related Parties:

		2023		2022
Webworx Computer Technology Corporation	₱	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
IPVG Employees Inc		**8,284,150**		7,579,150
Highlands Coffee		**361,312**		361,312
	₱	**34,151,327**	₱	33,446,327

9.02.03 Due to Stockholders

		2023		2022
Due to stockholders	₱	**9,783,783**	₱	9,783,783

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for the nine months period ended **June 30, 2023 and December 31, 2022.**

During 2023 and 2022, the Company entered into the following transactions with related parties:

*Transactions, Receivables and Payables to/from Related Parties as of **June 30, 2023** are as follows:*

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Other Related Parties:				
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc.				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
I-PAY Commerce Ventures, Inc.				
a. Advances to	-	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
b. Advances from	705,000	8,284,150	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
a. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627**		
Total advances from	**₱ 705,000**	**₱ 34,151,327**		

*Transactions, Receivables and Payables to/from Related Parties as of **December 31, 2022** are as follows:*

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Other Related Parties:				
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc.				
b. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
I-PAY Commerce Ventures, Inc.				
b. Advances to	-	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
b. Advances from	3,092,760	7,579,150	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
b. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627**		
Total advances from	**₱ 3,092,760**	**₱ 33,446,327**		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2023	2022
Cash in banks	**52,198**	52,198

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Cash in bank earns interest at the applicable bank deposit rate.

Interest income generated from cash in banks and cash equivalent amounted to nil for the **six months ended June 30, 2023 and December 31 2022**, respectively, as disclosed in Note 24.

11. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

	2023	**2022**
Trade receivables	**-**	-
Other receivable	**₱ 500,000,000**	₱ 500,000,000
	₱ 500,000,000	₱ 500,000,000

As of **June 30, 2023 and December 31, 2022**, the sale of the investment in New Wave Strategic Holdings Limited (NWSHL) is recorded under Other receivables.

Aging of trade and other receivables are as follows:

	2023	2022
Current -	**500,000,000**	500,000,000
Balance	**₱ 500,000,000**	₱ 500,000,000

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

	2023	2022
Prepaid taxes	**₱ 1,929,281**	₱ **1,929,281**
Advances to suppliers	**887,429**	**887,429**
Prepaid rent	**486,411**	**486,411**
	₱ 3,303,121	₱ **3,303,121**

Prepaid taxes consist of tax credit carried over for the next period.

13. INVESTMENTS IN SUBSIDIARY

Details of the Company's investments in subsidiary are as follows:

		2023		2022	
			Ownership		Ownership
Entity	Nature of Business	**Interest**	**Amount**	Interest	Amount
New Wave Strategic Holdings Ltd.	Holding Company	**n/a**	**–**	**n/a**	–

In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.

On 18 November 2021, at the special meeting of the Board of Directors (the "Board"), it was resolved that the Corporation shall sell its entire shareholding in New Wave Strategic Holdings Limited (NWSHL).

14. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This account consists of an investment designated at fair value through profit or loss during initial recognition.

Movements in the account are disclosed below:

		2023		2022
Cost	**₱**	**51,469,257**	₱	51,469,257
Unrealized fair value loss – recognized in OCI		**(51,469,257)**		(51,469,257)
At December 31	**₱**	**-**	₱	-

On December 1, 2014, the Company executed a deed of assignment in favor of Y-Fi Business Solutions, Inc. (the Assignee), in which the Company hereby cedes, transfers and assigns to the Assignee all rights and interests to 62,928,454 shares of stock of DPI for a total consideration of ₱62,928,454, equivalent to ₱1.00 per share. As a result, the ownership of the Company in DPI decreased to 26.62%. However, the Company still has control over DPI until December 31, 2016. The Company lost control over DPI effective in 2017. Thus, the investment was designated as investment at fair value through profit or loss since 2017.

Management assessed that certain financial assets at FVOCI will not generate future benefits to the Company; thus, it was written-off. Unrealized loss recognized in OCI amounted to P51,469,257.

15. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2023		**Computer and network equipment**		**Furniture, fixtures and office equipment**		**Transportation equipment**		**Total**
Cost:								
Balance, January 1	₱	5,463,436	₱	1,598,421	₱	1,035,714	₱	8,097,571
Additions		–		–		–		–
Balance, June 30		**5,463,436**		**1,598,421**		**1,035,714**		**8,097,571**
Accumulated Depreciation:								
Balance, January 1		5,463,436		1,598,421		1,035,714		8,097,571
Depreciation				–		–		
Balance, June 30		**5,463,436**		**1,598,421**		**1,035,714**		**8,097,571**
Net carrying value	**₱**	**–**	**₱**	**–**	**₱**	**–**	**₱**	**–**

2022	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

During the year, the Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment loss has occurred on its property and equipment. There were no additions or disposals during the **six months period ended June 30, 2023** and year ended December 31, 2021.

No amount of property and equipment has been pledged as security for the Company's liabilities. **As of June 30, 2023 and December 31, 2022**, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

16. OTHER NON-CURRENT ASSETS

The Company's other non-current assets amounted to nil as of June 30, 2023 and December 31, 2022.

17. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

	2023	2022
Trade payables	**₱ 25,475,002**	₱ 25,475,002
Accrued expenses	**11,813,454**	11,813,454
Other non-trade payables	**28,656,094**	28,628,316
	₱ 65,944,550	₱ 65,916,772

Trade payables are payables which are related directly to the Company's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

18. EQUITY

18.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

	2023	2022
Share capital	**₱ 2,800,000,000**	₱ 2,800,000,000
Share premium	**255,535,853**	255,535,853
	₱ 3,055,535,853	₱ 3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2023		2022	
	Shares	**Amount**	Shares	Amount
Authorized share capital ₱0.01 par value	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid, December 31	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date the Company has a total number of 40 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

19. PROVISIONS AND CONTINGENCIES

19.01 Provision

Beijing Perfect World Software, Inc.
On May 9, 2011, the Company was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Company was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at June 30, 2023 and December 31, 2022, the parties are still in the course of pleadings and other evidence in support of their respective claims. However the Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to ₱2,905,661 for both 2019 and 2018 and presented as "provision for contingencies" in the statements of financial position.

19.02 Contingencies

As of June 30, 2023, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1.) People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "B.P. 22"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "Respondent") with the Office of the City Prosecutor of Makati City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran,

Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2.) *IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)*

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("OCP") of Makati City by the Company against erring former employees (the "Respondents"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents: Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "RTC"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

20. REVENUES

The Company has no revenues for the period ended June 30, 2023 and December 31, 2022.

21. COST OF SALES AND SERVICES

The Company has no cost of sales and services for the period ended June 30, 2023 and December 31, 2022.

22. OPERATING EXPENSES

The account is composed of the following operating expenses:

		June 30, 2023		June 30, 2022
Professional fees		**452,778**		1,975,353
Fees and Subscription		**280,000**		280,000
Others		**-**		-
	₱	**732,778**	₱	2,255,353

23. SALARIES AND OTHER EMPLOYEE BENEFITS

The Company has no salaries and other employee benefits for the period ended June 30, 2023 and December 31, 2022.

24. OTHER INCOME (LOSS)

The Company has no other income (loss) for the period ended June 30, 2023 and December 31, 2022.

26. INCOME TAXES

26.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2023		2022
Current tax expense	**₱**	**-**	₱	-
Deferred tax expense		**-**		-
	₱	**-**	₱	-

26.02 Deferred Tax Asset

The components of the Company's deferred tax assets and their respective movements are as follows:

		2023		2022
At January 1	**₱**	**-**	₱	-
Reversal		**-**		-
At December 31	**₱**	**–**	₱	–

Management does not expect that the Company will generate future taxable income that will allow the deferred tax asset to be utilized.

27. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below:

27.01 Basic Earnings (Loss) per Share

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

		June 30, 2023		June 30, 2022
Earnings (Loss) used in the calculation of total basic earnings per share	₱	**(732,778)**	₱	(2,255,353)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	₱	**(0.00)**	₱	(0.00)

The Company has no dilutive potential common shares outstanding as of June 30, 2023 and December 31, 2022. Thus, basic and diluted EPS are stated at the same amount.

Annex A-4-3

Jose Voltaire Bautista <voltaire.bautista@ipvg.com>

IP E-GAME VENTURES, INC. SEC Form 17-Q For Period Ending 30 September 2023

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> Tue, Nov 14, 2023 at 2:44 PM
To: voltaire.bautista@ipvg.com

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at https://secexpress.ph/. For further clarifications, please call (02) 8737-8888.

---------- NOTICE TO COMPANIES ----------

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15.BP-FCLC 20.S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through https://efast.sec.gov.ph/user/login.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at https://efast.sec.gov.ph/user/login :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of

Memorandum Circular No. 28 Series of 2020, please visit this link –
https://apps010.sec.gov.ph/

For your information and guidance.

Thank you.

COVER SHEET

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(Company's Full Name)

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(Business Address: No. Street Company / Town / Province)

Mary Jenelle C. Palma ACTING CFO

Contact Person

(02) 8359-3715

Company Telephone Number

0	9

Month

3	0

Day

SEC Form 17-Q

FORM TYPE

Every Last Monday of July

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

			4	0

Total No. of Stockholders

₱ –

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **September 30, 2023**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **8th Floor Arthaland Century Pacific Tower, 5th Ave. cor 30th St., Bonifacio Global City, Taguig City**
   Address of principal office

   Postal Code **1634**

8. Issuer's telephone number, including area code **+63 2 8359 3715**

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	**Common Shares**

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

    Yes [ ] No [ ]

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

    Yes [✓] No [ ]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **QUARTERLY REPORT FOR THE PERIOD ENDED September 30, 2023 (SEC Form 17-Q)**, to be signed on its behalf by the undersigned thereunto duly authorized on **November 14, 2023.**

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her Capacity as Chief Finance Officer and Duly Authorized Signatory

Before me REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO before me this 14 NOV 2023 day of November 2023, the following persons exhibiting me their Tax Identification Numbers, as follows:

	Tin No.	Place of Issue
Mary Jenelle Palma	228-440-201	Makati City

Doc No. 30;
Page No. 7;
Book No. XVII;
Series of 2023.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DECEMBER 2023
PTR No. 9561318 ; 1-3-23 ; Makati City
IBP O.R. No. 259608 ; 12-19-22 Makati City
Appt. No. M-073 for the City of Makati
SC Roll No. 49491

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of September 30, 2023 (with comparative figures as of December 31, 2022) and for the period ended September 30, 2023 (with comparative figures for the periods ended September 30, 2022) **(see Annex A).**

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

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

BUSINESS AND GENERAL INFORMATION

IP E-Game Ventures, Inc. (the "Company") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005.

The Company used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippines Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/ systems development for the on-line computer systems.

2023 Financial Highlights

- No significant transactions/disclosures for the nine-months period ended September 30, 2023.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above, the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games

2017 Financial Highlights

- Effective in 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. As the Company lost control over DPI, the investment was designated as investment at fair value through profit and loss.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthen the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of ₱56.5 million resulting to a loss of ₱36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 Billion divided into 280 Billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

2012 Financial Highlights

- On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

- On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

- On July 31, 2012, during the Regular Stockholders Meeting, the Corporation approved the amendment of Article Third of the Amended Articles of Incorporation to change the principal office of the Corporation to 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila.

- On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

- In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

- On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

- We have become one of the leading online games publishers in the country, garnering a community of over 15.9 million registered gamers and 447,055 active users per month that play our online games. In line with our efforts to increase market share, we have entered into discussions for a possible merger with our biggest competitor, LUI. The aim is to combine gaming assets with LUI and substantially increase our gaming community, distribution and reach to the market. On March 31, 2012, we completed our merger with LUI.

- On March 2, 2012, the Company acquired a 25% stake in Cosamera, a company with primary business in the Cagayan Special Economic Zone and Freeport. Cosamera is in the business of hotel and resort facilities which shall serve tourists frequenting the Cagayan Economic Zone Authority including visitors to its gaming facilities. As of date, Cosamera does not have available financial information, hence the investment was reported as part of noncurrent assets in 2012 balance sheet.

- On January 9, 2012, the Company executed a Content License and Distribution Agreement with NBAP for the right and license to operate the official website of the NBA targeted at the Philippine market. NBAP is a company based in New York that operates various commercial activities of the NBA around the world, outside of Greater China. The agreement is binding and effective until September 30, 2014 unless earlier terminated. The rights granted under this agreement shall not be assigned, sublicensed or subcontracted without the prior written consent, which consent may, in the sole discretion of NBAP, (i) be contingent upon a fee payable by IPE or the transferee, and/or (ii) impose other terms and conditions upon the assignment or transfer. The Company has plans of transferring the content license to X-Play Online Games, Inc.

- DPI secured loan with HSBC in the amount of ₱200 million, to be backed by a guarantee from the Philippine Export-Import Credit Agency (PHILEXIM). The proceeds of the loan shall be used for the expansion and development of DPI's internet café chain.

- The Company and X-Play signed an exclusive local publishing agreement with Take-Two International S.A. ("Take-Two") for online sports and social web game. The said online social web game will be locally hosted and operated in the Philippines. Take-Two, a subsidiary of Take-Two Interactive Software, Inc., is a leading developer, marketer and publisher of interactive entertainment for consumers' world-wide.

- Pursuant to the approval of the Company's BOD on May 9, 2012, the Company, through RAN Online, Inc., (ROI) a wholly-owned subsidiary of E-Games, acquired a 36,000 square meters of property in Cagayan Ecozone for a purchase price of P70.0 million, through combination of cash and shares of stock. As of December 31, 2012, Transfer Certificates of Title covering a total of 26,405 square meters of the total lot area being purchased have been issued to ROI with total cost recorded per books amounting to ₱37.3 million.

- On April 30, 2012, the Board authorized the Company to enter into a surety agreement in relation to the loan of IPVI with China Banking Corporation.

2011 Financial Highlights

- On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

- On December 3, 2011, the Company subscribed to 60,000 common shares of AB Fiber Corporation at ₱100 per share or a total subscription price of ₱36 million, ₱6 million of which was paid for by applying the Company's dividend payable from FCCDCI. The Company's stake in AB Fiber was subsequently transferred to IP Converge.

- On November 15, 2011, GMA provided a sponsorship certification of ₱30 million to X-Play for development of advergaming assets to be used by GMA in their digital advertising efforts.

- On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth ₱130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

- On October 18, 2011, the Company entered into a Licensing and Distribution Agreement with Blizzard Entertainment International granting the Company exclusive license to market, sell and distribute physical boxed versions of World of Warcraft, Starcraft, Legacy Products and Diablo.

- On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

- In July 2011, we entered into a memorandum of agreement with RS Concepts whereby the parties agreed to enter into a reseller agreement allowing RS Concepts to sell E-Games' available advertising inventory. The specific terms and conditions of the agreement are subject to further discussion and negotiations. RS Concept is a non-traditional advertising company.

- On July 8, 2011, we commercially launched Point Blank, a first person shooter game whose active user base has surpassed the performance of our flagship MMORPGs in terms of number of users and growth rate.

- On April 13, 2011, our Board approved the transfer of our 40% stake in First Cagayan Converge Data Center, Inc. ("FCCDI") to IPCDCI. The transfer, which was done in three tranches, was part of the IPVG Groups' thrust to rationalize and consolidate its interests and business operations into the respective subsidiaries and affiliates.

  As part of a rationalization of our services to focus on consumer Internet instead of a wider array of Internet services, we decided to transfer our holdings in FCCDCI to publicly listed data center operator IPCDCI. As of June 30, 2011, we have transferred 1/3 of our 40% stake in FCCDCI to IPCDCI and on September 30, 2011 we transferred an additional 1/3 of our 40% stake therein. The remaining 1/3 was sold on December 31, 2011. The total sale price was ₱114.0 million of which ₱100.0 million will be paid in cash and ₱20.0 million in future services, including internet bandwidth and co-location services. The transfer of our 40% stake in FCCDCI also includes the transfer of our equity stake, comprising 60,000 shares, in AB Fiber Corporation, the company that owns the fiber optic cables. As of December 31, 2011, the Company has completed the transfer of FCCDCI to IPCDCI.

- On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of ₱145 million, or approximately ₱1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

- On April 1, 2011, we executed a Software Development and License Agreement with Zepetto Co., a South Korean company which owns the worldwide and exclusive right to market and distribute Point Blank, a casual FPS game. Pursuant to the agreement, we were granted the exclusive, royalty-bearing and non-transferrable license for the use, promotion, distribution and marketing of the localized version of Point Blank for a period of three years from the date of commercial launch. We launched the game commercially on July 8, 2011.

- In January 2011, we conducted a right offering and offered 134,182,216Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

SELECTED FINANCIAL DATA

The selected financial information set forth in the following tables, as prepared by the Company, were derived from the unaudited stand-alone financial statements of the Company as of September 30, 2023 (with comparative figures as of unaudited December 31, 2022) and for the period ended September 30, 2023 (with comparative figures for the periods ended September 30, 2022 and 2021).

These financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included in this submission. The summary of financial information set out below does not purport to project the results of our operations or financial condition for any future period or date.

Statement of Income Data:	**For the nine months period ended September 30,**		
	2023	**2022**	**2021**
(In Thousand Pesos, except per share data)	**Stand-Alone**	**Stand-Alone**	**Stand-Alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross profit	-	-	-
Operating expenses	(1,001)	(2,683)	(2,703)
Equity in net losses of an associate and a joint venture			
Other income (charges)	(-)	(-)	-
Income (loss) before income tax	(-)	(-)	-
Provision for (benefit from) Income tax	-	(-)	-
Net income (loss)/ Total comprehensive income (loss)	(₱ 1,001)	(₱ 2,683)	(₱ 2,703)
Net income (loss)/Total comprehensive income (loss) attributable to:			
Equity holder of the company	(₱ -)	(₱ -)	-
Non-controlling interests	(-)	(-)	(-)
	(₱1,001)	(₱ 2,683)	(₱ 2,703)
Earnings per share:			
Basic	₱ 0.0000	₱ 0.0000	₱ 0.0000
Diluted	0.0000	0.0000	0.000

The comparative figures for the nine-months period ended September 30, 2023 were adjusted to report the stand-alone statement income data.

Balance Sheet Data:	For the Periods Ended		
(In Thousand Pesos)	**Sept 30, 2023 (Unaudited Stand-Alone)**	**December 31, 2022(Unaudited , Stand-Alone)**	**December 31, 2021(Unaudited , Stand-Alone)**
ASSETS			
Current Assets			
Cash	₱ 52	₱ 52	₱ 52
Trade and other receivables	500,000	500,000	500,000
Due from related parties	118,709	118,709	118,709
Other current assets	3,303	3,303	3,303
Total current assets	**622,064**	**622,064**	**622,064**
Noncurrent Assets			
Deposit for future investments	-	-	-
Other noncurrent assets	-	-	-
Total noncurrent assets	**-**	**-**	**-**
TOTAL ASSETS	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	₱ 65,961	₱ 65,917	₱ 65,871
Due to related parties	44,187	43,230	40,137
Provisions for contingencies	2,906	2,906	2,906
Income tax payable	-	-	-
Total current liabilities	**113,054**	**112,053**	**108,914**
Noncurrent Liability			
Deferred tax liabilities	-	-	-
Total Liabilities	**113,054**	**112,053**	**108,914**
Equity attributable to equity holders of the Parent	509,010	510,011	513,150
Non-controlling Interest	-	-	-
Total Equity	509,010	**510,011**	**513,150**
TOTAL LIABILITIES AND EQUITY	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**

KEY PERFORMANCE INDICATORS

The Group's top key performance indicators, as of September 30, 2023 (with comparative figures as of December 31, 2022) and for the periods ended September 30, 2023 and 2022 and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	For the nine months period ended September 30, 2023		For the year ended December 31, (Unaudited)	
	2023	2022	2021	2020
	Stand-Alone	Stand-Alone	Stand-Alone	Stand-Alone
Financial Ratios:				
Current ratio (x)	5.50	5.57	5.55	5.71
Asset to stockholders' equity (x)	1.22	1.22	1.22	1.21
Debt to stockholders' equity (x)	0.22	0.22	0.22	0.22
Interest rate coverage (x)	-	-	-	-
Gross margin (%)	-	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)	(0)
Basic and diluted earnings per share	0.0000	0.0000	0.0000	0.0000

Current Ratio

This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio

This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio

This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. There is no significant movement in the ratio for the comparative nine months period September 30 and year ended December 31 presented above.

Interest Rate Coverage Ratio

This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin

This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin

This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

RESULTS OF OPERATIONS

For the nine months period ended September 30, 2023 compared with the nine months period ended September 30, 2022.

Revenues

No revenues recognized for the nine months period ended September 30, 2023 and 2022.

Operating Expenses

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Nine months Period Ended September 30,				Increase (Decrease)	
	2023		2022			
	₱000	₱000	₱000	%	₱000	%
	Stand-Alone		Stand-Alone			
Professional fees	640	64%	2,403	90%	(1,763)	(73%)
Taxes and licenses	-	-	-	0%	-	0%
Others	361	36%	280	10%	81	29%
Total Operating Expenses	**₱ 1,001**	**100%**	**₱ 2,683**	**100%**	**(₱1,682)**	**(63%)**

Total operating expenses amounted to P1,001 thousand and P2,683 thousand for the 9 mos. period 2023 and 2022, respectively.

Professional fees include third party payments to legal and audit and other consultancy services.

Taxes and licenses which pertain to payments to the BIR (i.e. income tax, capital gains tax), business permits, import/export duties, if any, and all other expenditure levied by the national or local governments. We endeavor to structure the company's business transactions such that optimal tax savings are attained while ensuring that the Company is in adherence to all tax laws all the time.

Transportation and travel expenses include local transportation costs incurred for business purposes, and travel costs (including meals and lodging) while away from home overnight for business purposes.

Net Income (Loss)

Our bottom figure posted a net loss of ₱1.0 million and ₱2.6 million for the nine months period ended September 30, 2023 and 2022, respectively.

Liquidity and Capital Resources

The Company source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

As of September 30, 2023 and December 31, 2022, we have cash ₱.52 million. We expect to meet our working capital and capital expenditure requirements primarily from continuous efforts raising cash flows from operations, financing or from issuance of shares of stock.

Additional Disclosures

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

PART II- OTHER INFORMATION

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the quarter ended September 30, 2023, particularly on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;

f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

ANNEX A

IP E-GAME VENTURES INC.

MAKATI CITY – PHILIPPINES

FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND DECEMBER 31, 2022
(UNAUDITED)

IP E-GAME VENTURES, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND DECEMBER 31, 2022
In Philippine Peso

	Notes	**(Unaudited) September 30, 2023**	(Unaudited) December 31, 2022
ASSETS			
Current Assets			
Cash	10	**52,198**	52,198
Trade and other receivables – net	11	**500,000,000**	500,000,000
Due from related parties	9	**118,708,627**	118,708,627
Other current assets	12	**3,303,121**	3,303,121
Total Current Assets		**622,063,946**	622,063,946
Non-current Assets			
Financial assets at fair value through other comprehensive income	14	**-**	-
Property and equipment – net	15	**-**	-
Other non-current assets	16	**-**	-
Total Non-current Assets		**-**	-
TOTAL ASSETS		**622,063,946**	622,063,946
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	17	**65,961,216**	65,916,772
Advances from related parties	9	**34,403,333**	33,446,327
Due to stockholders	9	**9,783,783**	9,783,783
Provision for contingencies	17,19	**2,905,661**	2,905,661
Total Current Liabilities		**113,053,993**	112,052,543
Total Liabilities		**113,053,993**	112,052,543
Equity			
Share capital	18	**2,800,000,000**	2,800,000,000
Additional paid-in capital	18	**255,535,853**	255,535,853
Deficit		**(2,546,525,900)**	(2,545,524,450)
Total Equity		**509,009,953**	510,011,403
TOTAL LIABILITIES AND EQUITY		**622,063,946**	622,063,946

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023 AND 2022
In Philippine Peso

	Notes	Unaudited 9 months	
		Sept 30, 2023 Stand-Alone	Sept 30, 2022 Stand-Alone
Revenues	20	**-**	-
Cost of services	21	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	22	**(1,001,450)**	(2,682,760)
Other income (loss) – net	14,24	(-)	(-)
Profit (loss) before income tax		**(1,001,450)**	(2,682,760)
Income tax (expense) benefit:	25		
Current		**-**	-
Profit (Loss)		**(1,001,450)**	(2,682,760)
Other comprehensive income		**-**	-
Total comprehensive income (Loss)		**(1,001,450)**	(2,682,760)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	26	**(0.00)**	(0.00)

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF CHANGES IN EQUITY
SEPTEMBER 30, 2023 AND DECEMBER 31, 2022
In Philippine Peso

	Unaudited	
	September 30, 2023	December 31, 2022
CAPITAL STOCK (Note 18)		
Balance at beginning of year	**2,800,000,000**	2,800,000,000
Issuances of shares	**–**	–
Balance at end of year	**2,800,000,000**	2,800,000,000
ADDITIONAL PAID-IN CAPITAL(Note 18)		
Balance at beginning of year	**255,535,853**	255,535,853
Premiums received	**–**	–
Balance at end of year	**255,535,853**	255,535,853
DEFICIT		
Balance at beginning of year	**(2,545,524,450)**	(2,542,386,023)
Net income (loss) for the year	**(1,001,450)**	(3,138,427)
Balance at end of year	**(2,546,525,900)**	(2,545,524,450)
TOTAL EQUITY	**509,009,953**	510,011,403

See Notes to Financial Statements.

IP E-GAME VENTURES, INC
STATEMENTS OF CASH FLOWS
SEPTEMBER 30, 2023 AND DECEMBER 31, 2022
In Philippine Peso

	Notes	**September 30, 2023**	December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(1,001,450)**	(3,138,427)
Adjustments for:			
Depreciation	15	**-**	-
Fair Value Loss	14	**-**	-
Impairment Loss	24	**-**	-
Operating cash flows before working capital changes		**(1,001,450)**	(3,138,427)
Increase in prepayments and other current assets	12	**-**	-
Increase in trade and other payables	17	**44,444**	-
Cash used in operations		**(957,006)**	(3,138,427)
Income tax benefit		**-**	-
Net cash used in operating activities		**(957,006)**	-
CASH FLOWS FROM FINANCING ACTIVITY			
Increase in advances from related parties	9	**957,006**	3,138,427
Net cash from financing activity		**957,006**	3,138,427
NET DECREASE IN CASH		**-**	-
CASH AT BEGINNING OF YEAR	10	**52,198**	52,198
CASH AT END OF YEAR	10	**52,198**	52,198

See Notes to Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

Registration with the Board of Investment (BOI)
The Company was registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City.

The Company's principal office address is 8th Floor Arthaland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, Taguig City 1634.

The Company is domiciled in the Philippines.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The financial statements are prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.04 Use of Judgments and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.05 Going Concern Assumption

The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted in 2023

The Company has adopted the following amendments to PFRS effective January 1, 2023 and accordingly, changed its accounting policies in the following areas:

- Property, Plant and Equipment - Proceeds before Intended Use *(Amendments to PAS 16, Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

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

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to standards.

- Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

    - replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements;

    - added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

    - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The adoption of the amended standards did not have a material effect on the interim financial statements of the Company.

3.02 New Standards and Amendments Issued

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

    - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

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

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

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

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments clarify that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship

between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes selecting a measurement technique (estimate or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in the inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgments). The key amendments to PAS 1 include requiring entities to disclose material accounting policies rather than significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are material to the financial statements. The amendments to PFRS Practice Statement 2 provide guidance and examples on the application of materiality to accounting policy disclosures.

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

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments require an entity to recognize deferred tax on transactions, such as leases for the lessee and decommissioning obligations, that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial asset when the Company becomes a party to the contractual provision of the financial instruments.

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial

assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c;) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flow's or to both collect contractual cash flows and sell, The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if during so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in statement of comprehensive income.

As of September 30, 2023 and December 31, 2022, the Company has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial instruments: Presentation. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using efferctive interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for ECL for all debt instruments not held at FWPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an

approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the statement of financial position as current asset when they are expected to be expensed within one year or the entity’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at cost less any accumulated depreciation, amortization and impairment losses. Cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 to 10 years
Furniture, fixtures and office equipment	–	5 years
Transportation equipment	–	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of

potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company accounts for its investments in subsidiary using the cost method in its financial statements.

Under the cost method, the investor recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Deposits for stock subscriptions represent funds received by the Company which it records as such with a view of applying the same for additional shares of increase in capital stock. Deposits for stock subscriptions are presented as a separate line item in the equity section of the statements of financial position.

Unappropriated are accumulated earnings of the Company available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.06.03 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Company's financial liabilities as presented in the statements of financial position comprise of trade and other payables excluding government payables, due to stockholders and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4.09.01 Interest Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued

on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.09.02 Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non- monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Company's financial position

at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

5.01.01 Determining Functional Currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the rendering of services and the cost of providing the services.

5.01.02 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Company takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.03 Classification of Financial Assets and Liabilities
The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 4 to the financial statements.

5.01.04 Classification of Costs and Expenses
The Company determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Company. All other costs and expenses are classified as administrative expenses.

5.01.05 Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

No deferred tax asset was recognized for the period ended **September 30, 2023 and December 31, 2022**, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized.

5.01.06 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28

The Company evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Company designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through profit or loss, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Estimating Useful Lives of Assets

The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The net carrying amount of the Company's property and equipment amounted to nil as of **September 30, 2023 and December 31, 2022**, respectively, as disclosed in Note 15.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, intangible assets and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Management has determined that the Company's property and equipment and investments are not impaired, hence, no impairment loss was recognized in **September 30, 2023 and December 31, 2022.**

5.02.03 Realization of Deferred Tax Assets
The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of September 30, 2023 and December 31 2022, deferred tax assets amounted to nil as disclosed in Note 25.

5.02.04 Estimating Allowances for Doubtful Accounts
The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

Allowance for doubtful accounts for the period ended September 30, 2023 and December 31 2022 amounted to nil, respectively, as disclosed in Note 11.

5.02.05 Provision and Contingencies
The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 20. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Company's defense in these matters and is based on an analysis of potential results. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 19.

5.02.06 Post-employment and Other Employee Benefits
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expenses and recorded obligation in such future period.

As of September 30, 2023 and December 31, 2022, the Company has no retirement benefit obligation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, available-for-sale investments and trade and other payables. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		September 30, 2023	December 31, 2022
Financial assets				
Cash and cash equivalents	10	₱	**52,198**	52,198
Trade and other receivables – net	11		**500,000,000**	500,000,00
Advances to related parties	9		**118,708,627**	118,708,627
		₱	**618,760,825**	618,760,825
Financial liabilities				
Trade and other payables*	18	₱	**65,961,216**	65,916,772
Advances from related parties	9		**34,403,333**	33,446,327
Due to stockholders	9		**9,783,783**	9,783,783
		₱	**110,148,332**	109,146,882

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Also, the Company manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Company as of **September 30, 2023 and December 31, 2022** without considering the effects of credit risk mitigation techniques.

	Notes		2023		2022
Cash in banks and cash equivalents	10	₱	**52,198**	₱	52,198
Trade and other receivables – gross	11		**500,000,000**		500,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below shows the credit quality by class of financial assets of the Company:

2023	**Neither past due nor impaired**	**Past due but not impaired**	**Impaired**	**Total**
Cash in banks	52,198	–	–	52,198
Cash equivalents	–	–	–	–
Trade and other receivables	500,000,000	–	-	500,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	618,760,825	**-**	**-**	**618,760,825**

2022	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	52,198	–	–	52,198
Cash equivalents	–	–	–	–
Trade and other receivables	500,000,000	–	-	500,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	618,760,825	**-**	**-**	**618,760,825**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment
The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2023	**On Demand**	**Within 1 Year**	**1 – 5 Years**	**Over 5 Years**	**Total**
Cash and cash equivalents	₱ 52,198	₱ –	₱ –	₱ –	₱ 52,198
Trade and other receivables	–	500,000,000	–	–	500,000,000
Advances to related parties	118,708,627	–	–	–	202,427,605
	₱ 118,760,825	**₱ 500,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

2022	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 52,198	₱ –	₱ –	₱ –	₱ 52,198
Trade and other receivables	–	500,000,000	–	–	500,000,000
Advances to related parties	118,708,627	–	–	–	202,427,605
	₱ 118,760,825	**₱ 500,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2023	**On Demand**	**Within 1 Year**	**1 – 5 Years**	**Over 5 Years**	**Total**
Trade and other payables*	₱ –	₱ 65,961,216	₱ –	₱ –	₱ 65,961,216
Advances from related parties	–	34,403,333	–	–	34,403,333
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 100,364,549**	**₱ –**	**₱ –**	**₱ 110,148,332**

2022	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 65,916,772	₱ –	₱ –	₱ 65,916,772
Advances from related parties	–	33,446,327	–	–	33,446,327
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 99,363,099**	**₱ –**	**₱ –**	**₱ 109,146,882**

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of September 30, 2023 and December 31, 2022 are presented below:

		Fair Value			
2023	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	52,198	–	52,198	–	52,198
Trade and other receivables – net	500,000,000	–	500,000,000	–	500,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	65,961,216	–	65,961,216	–	65,944,550
Advances from related parties	34,403,333	–	34,403,333	–	34,151,327
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	110,148,332	**–**	**110,148,332**	**–**	**110,148,332**

		Fair Value			
2022	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	52,198	–	52,198	–	52,198
Trade and other receivables – net	500,000,000	–	500,000,000	–	500,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	65,916,772	–	65,916,772	–	65,916,772
Advances from related parties	33,446,327	–	33,446,327	–	33,446,327
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	109,146,882	**–**	**109,146,882**	**–**	**109,146,882**

There are no transfers between fair value measurements in 2023 and 2022.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash in Bank, Short-term Trade and Other Receivables, Deposits, and Trade and Other Payables
The carrying values of these financial assets and liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Investment at FVTPL and Available-for-sale Investments
There are no quoted market prices for the unlisted shares. Management deemed that the carrying value of the Company's investments approximates its fair value.

Advances and Due to/from Related Parties
Since there are no specific repayment dates agreed by the Company and its related party, carrying values of these liabilities are deemed by the Company's management to approximate their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

The capital structure of the Company consists of net debt and net equity of the Company (comprising issued capital, and share premium, and net deficit).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2023		2022
Debt	₱	**113,053,993**	₱	**112,052,543**
Cash		**(52,198)**		**(52,198)**
Net Debt	₱	**113,001,795**	₱	**112,000,345**
Net Equity		**509,009,953**		**510,011,403**
Net debt to equity ratio		**0.22:1**		**0.22:1**

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	**Relationship**
IP Ventures, Inc.	Ultimate Parent
Level-Up Inc.	Associate
GRCO Isulan Mining Corp	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2023		2022
Y-Fi Business Solutions, Inc.	₱	**62,928,454**	₱	62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
	₱	**118,708,627**	₱	118,708,627

9.02.02 Advances from Related Parties:

		2023		2022
Webworx Computer Technology Corporation	₱	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
IPVG Employees Inc		**8,536,156**		7,579,150
Highlands Coffee		**361,312**		361,312
	₱	**34,403,333**	₱	33,446,327

9.02.03 Due to Stockholders

		2023		2022
Due to stockholders	₱	**9,783,783**	₱	9,783,783

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for the nine months period ended **September 30, 2023 and December 31, 2022.**

During 2023 and 2022, the Company entered into the following transactions with related parties:

*Transactions, Receivables and Payables to/from Related Parties as of **September 30, 2023** are as follows:*

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Other Related Parties:				
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc.				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
I-PAY Commerce Ventures, Inc.				
a. Advances to	-	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
b. Advances from	957,006	8,536,156	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
a. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627**		
Total advances from	**₱ 957,006**	**₱ 34,403,333**		

*Transactions, Receivables and Payables to/from Related Parties as of **December 31, 2022** are as follows:*

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Other Related Parties:				
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc.				
b. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
I-PAY Commerce Ventures, Inc.				
b. Advances to	-	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
b. Advances from	3,092,760	7,579,150	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
b. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627**		
Total advances from	**₱ 3,092,760**	**₱ 33,446,327**		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2023	2022
Cash in banks	**52,198**	52,198

,

Cash in bank earns interest at the applicable bank deposit rate.

Interest income generated from cash in banks and cash equivalent amounted to nil for the **nine months ended September 30, 2023 and December 31 2022**, respectively, as disclosed in Note 24.

11. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

	2023	**2022**
Trade receivables	**-**	-
Other receivable	**₱ 500,000,000**	₱ 500,000,000
	₱ 500,000,000	₱ 500,000,000

As of **September 30, 2023 and December 31, 2022**, the sale of the investment in New Wave Strategic Holdings Limited (NWSHL) is recorded under Other receivables.

Aging of trade and other receivables are as follows:

	2023	2022
Current -	**500,000,000**	500,000,000
Balance	**₱ 500,000,000**	₱ 500,000,000

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

	2023	2022
Prepaid taxes	**₱ 1,929,281**	₱ **1,929,281**
Advances to suppliers	**887,429**	**887,429**
Prepaid rent	**486,411**	**486,411**
	₱ 3,303,121	₱ **3,303,121**

Prepaid taxes consist of tax credit carried over for the next period.

13. INVESTMENTS IN SUBSIDIARY

Details of the Company's investments in subsidiary are as follows:

		2023		2022	
			Ownership		Ownership
Entity	Nature of Business	**Interest**	**Amount**	Interest	Amount
New Wave Strategic Holdings Ltd.	Holding Company	**n/a**	**–**	**n/a**	–

In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.

On 18 November 2021, at the special meeting of the Board of Directors (the "Board"), it was resolved that the Corporation shall sell its entire shareholding in New Wave Strategic Holdings Limited (NWSHL).

14. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This account consists of an investment designated at fair value through profit or loss during initial recognition.

Movements in the account are disclosed below:

		2023		2022
Cost	**₱**	**51,469,257**	₱	51,469,257
Unrealized fair value loss – recognized in OCI		**(51,469,257)**		(51,469,257)
At December 31	**₱**	**-**	₱	-

On December 1, 2014, the Company executed a deed of assignment in favor of Y-Fi Business Solutions, Inc. (the Assignee), in which the Company hereby cedes, transfers and assigns to the Assignee all rights and interests to 62,928,454 shares of stock of DPI for a total consideration of ₱62,928,454, equivalent to ₱1.00 per share. As a result, the ownership of the Company in DPI decreased to 26.62%. However, the Company still has control over DPI until December 31, 2016. The Company lost control over DPI effective in 2017. Thus, the investment was designated as investment at fair value through profit or loss since 2017.

Management assessed that certain financial assets at FVOCI will not generate future benefits to the Company; thus, it was written-off. Unrealized loss recognized in OCI amounted to P51,469,257.

15. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2023		**Computer and network equipment**		**Furniture, fixtures and office equipment**		**Transportation equipment**		**Total**
Cost:								
Balance, January 1	₱	5,463,436	₱	1,598,421	₱	1,035,714	₱	8,097,571
Additions		–		–		–		–
Balance, September 30		**5,463,436**		**1,598,421**		**1,035,714**		**8,097,571**
Accumulated Depreciation:								
Balance, January 1		5,463,436		1,598,421		1,035,714		8,097,571
Depreciation				–		–		
Balance, September 30		**5,463,436**		**1,598,421**		**1,035,714**		**8,097,571**

Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

2022	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

During the year, the Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment loss has occurred on its property and equipment. There were no additions or disposals during the **nine months period ended September 30, 2023** and year ended December 31, 2021.

No amount of property and equipment has been pledged as security for the Company's liabilities. **As of September 30, 2023 and December 31, 2022**, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

16. OTHER NON-CURRENT ASSETS

The Company's other non-current assets amounted to nil as of September 30, 2023 and December 31, 2022.

17. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

	2023	2022
Trade payables	**₱ 25,475,002**	₱ 25,475,002
Accrued expenses	**11,813,454**	11,813,454
Other non-trade payables	**28,672,760**	28,628,316
	₱ 65,961,216	₱ 65,916,772

Trade payables are payables which are related directly to the Company's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

18. EQUITY

18.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

	2023	2022
Share capital	**₱ 2,800,000,000**	₱ 2,800,000,000
Share premium	**255,535,853**	255,535,853
	₱ 3,055,535,853	₱ 3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2023		2022	
	Shares	**Amount**	Shares	Amount
Authorized share capital ₱0.01 par value	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid, December 31	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date the Company has a total number of 40 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

19. PROVISIONS AND CONTINGENCIES

19.01 Provision

Beijing Perfect World Software, Inc.
On May 9, 2011, the Company was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Company was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at September 30, 2023 and December 31, 2022, the parties are still in the course of pleadings and other evidence in support of their respective claims. However the Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to ₱2,905,661 for both 2019 and 2018 and presented as "provision for contingencies" in the statements of financial position.

19.02 Contingencies

As of September 30, 2023, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1.) People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "B.P. 22"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "Respondent") with the Office of the City Prosecutor of Makati

City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran, Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2.) *IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)*

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("OCP") of Makati City by the Company against erring former employees (the "Respondents"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents: Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "RTC"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

20. REVENUES

The Company has no revenues for the period ended September 30, 2023 and December 31, 2022.

21. COST OF SALES AND SERVICES

The Company has no cost of sales and services for the period ended September 30, 2023 and December 31, 2022.

22. OPERATING EXPENSES

The account is composed of the following operating expenses:

		September 30, 2023		September 30, 2022
Professional fees		**640,444**		2,402,760
Fees and Subscription		**290,080**		280,000
Others		**70,926**		- -
	₱	**1,001,450**	₱	2,682,760

23. SALARIES AND OTHER EMPLOYEE BENEFITS

The Company has no salaries and other employee benefits for the period ended September 30, 2023 and December 31, 2022.

24. OTHER INCOME (LOSS)

The Company has no other income (loss) for the period ended September 30, 2023 and December 31, 2022.

26. INCOME TAXES

26.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2023		2022
Current tax expense	**₱**	**-**	₱	-
Deferred tax expense		**-**		-
	₱	**-**	₱	-

26.02 Deferred Tax Asset

The components of the Company's deferred tax assets and their respective movements are as follows:

		2023		2022
At January 1	**₱**	**-**	₱	-
Reversal		**-**		-
At December 31	**₱**	**–**	₱	–

Management does not expect that the Company will generate future taxable income that will allow the deferred tax asset to be utilized.

27. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below:

27.01 Basic Earnings (Loss) per Share

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

		September 30, 2023		September 30, 2022
Earnings (Loss) used in the calculation of total basic earnings per share	₱	**(1,001,450)**	₱	(2,682,760)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	₱	**(0.00)**	₱	(0.00)

The Company has no dilutive potential common shares outstanding as of September 30, 2023 and December 31, 2022. Thus, basic and diluted EPS are stated at the same amount.

Annex A-5-1

Jose Voltaire Bautista <voltaire.bautista@ipvg.com>

IP E-GAME VENTURES, INC. SEC Form 17-Q For Period Ending 30 June 2024

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> Wed, Aug 14, 2024 at 5:05 PM
To: voltaire.bautista@ipvg.com

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at https://secexpress.ph/. For further clarifications, please call (02) 8737-8888.

---------- NOTICE TO COMPANIES ----------

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15.BP-FCLC 20.S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through https://efast.sec.gov.ph/user/login.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at https://efast.sec.gov.ph/user/login :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of

Memorandum Circular No. 28 Series of 2020, please visit this link –
https://apps010.sec.gov.ph/

For your information and guidance.

Thank you.

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

8	t	h		F	l	o	o	r		A	r	t	h	a	l	a	n	d		C	e	n	t	u	r	y			

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(Business Address: No. Street Company / Town / Province)

Mary Jenelle C. Palma ACTING CFO

Contact Person

(02) 8359-3715

Company Telephone Number

0	6

Month

3	0

Day

SEC Form 17-Q

FORM TYPE

Every Last Monday of July

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

			4	0

Total No. of Stockholders

Total Amount of Borrowings

₱ –

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **June 30, 2024**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **8th Floor Arthaland Century Pacific Tower, 5th Ave. cor 30th St., Bonifacio Global City, Taguig City**
   Address of principal office

   Postal Code **1634**

8. Issuer's telephone number, including area code **+63 2 8359 3715**

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	**Common Shares**

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

    Yes [ ] No [ ]

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

    Yes [ ] No [ ]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **QUARTERLY REPORT FOR THE PERIOD ENDED June 30, 2024 (SEC Form 17-Q),** to be signed on its behalf by the undersigned thereunto duly authorized on **AUGUST 14, 2024.**

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her Capacity as Chief Finance Officer and Duly Authorized Signatory

Before me REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO before me this __ **day of August 2024**, the following persons exhibiting me their Tax Identification Numbers, as follows:

	Tin No.	Place of Issue
Mary Jenelle Palma	228-440-201	Makati City

Doc No. 287;
Page No. 58;
Book No. XVIII;
Series of 2024.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DECEMBER 2025
PTR No. 10573965; 1-2-24; Makati City
IBP O.R. No. 323828; 12-1-23 Makati City
Appt. No. M-185 for the City of Makati
SC Roll No. 49491

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of June 30, 2024 (with comparative figures as of December 31, 2023) and for the period ended June 30, 2024 (with comparative figures for the periods ended June 30, 2023) **(see Annex A).**

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

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

BUSINESS AND GENERAL INFORMATION

IP E-Game Ventures, Inc. (the "Company") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005.

The Company used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippines Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/ systems development for the on-line computer systems.

2024 Financial Highlights

- No significant transactions/disclosures for the six-months period ended June 30, 2024.

2023 Financial Highlights

- No significant transactions/disclosures for the twelve-months period ended December 31, 2023.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above,

the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games

2017 Financial Highlights

- Effective in 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. As the Company lost control over DPI, the investment was designated as investment at fair value through profit and loss.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthen the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of ₱56.5 million resulting to a loss of ₱36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 Billion divided into 280 Billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

2012 Financial Highlights

- On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

- On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

  The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

- On July 31, 2012, during the Regular Stockholders Meeting, the Corporation approved the amendment of Article Third of the Amended Articles of Incorporation to change the principal office of the Corporation to 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila.

- On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

- In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

- On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

- We have become one of the leading online games publishers in the country, garnering a community of over 15.9 million registered gamers and 447,055 active users per month that play our online games. In line with our efforts to increase market share, we have entered into discussions for a possible merger with our biggest competitor, LUI. The aim is to combine gaming assets with LUI and substantially increase our gaming community, distribution and reach to the market. On March 31, 2012, we completed our merger with LUI.

- On March 2, 2012, the Company acquired a 25% stake in Cosamera, a company with primary business in the Cagayan Special Economic Zone and Freeport. Cosamera is in the business of hotel and resort facilities which shall serve tourists frequenting the Cagayan Economic Zone Authority including visitors to its gaming facilities. As of date, Cosamera does not have available financial information, hence the investment was reported as part of noncurrent assets in 2012 balance sheet.

- On January 9, 2012, the Company executed a Content License and Distribution Agreement with NBAP for the right and license to operate the official website of the NBA targeted at the Philippine market. NBAP is a company based in New York that operates various commercial activities of the NBA around the world, outside of Greater China. The agreement is binding and effective until September 30, 2014 unless earlier terminated. The rights granted under this agreement shall not be assigned, sublicensed or subcontracted without the prior written consent, which consent may, in the sole discretion of NBAP, (i) be contingent upon a fee payable by IPE or the transferee, and/or (ii) impose other terms and conditions upon the assignment or transfer. The Company has plans of transferring the content license to X-Play Online Games, Inc.

- DPI secured loan with HSBC in the amount of ₱200 million, to be backed by a guarantee from the Philippine Export-Import Credit Agency (PHILEXIM). The proceeds of the loan shall be used for the expansion and development of DPI's internet café chain.

- The Company and X-Play signed an exclusive local publishing agreement with Take-Two International S.A. ("Take-Two") for online sports and social web game. The said online social web game will be locally hosted and operated in the Philippines. Take-Two, a subsidiary of Take-Two Interactive Software, Inc., is a leading developer, marketer and publisher of interactive entertainment for consumers' world-wide.

- Pursuant to the approval of the Company's BOD on May 9, 2012, the Company, through RAN Online, Inc., (ROI) a wholly-owned subsidiary of E-Games, acquired a 36,000 square meters of property in Cagayan Ecozone for a purchase price of P70.0 million, through combination of cash and shares of stock. As of December 31, 2012, Transfer Certificates of Title covering a total of 26,405 square meters of the total lot area being purchased have been issued to ROI with total cost recorded per books amounting to ₱37.3 million.

- On April 30, 2012, the Board authorized the Company to enter into a surety agreement in relation to the loan of IPVI with China Banking Corporation.

2011 Financial Highlights

- On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

- On December 3, 2011, the Company subscribed to 60,000 common shares of AB Fiber Corporation at ₱100 per share or a total subscription price of ₱36 million, ₱6 million of which was paid for by applying the Company's dividend payable from FCCDCI. The Company's stake in AB Fiber was subsequently transferred to IP Converge.

- On November 15, 2011, GMA provided a sponsorship certification of ₱30 million to X-Play for development of advergaming assets to be used by GMA in their digital advertising efforts.

- On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth ₱130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

- On October 18, 2011, the Company entered into a Licensing and Distribution Agreement with Blizzard Entertainment International granting the Company exclusive license to market, sell and distribute physical boxed versions of World of Warcraft, Starcraft, Legacy Products and Diablo.

- On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

- In July 2011, we entered into a memorandum of agreement with RS Concepts whereby the parties agreed to enter into a reseller agreement allowing RS Concepts to sell E-Games' available advertising inventory. The specific terms and conditions of the agreement are subject to further discussion and negotiations. RS Concept is a non-traditional advertising company.

- On July 8, 2011, we commercially launched Point Blank, a first person shooter game whose active user base has surpassed the performance of our flagship MMORPGs in terms of number of users and growth rate.

- On April 13, 2011, our Board approved the transfer of our 40% stake in First Cagayan Converge Data Center, Inc. ("FCCDI") to IPCDCI. The transfer, which was done in three tranches, was part of the IPVG Groups' thrust to rationalize and consolidate its interests and business operations into the respective subsidiaries and affiliates.

  As part of a rationalization of our services to focus on consumer Internet instead of a wider array of Internet services, we decided to transfer our holdings in FCCDCI to publicly listed data center operator IPCDCI. As of June 30, 2011, we have transferred 1/3 of our 40% stake in FCCDCI to IPCDCI and on September 30, 2011 we transferred an additional 1/3 of our 40% stake therein. The remaining 1/3 was sold on December 31, 2011. The total sale price was ₱114.0 million of which ₱100.0 million will be paid in cash and ₱20.0 million in future services, including internet bandwidth and co-location services. The transfer of our 40% stake in FCCDCI also includes the transfer of our equity stake, comprising 60,000 shares, in AB Fiber Corporation, the company that owns the fiber optic cables. As of December 31, 2011, the Company has completed the transfer of FCCDCI to IPCDCI.

- On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of ₱145 million, or approximately ₱1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

- On April 1, 2011, we executed a Software Development and License Agreement with Zepetto Co., a South Korean company which owns the worldwide and exclusive right to market and distribute Point Blank, a casual FPS game. Pursuant to the agreement, we were granted the exclusive, royalty-bearing and non-transferrable license for the use, promotion, distribution and marketing of the localized version of Point Blank for a period of three years from the date of commercial launch. We launched the game commercially on July 8, 2011.

- In January 2011, we conducted a right offering and offered 134,182,216Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

SELECTED FINANCIAL DATA

The selected financial information set forth in the following tables, as prepared by the Company, were derived from the unaudited stand-alone financial statements of the Company as of June 30, 2024 (with comparative figures as of unaudited December 31, 2023) and for the period ended June 30, 2024 (with comparative figures for the periods ended June 30, 2023 and 2022).

These financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included in this submission. The summary of financial information set out below does not purport to project the results of our operations or financial condition for any future period or date.

Statement of Income Data:	**For the six months period ended June 30,**		
	2024	**2023**	**2022**
(In Thousand Pesos, except per share data)	**Stand-Alone**	**Stand-Alone**	**Stand-Alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross profit	-	-	-
Operating expenses	(737)	(732)	(2,255)
Equity in net losses of an associate and a joint venture			
Other income (charges)	(-)	(-)	(-)
Income (loss) before income tax	(-)	(-)	(-)
Provision for (benefit from) Income tax	-	-	(-)
Net income (loss)/ Total comprehensive income (loss)	(₱737)	(₱732)	(₱ 2,255)
Net income (loss)/Total comprehensive income (loss) attributable to:			
Equity holder of the company	(₱ -)	(₱ -)	(₱ -)
Non-controlling interests	(-)	(-)	(-)
	(₱737)	(₱732)	(₱ 2,255)
Earnings per share:			
Basic	₱ 0.0000	₱ 0.0000	₱ 0.0000
Diluted	0.0000	0.0000	0.0000

The comparative figures for the six-months period ended June 30, 2024 were adjusted to report the stand-alone statement income data.

Balance Sheet Data:	For the Periods Ended		
(In Thousand Pesos)	**June 30, 2024 (Unaudited Stand-Alone)**	**December 31, 2023(Unaudited , Stand-Alone)**	**December 31, 2022(Unaudited , Stand-Alone)**
ASSETS			
Current Assets			
Cash	₱ 52	₱ 52	₱ 52
Trade and other receivables	500,000	500,000	500,000
Due from related parties	118,709	118,709	118,709
Other current assets	3,333	3,303	3,303
Total current assets	**622,094**	**622,064**	**622,064**
Noncurrent Assets			
Deposit for future investments	-	-	-
Other noncurrent assets	-	-	-
Total noncurrent assets	**-**	**-**	**-**
TOTAL ASSETS	**₱ 622,094**	**₱ 622,064**	**₱ 622,064**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	₱ 66,011	₱ 65,978	₱ 65,917
Due to related parties	45,120	44,386	43,230
Provisions for contingencies	2,906	2,906	2,906
Income tax payable	-	-	-
Total current liabilities	**114,037**	**113,270**	**112,053**
Noncurrent Liability			
Deferred tax liabilities	-	-	-
Total Liabilities	**114,037**	**113,270**	**112,053**
Equity attributable to equity holders of the Parent	508,057	508,794	510,011
Non-controlling Interest	-	-	-
Total Equity	508,057	508,794	**510,011**
TOTAL LIABILITIES AND EQUITY	**₱ 622,094**	**₱ 622,064**	**₱ 622,064**

KEY PERFORMANCE INDICATORS

The Group's top key performance indicators, as of June 30, 2024 (with comparative figures as of December 31, 2022) and for the periods ended June 30, 2024 and 2023 and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	For the six months period ended June 30, 2024		For the year ended December 31, (Unaudited)	
	2024	2023	2023	2022
	Stand-Alone	Stand-Alone	Stand-Alone	Stand-Alone
Financial Ratios:				
Current ratio (x)	5.46	5.52	5.49	5.55
Asset to stockholders' equity (x)	1.22	1.22	1.22	1.22
Debt to stockholders' equity (x)	0.22	0.22	0.22	0.22
Interest rate coverage (x)	-		-	-
Gross margin (%)	-	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)	(0)
Basic and diluted earnings per share	0.0000	0.0000	0.0000	0.0000

Current Ratio

This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio

This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio

This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. There is no significant movement in the ratio for the comparative six-months period June 30 and year ended December 31 presented above.

Interest Rate Coverage Ratio

This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin

This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin

This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

RESULTS OF OPERATIONS

For the six months period ended June 30, 2024 compared with the six months period ended June 30, 2023.

Revenues

No revenues recognized for the six months period ended June 30, 2024 and 2023.

Operating Expenses

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Six months Period Ended June 30,				Increase (Decrease)	
	2024		2023			
	₱000	₱000	₱000	%	₱000	%
	Stand-Alone		Stand-Alone			
Professional fees	487	66%	453	62%	34	8%
Taxes and licenses	-	-	-	0%	-	0%
Others	250	34%	280	38%	(30)	(11%)
Total Operating Expenses	**₱ 737**	**100%**	**₱ 733**	**100%**	**₱4**	**1%**

Total operating expenses amounted to P737 thousand and P733 thousand for the 6 mos. period 2024 and 2023, respectively.

Professional fees include third party payments to legal and audit and other consultancy services.

Taxes and licenses which pertain to payments to the BIR (i.e. income tax, capital gains tax), business permits, import/export duties, if any, and all other expenditure levied by the national or local governments. We endeavor to structure the company's business transactions such that optimal tax savings are attained while ensuring that the Company is in adherence to all tax laws all the time.

Transportation and travel expenses include local transportation costs incurred for business purposes, and travel costs (including meals and lodging) while away from home overnight for business purposes.

Net Income (Loss)

Our bottom figure posted a net loss of ₱737 thousand and ₱733 thousand for the six months period ended June 30, 2024 and 2023, respectively.

Liquidity and Capital Resources

The Company source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

As of June 30, 2024 and December 31, 2023, we have cash ₱.52 million. We expect to meet our working capital and capital expenditure requirements primarily from continuous efforts raising cash flows from operations, financing or from issuance of shares of stock.

Additional Disclosures

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

PART II- OTHER INFORMATION

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the quarter ended June 30, 2024, particularly on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;

f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

ANNEX A

IP E-GAME VENTURES INC.

MAKATI CITY – PHILIPPINES

FINANCIAL STATEMENTS
JUNE 30, 2024 AND DECEMBER 31, 2023
(UNAUDITED)

IP E-GAME VENTURES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND DECEMBER 31, 2023
In Philippine Peso

	Notes	**(Unaudited) June 30, 2024**	(Unaudited) December 31, 2023
ASSETS			
Current Assets			
Cash	10	**52,198**	52,198
Trade and other receivables – net	11	**500,000,000**	500,000,000
Due from related parties	9	**118,708,627**	118,708,627
Other current assets	12	**3,333,121**	3,303,121
Total Current Assets		**622,093,946**	622,063,946
Non-current Assets			
Financial assets at fair value through other comprehensive income	14	**-**	-
Property and equipment – net	15	**-**	-
Other non-current assets	16	**-**	-
Total Non-current Assets		**-**	-
TOTAL ASSETS		**622,093,946**	622,063,946
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	17	**66,011,216**	65,977,883
Advances from related parties	9	**35,336,333**	34,602,333
Due to stockholders	9	**9,783,783**	9,783,783
Provision for contingencies	17,19	**2,905,661**	2,905,661
Total Current Liabilities		**114,036,993**	113,269,660
Total Liabilities		**114,036,993**	113,269,660
Equity			
Share capital	18	**2,800,000,000**	2,800,000,000
Additional paid-in capital	18	**255,535,853**	255,535,853
Deficit		**(2,547,478,900)**	(2,546,741,567)
Total Equity		**508,056,953**	508,794,286
TOTAL LIABILITIES AND EQUITY		**622,093,946**	622,063,946

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024 and 2023
In Philippine Peso

	Notes	Unaudited 6 months	
		June 30, 2024 Stand-Alone	June 30, 2023 Stand-Alone
Revenues	20	**-**	-
Cost of services	21	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	22	**(737,333)**	(732,778)
Other income (loss) – net	14,24	(-)	(-)
Profit (loss) before income tax		**(737,333)**	(732,778)
Income tax (expense) benefit:	25		
Current		**-**	-
Profit (Loss)		**(737,333)**	(732,778)
Other comprehensive income		**-**	-
Total comprehensive income (Loss)		**(737,333)**	(732,778)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	26	**(0.00)**	(0.00)

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF CHANGES IN EQUITY
JUNE 30, 2024 AND DECEMBER 31, 2023
In Philippine Peso

	Unaudited	
	June 30, 2024	December 31, 2023
CAPITAL STOCK (Note 18)		
Balance at beginning of year	**2,800,000,000**	2,800,000,000
Issuances of shares	**–**	–
Balance at end of year	**2,800,000,000**	2,800,000,000
ADDITIONAL PAID-IN CAPITAL(Note 18)		
Balance at beginning of year	**255,535,853**	255,535,853
Premiums received	**–**	–
Balance at end of year	**255,535,853**	255,535,853
DEFICIT		
Balance at beginning of year	**(2,546,741,567)**	(2,545,524,450)
Net income (loss) for the year	**(737,333)**	(1,217,117)
Balance at end of year	**(2,547,478,900)**	(2,546,741,567)
TOTAL EQUITY	**508,056,953**	508,794,286

See Notes to Financial Statements.

IP E-GAME VENTURES, INC
STATEMENTS OF CASH FLOWS
JUNE 30, 2024 AND DECEMBER 31, 2023
In Philippine Peso

	Notes	June 30, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(737,333)**	(1,217,117)
Adjustments for:			
Depreciation	15	**-**	-
Fair Value Loss	14	**-**	-
Impairment Loss	24	**-**	-
Operating cash flows before working capital changes		**(737,333)**	(1,217,117)
Increase in prepayments and other current assets	12	**(30,000)**	-
Increase in trade and other payables	17	**33,333**	61,111
Cash used in operations		**(734,000)**	(1,156,006)
Income tax benefit		**-**	-
Net cash used in operating activities		**(734,000)**	**(1,156,006)**
CASH FLOWS FROM FINANCING ACTIVITY			
Increase in advances from related parties	9	**734,000**	1,156,006
Net cash from financing activity		**734,000**	1,156,006
NET DECREASE IN CASH		**-**	-
CASH AT BEGINNING OF YEAR	10	**52,198**	52,198
CASH AT END OF YEAR	10	**52,198**	52,198

See Notes to Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

Registration with the Board of Investment (BOI)
The Company was registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City.

The Company's principal office address is 8th Floor Arthaland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, Taguig City 1634.

The Company is domiciled in the Philippines.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The financial statements are prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.04 Use of Judgments and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.05 Going Concern Assumption

The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted in 2023

The Company has adopted the following amendments to PFRS effective January 1, 2023 and accordingly, changed its accounting policies in the following areas:

- Property, Plant and Equipment - Proceeds before Intended Use *(Amendments to PAS 16, Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

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

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to standards.

- Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

    - replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements;

    - added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

    - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The adoption of the amended standards did not have a material effect on the interim financial statements of the Company.

3.02 New Standards and Amendments Issued

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

    - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

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

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

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

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments clarify that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship

between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes selecting a measurement technique (estimate or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in the inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgments). The key amendments to PAS 1 include requiring entities to disclose material accounting policies rather than significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are material to the financial statements. The amendments to PFRS Practice Statement 2 provide guidance and examples on the application of materiality to accounting policy disclosures.

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

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments require an entity to recognize deferred tax on transactions, such as leases for the lessee and decommissioning obligations, that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial asset when the Company becomes a party to the contractual provision of the financial instruments.

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial

assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c;) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flow's or to both collect contractual cash flows and sell, The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if during so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in statement of comprehensive income.

As of June 30, 2024 and December 31, 2023, the Company has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial instruments: Presentation. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using efferctive interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for ECL for all debt instruments not held at FWPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an

approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the statement of financial position as current asset when they are expected to be expensed within one year or the entity’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at cost less any accumulated depreciation, amortization and impairment losses. Cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 to 10 years
Furniture, fixtures and office equipment	–	5 years
Transportation equipment	–	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of

potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company accounts for its investments in subsidiary using the cost method in its financial statements.

Under the cost method, the investor recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Deposits for stock subscriptions represent funds received by the Company which it records as such with a view of applying the same for additional shares of increase in capital stock. Deposits for stock subscriptions are presented as a separate line item in the equity section of the statements of financial position.

Unappropriated are accumulated earnings of the Company available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.06.03 Financial Liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.
The Company's financial liabilities as presented in the statements of financial position comprise of trade and other payables excluding government payables, due to stockholders and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4.09.01 Interest Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued

on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.09.02 Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non- monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Company's financial position

at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

5.01.01 Determining Functional Currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the rendering of services and the cost of providing the services.

5.01.02 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Company takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.03 Classification of Financial Assets and Liabilities
The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 4 to the financial statements.

5.01.04 Classification of Costs and Expenses
The Company determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Company. All other costs and expenses are classified as administrative expenses.

5.01.05 Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

No deferred tax asset was recognized for the period ended **June 30, 2024 and December 31, 2023**, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized.

5.01.06 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28

The Company evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Company designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through profit or loss, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Estimating Useful Lives of Assets

The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The net carrying amount of the Company's property and equipment amounted to nil as of **June 30, 2024 and December 31, 2023**, respectively, as disclosed in Note 15.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, intangible assets and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Management has determined that the Company's property and equipment and investments are not impaired, hence, no impairment loss was recognized in **June 30, 2024 and December 31, 2023.**

5.02.03 Realization of Deferred Tax Assets
The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of June 30, 2024 and December 31 2023, deferred tax assets amounted to nil as disclosed in Note 25.

5.02.04 Estimating Allowances for Doubtful Accounts
The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

Allowance for doubtful accounts for the period ended June 30, 2024 and December 31 2023 amounted to nil, respectively, as disclosed in Note 11.

5.02.05 Provision and Contingencies
The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 20. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Company's defense in these matters and is based on an analysis of potential results. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 19.

5.02.06 Post-employment and Other Employee Benefits
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expenses and recorded obligation in such future period.

As of June 30, 2024 and December 31, 2023, the Company has no retirement benefit obligation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, available-for-sale investments and trade and other payables. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		June 30, 2024	December 31, 2023
Financial assets				
Cash and cash equivalents	10	₱	**52,198**	52,198
Trade and other receivables – net	11		**500,000,000**	500,000,000
Advances to related parties	9		**118,708,627**	118,708,627
		₱	**618,760,825**	618,760,825
Financial liabilities				
Trade and other payables*	18	₱	**66,011,216**	65,977,883
Advances from related parties	9		**35,336,333**	34,602,333
Due to stockholders	9		**9,783,783**	9,783,783
		₱	**111,131,332**	110,363,999

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Also, the Company manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Company as of **June 30, 2024 and December 31, 2023** without considering the effects of credit risk mitigation techniques.

	Notes		June 30, 2024		December 31, 2023
Cash in banks and cash equivalents	10	₱	**52,198**	₱	52,198
Trade and other receivables – gross	11		**500,000,000**		500,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below shows the credit quality by class of financial assets of the Company:

2024	**Neither past due nor impaired**	**Past due but not impaired**	**Impaired**	**Total**
Cash in banks	52,198	–	–	52,198
Cash equivalents	–	–	–	–
Trade and other receivables	500,000,000	–	-	500,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	618,760,825	**-**	**-**	**618,760,825**

2023	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	52,198	–	–	52,198
Cash equivalents	–	–	–	–
Trade and other receivables	500,000,000	–	-	500,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	618,760,825	**-**	**-**	**618,760,825**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment
The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.
The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2024	**On Demand**	**Within 1 Year**	**1 – 5 Years**	**Over 5 Years**	**Total**
Cash and cash equivalents	₱ 52,198	₱ –	₱ –	₱ –	₱ 52,198
Trade and other receivables	–	500,000,000	–	–	500,000,000
Advances to related parties	118,708,627	–	–	–	202,427,605
	₱ 118,760,825	**₱ 500,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

2023	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 52,198	₱ –	₱ –	₱ –	₱ 52,198
Trade and other receivables	–	500,000,000	–	–	500,000,000
Advances to related parties	118,708,627	–	–	–	202,427,605
	₱ 118,760,825	**₱ 500,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2024	**On Demand**	**Within 1 Year**	**1 – 5 Years**	**Over 5 Years**	**Total**
Trade and other payables*	₱ –	₱ 66,011,216	₱ –	₱ –	₱ 66,011,216
Advances from related parties	–	35,336,333	–	–	35,336,333
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 101,347,549**	**₱ –**	**₱ –**	**₱ 111,131,332**

2023	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 65,977,883	₱ –	₱ –	₱ 65,977,883
Advances from related parties	–	34,602,333	–	–	34,602,333
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 99,363,099**	**₱ –**	**₱ –**	**₱ 110,363,999**

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of June 30, 2024 and December 31, 2023 are presented below:

		Fair Value			
2024	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	52,198	–	52,198	–	52,198
Trade and other receivables – net	500,000,000	–	500,000,000	–	500,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	66,011,216	–	66,011,216	–	66,011,216
Advances from related parties	35,336,333	–	35,336,333	–	35,336,333
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	111,131,332	**–**	**111,131,332**	**–**	**111,131,332**

		Fair Value			
2023	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	52,198	–	52,198	–	52,198
Trade and other receivables – net	500,000,000	–	500,000,000	–	500,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	65,977,883	–	65,977,883	–	65,977,883
Advances from related parties	34,602,333	–	34,602,333	–	34,602,333
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	110,363,999	**–**	**110,363,999**	**–**	**110,363,999**

There are no transfers between fair value measurements in 2024 and 2023.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash in Bank, Short-term Trade and Other Receivables, Deposits, and Trade and Other Payables
The carrying values of these financial assets and liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Investment at FVTPL and Available-for-sale Investments
There are no quoted market prices for the unlisted shares. Management deemed that the carrying value of the Company's investments approximates its fair value.

Advances and Due to/from Related Parties
Since there are no specific repayment dates agreed by the Company and its related party, carrying values of these liabilities are deemed by the Company's management to approximate their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

The capital structure of the Company consists of net debt and net equity of the Company (comprising issued capital, and share premium, and net deficit).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2024		2023
Debt	₱	**114,036,993**	₱	**113,269,660**
Cash		**(52,198)**		**(52,198)**
Net Debt	₱	**113,984,795**	₱	**113,217,462**
Net Equity		**508,056,953**		**508,794,286**
Net debt to equity ratio		**0.22:1**		**0.22:1**

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	**Relationship**
IP Ventures, Inc.	Ultimate Parent
Level-Up Inc.	Associate
GRCO Isulan Mining Corp	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2024		2023
Y-Fi Business Solutions, Inc.	₱	**62,928,454**	₱	62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
	₱	**118,708,627**	₱	118,708,627

9.02.02 Advances from Related Parties:

		2024		2023
Webworx Computer Technology Corporation	₱	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
IPVG Employees Inc		**9,469,156**		8,735,156
Highlands Coffee		**361,312**		361,312
	₱	**35,336,333**	₱	34,602,333

9.02.03 Due to Stockholders

		2024		2023
Due to stockholders	₱	**9,783,783**	₱	9,783,783

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for the Six months period ended **June 30, 2024 and December 31, 2023.**

During 2024 and 2023, the Company entered into the following transactions with related parties:

*Transactions, Receivables and Payables to/from Related Parties as of **June 30, 2024** are as follows:*

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Other Related Parties:				
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc.				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
I-PAY Commerce Ventures, Inc.				
a. Advances to	-	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
b. Advances from	734,000	9,469,156	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
a. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627**		
Total advances from	**₱ 734,000**	**₱ 35,336,333**		

*Transactions, Receivables and Payables to/from Related Parties as of **December 31, 2023** are as follows:*

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Other Related Parties:				
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc.				
b. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
I-PAY Commerce Ventures, Inc.				
b. Advances to	-	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
b. Advances from	1,156,006	8,735,156	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
b. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627**		
Total advances from	**₱ 1,156,006**	**₱ 34,602,333**		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2024	2023
Cash in banks	**52,198**	52,198

,

Cash in bank earns interest at the applicable bank deposit rate.

Interest income generated from cash in banks and cash equivalent amounted to nil for the **six months ended June 30, 2024 and December 31 2023**, respectively, as disclosed in Note 24.

11. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

	2024	**2023**
Trade receivables	**-**	-
Other receivable	**₱ 500,000,000**	₱ 500,000,000
	₱ 500,000,000	₱ 500,000,000

As of **June 30, 2024 and December 31, 2023**, the sale of the investment in New Wave Strategic Holdings Limited (NWSHL) is recorded under Other receivables.

Aging of trade and other receivables are as follows:

	2024	2023
Current -	**500,000,000**	500,000,000
Balance	**₱ 500,000,000**	₱ 500,000,000

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

	2024	2023
Prepaid / Input taxes	**₱ 1,959,281**	₱ 1,929,281
Advances to suppliers	**887,429**	887,429
Prepaid rent	**486,411**	486,411
	₱ 3,333,121	₱ 3,303,121

Prepaid taxes consist of tax credit carried over for the next period.

13. INVESTMENTS IN SUBSIDIARY

Details of the Company's investments in subsidiary are as follows:

		2024		2023	
			Ownership		Ownership
Entity	Nature of Business	**Interest**	**Amount**	Interest	Amount
New Wave Strategic Holdings Ltd.	Holding Company	**n/a**	**–**	**n/a**	–

In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.

On 18 November 2021, at the special meeting of the Board of Directors (the "Board"), it was resolved that the Corporation shall sell its entire shareholding in New Wave Strategic Holdings Limited (NWSHL).

14. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This account consists of an investment designated at fair value through profit or loss during initial recognition.

Movements in the account are disclosed below:

		2024		2023
Cost	**₱**	**51,469,257**	₱	51,469,257
Unrealized fair value loss – recognized in OCI		**(51,469,257)**		(51,469,257)
At December 31	**₱**	**-**	₱	-

On December 1, 2014, the Company executed a deed of assignment in favor of Y-Fi Business Solutions, Inc. (the Assignee), in which the Company hereby cedes, transfers and assigns to the Assignee all rights and interests to 62,928,454 shares of stock of DPI for a total consideration of ₱62,928,454, equivalent to ₱1.00 per share. As a result, the ownership of the Company in DPI decreased to 26.62%. However, the Company still has control over DPI until December 31, 2016. The Company lost control over DPI effective in 2017. Thus, the investment was designated as investment at fair value through profit or loss since 2017.

Management assessed that certain financial assets at FVOCI will not generate future benefits to the Company; thus, it was written-off. Unrealized loss recognized in OCI amounted to P51,469,257.

15. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2024		**Computer and network equipment**		**Furniture, fixtures and office equipment**		**Transportation equipment**		**Total**
Cost:								
Balance, January 1	₱	5,463,436	₱	1,598,421	₱	1,035,714	₱	8,097,571
Additions		–		–		–		–
Balance, June 30		**5,463,436**		**1,598,421**		**1,035,714**		**8,097,571**
Accumulated Depreciation:								
Balance, January 1		5,463,436		1,598,421		1,035,714		8,097,571
Depreciation				–		–		
Balance, June 30		**5,463,436**		**1,598,421**		**1,035,714**		**8,097,571**
Net carrying value	**₱**	**–**	**₱**	**–**	**₱**	**–**	**₱**	**–**

2023	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

During the year, the Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment loss has occurred on its property and equipment. There were no additions or disposals during the **Six months period ended June 30, 2024 and year ended December 31, 2023.**

No amount of property and equipment has been pledged as security for the Company's liabilities. **As of June 30, 2024 and December 31, 2023**, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

16. OTHER NON-CURRENT ASSETS

The Company's other non-current assets amounted to nil as of June 30, 2024 and December 31, 2023.

17. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

	2024	2023
Trade payables	**₱ 25,475,002**	₱ 25,475,002
Accrued expenses	**11,813,454**	11,813,454
Other non-trade payables	**28,722,760**	28,689,427
	₱ 66,011,216	**P** 65,977,883

Trade payables are payables which are related directly to the Company's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

18. EQUITY

18.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

	2024	2023
Share capital	**₱ 2,800,000,000**	₱ 2,800,000,000
Share premium	**255,535,853**	255,535,853
	₱ 3,055,535,853	₱ 3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2024		2023	
	Shares	**Amount**	Shares	Amount
Authorized share capital ₱0.01 par value	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid, December 31	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date the Company has a total number of 40 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

19. PROVISIONS AND CONTINGENCIES

19.01 Provision

Beijing Perfect World Software, Inc.
On May 9, 2011, the Company was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Company was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 31, 2023, the parties are still in the course of litigation. However the Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to ₱2,905,661 for both 2019 and 2018 and presented as "provision for contingencies" in the statements of financial position.

19.02 Contingencies

As of December 31, 2023, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1.) People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "B.P. 22"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "Respondent") with the Office of the City Prosecutor of Makati City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran,

Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2.) *IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)*

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("OCP") of Makati City by the Company against erring former employees (the "Respondents"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents: Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "RTC"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

20. REVENUES

The Company has no revenues for the period ended June 30, 2024 and December 31, 2023.

21. COST OF SALES AND SERVICES

The Company has no cost of sales and services for the period ended June 30, 2024 and December 31, 2023.

22. OPERATING EXPENSES

The account is composed of the following operating expenses:

		June 30, 2024		June 30, 2023
Professional fees		**487,333**		**452,778**
Fees and Subscription		**250,000**		**280,000**
Others		-		-
	₱	**737,333**	**₱**	**732,778**

23. SALARIES AND OTHER EMPLOYEE BENEFITS

The Company has no salaries and other employee benefits for the period ended June 30, 2024 and December 31, 2023.

24. OTHER INCOME (LOSS)

The Company has no other income (loss) for the period ended June 30, 2024 and December 31, 2023.

26. INCOME TAXES

26.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2024		2023
Current tax expense	**₱**	**-**	**₱**	-
Deferred tax expense		**-**		-
	₱	**-**	**₱**	-

26.02 Deferred Tax Asset

The components of the Company's deferred tax assets and their respective movements are as follows:

		2024		2023
At January 1	**₱**	**-**	**₱**	-
Reversal		**-**		-
At December 31	**₱**	**–**	**₱**	–

Management does not expect that the Company will generate future taxable income that will allow the deferred tax asset to be utilized.

27. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below:

27.01 Basic Earnings (Loss) per Share

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

	June 30, 2024	June 30, 2023
Earnings (Loss) used in the calculation of total basic earnings per share	**₱ (737,333)**	₱ (732,778)
Weighted average number of ordinary share for the purposes of basic earnings per share	**280,000,000,000**	280,000,000,000
Basic EPS	**₱ (0.00)**	₱ (0.00)

The Company has no dilutive potential common shares outstanding as of June 30, 2024 and December 31, 2023. Thus, basic and diluted EPS are stated at the same amount.

Annex A-5-2

Jose Voltaire Bautista <voltaire.bautista@ipvg.com>

IP E-GAME VENTURES, INC. SEC Form 17-Q For Period Ending 30 September 2024

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> Thu, Nov 14, 2024 at 6:24 PM
To: voltaire.bautista@ipvg.com

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at https://secexpress.ph/. For further clarifications, please call (02) 8737-8888.

---------- NOTICE TO COMPANIES ----------

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15.BP-FCLC 20.S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through https://efast.sec.gov.ph/user/login.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at https://efast.sec.gov.ph/user/login :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of

Memorandum Circular No. 28 Series of 2020, please visit this link –
https://apps010.sec.gov.ph/

For your information and guidance.

Thank you.

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

8	t	h		F	l	o	o	r		A	r	t	h	a	l	a	n	d		C	e	n	t	u	r	y			

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(Business Address: No. Street Company / Town / Province)

MARY JENELLE C. PALMA ACTING CFO

Contact Person

(02) 8359-3715

Company Telephone Number

0	9

Month

3	0

Day

SEC Form 17-Q

FORM TYPE

Every Last Monday of July

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

			4	0

Total No. of Stockholders

Total Amount of Borrowings

₱ –

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **September 30, 2024**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **8th Floor Arthaland Century Pacific Tower, 5th Ave. cor 30th St., Bonifacio Global City, Taguig City**
   Address of principal office

   Postal Code **1634**

8. Issuer's telephone number, including area code **+63 2 8359 3715**

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	**Common Shares**

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

    Yes [ ] No [ ]

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

    Yes [ ] No [ ]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **QUARTERLY REPORT FOR THE PERIOD ENDED September 30, 2024 (SEC Form 17-Q),** to be signed on its behalf by the undersigned thereunto duly authorized on **November 14, 2024.**

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her Capacity as Chief Finance Officer and Duly Authorized Signatory

Before me REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) S.S.

SUBSCRIBED AND SWORN TO before me this 14 NOV 2024 **day of November 2024**, the following person exhibiting to me her Tax Identification Number as follows:

	Tin No.	Place of Issue
Mary Jenelle Palma	228-440-201	Makati City

Doc No. 406;
Page No. 82;
Book No. XVIII;
Series of 2024.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DECEMBER 2025
PTR No. 10073916[illegible]; 1-2-24; Makati City
IBP O.R. No. 323838; 12-1-23 Makati City
Appt. No. M-195 for the City of Makati
SC Roll No. 49491

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of September 30, 2024 (with comparative figures as of December 31, 2023) and for the period ended September 30, 2024 (with comparative figures for the periods ended September 30, 2023) **(see Annex A).**

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

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

BUSINESS AND GENERAL INFORMATION

IP E-Game Ventures, Inc. (the "Company") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005.

The Company used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippines Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/ systems development for the on-line computer systems.

2024 Financial Highlights

- No significant transactions/disclosures for the nine-months period ended September 30, 2024.

2023 Financial Highlights

- No significant transactions/disclosures for the twelve-months period ended December 31, 2023.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above,

the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games

2017 Financial Highlights

- Effective in 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. As the Company lost control over DPI, the investment was designated as investment at fair value through profit and loss.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthen the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of ₱56.5 million resulting to a loss of ₱36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 Billion divided into 280 Billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

2012 Financial Highlights

- On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

- On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

  The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

- On July 31, 2012, during the Regular Stockholders Meeting, the Corporation approved the amendment of Article Third of the Amended Articles of Incorporation to change the principal office of the Corporation to 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila.

- On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

- In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

- On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

- We have become one of the leading online games publishers in the country, garnering a community of over 15.9 million registered gamers and 447,055 active users per month that play our online games. In line with our efforts to increase market share, we have entered into discussions for a possible merger with our biggest competitor, LUI. The aim is to combine gaming assets with LUI and substantially increase our gaming community, distribution and reach to the market. On March 31, 2012, we completed our merger with LUI.

- On March 2, 2012, the Company acquired a 25% stake in Cosamera, a company with primary business in the Cagayan Special Economic Zone and Freeport. Cosamera is in the business of hotel and resort facilities which shall serve tourists frequenting the Cagayan Economic Zone Authority including visitors to its gaming facilities. As of date, Cosamera does not have available financial information, hence the investment was reported as part of noncurrent assets in 2012 balance sheet.

- On January 9, 2012, the Company executed a Content License and Distribution Agreement with NBAP for the right and license to operate the official website of the NBA targeted at the Philippine market. NBAP is a company based in New York that operates various commercial activities of the NBA around the world, outside of Greater China. The agreement is binding and effective until September 30, 2014 unless earlier terminated. The rights granted under this agreement shall not be assigned, sublicensed or subcontracted without the prior written consent, which consent may, in the sole discretion of NBAP, (i) be contingent upon a fee payable by IPE or the transferee, and/or (ii) impose other terms and conditions upon the assignment or transfer. The Company has plans of transferring the content license to X-Play Online Games, Inc.

- DPI secured loan with HSBC in the amount of ₱200 million, to be backed by a guarantee from the Philippine Export-Import Credit Agency (PHILEXIM). The proceeds of the loan shall be used for the expansion and development of DPI's internet café chain.

- The Company and X-Play signed an exclusive local publishing agreement with Take-Two International S.A. ("Take-Two") for online sports and social web game. The said online social web game will be locally hosted and operated in the Philippines. Take-Two, a subsidiary of Take-Two Interactive Software, Inc., is a leading developer, marketer and publisher of interactive entertainment for consumers' world-wide.

- Pursuant to the approval of the Company's BOD on May 9, 2012, the Company, through RAN Online, Inc., (ROI) a wholly-owned subsidiary of E-Games, acquired a 36,000 square meters of property in Cagayan Ecozone for a purchase price of P70.0 million, through combination of cash and shares of stock. As of December 31, 2012, Transfer Certificates of Title covering a total of 26,405 square meters of the total lot area being purchased have been issued to ROI with total cost recorded per books amounting to ₱37.3 million.

- On April 30, 2012, the Board authorized the Company to enter into a surety agreement in relation to the loan of IPVI with China Banking Corporation.

2011 Financial Highlights

- On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

- On December 3, 2011, the Company subscribed to 60,000 common shares of AB Fiber Corporation at ₱100 per share or a total subscription price of ₱36 million, ₱6 million of which was paid for by applying the Company's dividend payable from FCCDCI. The Company's stake in AB Fiber was subsequently transferred to IP Converge.

- On November 15, 2011, GMA provided a sponsorship certification of ₱30 million to X-Play for development of advergaming assets to be used by GMA in their digital advertising efforts.

- On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth ₱130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

- On October 18, 2011, the Company entered into a Licensing and Distribution Agreement with Blizzard Entertainment International granting the Company exclusive license to market, sell and distribute physical boxed versions of World of Warcraft, Starcraft, Legacy Products and Diablo.

- On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

- In July 2011, we entered into a memorandum of agreement with RS Concepts whereby the parties agreed to enter into a reseller agreement allowing RS Concepts to sell E-Games' available advertising inventory. The specific terms and conditions of the agreement are subject to further discussion and negotiations. RS Concept is a non-traditional advertising company.

- On July 8, 2011, we commercially launched Point Blank, a first person shooter game whose active user base has surpassed the performance of our flagship MMORPGs in terms of number of users and growth rate.

- On April 13, 2011, our Board approved the transfer of our 40% stake in First Cagayan Converge Data Center, Inc. ("FCCDI") to IPCDCI. The transfer, which was done in three tranches, was part of the IPVG Groups' thrust to rationalize and consolidate its interests and business operations into the respective subsidiaries and affiliates.

  As part of a rationalization of our services to focus on consumer Internet instead of a wider array of Internet services, we decided to transfer our holdings in FCCDCI to publicly listed data center operator IPCDCI. As of June 30, 2011, we have transferred 1/3 of our 40% stake in FCCDCI to IPCDCI and on September 30, 2011 we transferred an additional 1/3 of our 40% stake therein. The remaining 1/3 was sold on December 31, 2011. The total sale price was ₱114.0 million of which ₱100.0 million will be paid in cash and ₱20.0 million in future services, including internet bandwidth and co-location services. The transfer of our 40% stake in FCCDCI also includes the transfer of our equity stake, comprising 60,000 shares, in AB Fiber Corporation, the company that owns the fiber optic cables. As of December 31, 2011, the Company has completed the transfer of FCCDCI to IPCDCI.

- On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of ₱145 million, or approximately ₱1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

- On April 1, 2011, we executed a Software Development and License Agreement with Zepetto Co., a South Korean company which owns the worldwide and exclusive right to market and distribute Point Blank, a casual FPS game. Pursuant to the agreement, we were granted the exclusive, royalty-bearing and non-transferrable license for the use, promotion, distribution and marketing of the localized version of Point Blank for a period of three years from the date of commercial launch. We launched the game commercially on July 8, 2011.

- In January 2011, we conducted a right offering and offered 134,182,216Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

SELECTED FINANCIAL DATA

The selected financial information set forth in the following tables, as prepared by the Company, were derived from the unaudited stand-alone financial statements of the Company as of September 30, 2024 (with comparative figures as of unaudited December 31, 2023) and for the period ended September 30, 2024 (with comparative figures for the periods ended September 30, 2023 and 2022).

These financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included in this submission. The summary of financial information set out below does not purport to project the results of our operations or financial condition for any future period or date.

Statement of Income Data:	**For the nine months period ended September 30,**		
	2024	**2023**	**2022**
(In Thousand Pesos, except per share data)	**Stand-Alone**	**Stand-Alone**	**Stand-Alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross profit	-	-	-
Operating expenses	(1,614)	(1,001)	(2,683)
Equity in net losses of an associate and a joint venture			
Other income (charges)	(-)	(-)	(-)
Income (loss) before income tax	(-)	(-)	(-)
Provision for (benefit from) Income tax	-	-	(-)
Net income (loss)/ Total comprehensive income (loss)	(₱1,614)	(₱ 1,001)	(₱ 2,683)
Net income (loss)/Total comprehensive income (loss) attributable to:			
Equity holder of the company	(₱ -)	(₱ -)	(₱ -)
Non-controlling interests	(-)	(-)	(-)
	(₱1,614)	(₱1,001)	(₱ 2,683)
Earnings per share:			
Basic	₱ 0.0000	₱ 0.0000	₱ 0.0000
Diluted	0.0000	0.0000	0.0000

The comparative figures for the nine-months period ended September 30, 2024 were adjusted to report the stand-alone statement income data.

Balance Sheet Data:	For the Periods Ended		
(In Thousand Pesos)	**September 30, 2024 (Unaudited Stand-Alone)**	**December 31, 2023(Unaudited , Stand-Alone)**	**December 31, 2022(Unaudited , Stand-Alone)**
ASSETS			
Current Assets			
Cash	₱ 25,052	₱ 52	₱ 52
Trade and other receivables	475,000	500,000	500,000
Due from related parties	118,709	118,709	118,709
Other current assets	3,386	3,303	3,303
Total current assets	**622,147**	**622,064**	**622,064**
Noncurrent Assets			
Deposit for future investments	-	-	-
Other noncurrent assets	-	-	-
Total noncurrent assets	**-**	**-**	**-**
TOTAL ASSETS	**₱ 622,147**	**₱ 622,064**	**₱ 622,064**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	₱ 66,028	₱ 65,978	₱ 65,917
Due to related parties	46,033	44,386	43,230
Provisions for contingencies	2,906	2,906	2,906
Income tax payable	-	-	-
Total current liabilities	**114,967**	**113,270**	**112,053**
Noncurrent Liability			
Deferred tax liabilities	-	-	-
Total Liabilities	**114,967**	**113,270**	**112,053**
Equity attributable to equity holders of the Parent	507,180	508,794	510,011
Non-controlling Interest	-	-	-
Total Equity	507,180	508,794	**510,011**
TOTAL LIABILITIES AND EQUITY	**₱ 622,147**	**₱ 622,064**	**₱ 622,064**

KEY PERFORMANCE INDICATORS

The Group's top key performance indicators, as of September 30, 2024 (with comparative figures as of December 31, 2022) and for the periods ended September 30, 2024 and 2023 and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	For the nine months period ended September 30, 2024		For the year ended December 31, (Unaudited)	
	2024	2023	2023	2022
	Stand-Alone	Stand-Alone	Stand-Alone	Stand-Alone
Financial Ratios:				
Current ratio (x)	5.41	5.52	5.49	5.55
Asset to stockholders' equity (x)	1.23	1.22	1.22	1.22
Debt to stockholders' equity (x)	0.23	0.22	0.22	0.22
Interest rate coverage (x)	-		-	-
Gross margin (%)	-	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)	(0)
Basic and diluted earnings per share	0.0000	0.0000	0.0000	0.0000

Current Ratio

This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio

This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio

This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. There is no significant movement in the ratio for the comparative nine-months period September 30 and year ended December 31 presented above.

Interest Rate Coverage Ratio

This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin

This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin

This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

RESULTS OF OPERATIONS

For the nine months period ended September 30, 2024 compared with the nine months period ended September 30, 2023.

Revenues

No revenues recognized for the nine months period ended September 30, 2024 and 2023.

Operating Expenses

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Nine months Period Ended September 30,				Increase (Decrease)	
	2024		2023			
	₱000	₱000	₱000	%	₱000	%
	Stand-Alone		Stand-Alone			
Professional fees	1,364	85%	640	64%	34	8%
Taxes and licenses	-	-	-	-	-	0%
Others	250	15%	361	36%	(30)	(11%)
Total Operating Expenses	**₱ 1,614**	**100%**	**₱ 1,001**	**100%**	**₱4**	**1%**

Total operating expenses amounted to P1,614 thousand and P1,001 thousand for the 9 mos. period 2024 and 2023, respectively.

Professional fees include third party payments to legal and audit and other consultancy services.

Taxes and licenses which pertain to payments to the BIR (i.e. income tax, capital gains tax), business permits, import/export duties, if any, and all other expenditure levied by the national or local governments. We endeavor to structure the company's business transactions such that optimal tax savings are attained while ensuring that the Company is in adherence to all tax laws all the time.

Transportation and travel expenses include local transportation costs incurred for business purposes, and travel costs (including meals and lodging) while away from home overnight for business purposes.

Net Income (Loss)

Our bottom figure posted a net loss of ₱1,614 thousand and ₱1,001 thousand for the nine months period ended September 30, 2024 and 2023, respectively.

Liquidity and Capital Resources

The Company source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

As of September 30, 2024 and December 31, 2023, we have cash ₱25.052 and ₱0.052million, respectively. We expect to meet our working capital and capital expenditure requirements primarily from continuous efforts raising cash flows from operations, financing or from issuance of shares of stock.

Additional Disclosures

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

PART II- OTHER INFORMATION

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the quarter ended September 30, 2024, particularly on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;

f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

ANNEX A

IP E-GAME VENTURES INC.

MAKATI CITY – PHILIPPINES

FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND DECEMBER 31, 2023
(UNAUDITED)

IP E-GAME VENTURES, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND DECEMBER 31, 2023
In Philippine Peso

	Notes	**(Unaudited) September 30, 2024**	(Unaudited) December 31, 2023
ASSETS			
Current Assets			
Cash	10	**25,052,198**	52,198
Trade and other receivables – net	11	**475,000,000**	500,000,000
Due from related parties	9	**118,708,627**	118,708,627
Other current assets	12	**3,385,921**	3,303,121
Total Current Assets		**622,146,746**	622,063,946
Non-current Assets			
Financial assets at fair value through other comprehensive income	14	**-**	-
Property and equipment – net	15	**-**	-
Other non-current assets	16	**-**	-
Total Non-current Assets		**-**	-
TOTAL ASSETS		**622,146,746**	622,063,946
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	17	**66,027,883**	65,977,883
Advances from related parties	9	**36,249,113**	34,602,333
Due to stockholders	9	**9,783,783**	9,783,783
Provision for contingencies	17,19	**2,905,661**	2,905,661
Total Current Liabilities		**114,966,440**	113,269,660
Total Liabilities		**114,966,440**	113,269,660
Equity			
Share capital	18	**2,800,000,000**	2,800,000,000
Additional paid-in capital	18	**255,535,853**	255,535,853
Deficit		**(2,548,355,547)**	(2,546,741,567)
Total Equity		**507,180,306**	508,794,286
TOTAL LIABILITIES AND EQUITY		**622,146,746**	622,063,946

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024 and 2023
In Philippine Peso

	Notes	Unaudited	
		September 30, 2024 Stand-Alone	September 30, 2023 Stand-Alone
Revenues	20	**-**	-
Cost of services	21	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	22	**(1,613,980)**	(1,001,450)
Other income (loss) – net	14,24	(-)	(-)
Profit (loss) before income tax		**(1,613,980)**	(1,001,450)
Income tax (expense) benefit:	25		
Current		**-**	-
Profit (Loss)		**(1,613,980)**	(1,001,450)
Other comprehensive income		**-**	-
Total comprehensive income (Loss)		**(1,613,980)**	(1,001,450)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	26	**(0.00)**	(0.00)

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENTS OF CHANGES IN EQUITY
SEPTEMBER 30, 2024 AND DECEMBER 31, 2023
In Philippine Peso

	Unaudited	
	September 30, 2024	December 31, 2023
CAPITAL STOCK (Note 18)		
Balance at beginning of year	**2,800,000,000**	2,800,000,000
Issuances of shares	**–**	–
Balance at end of year	**2,800,000,000**	2,800,000,000
ADDITIONAL PAID-IN CAPITAL(Note 18)		
Balance at beginning of year	**255,535,853**	255,535,853
Premiums received	**–**	–
Balance at end of year	**255,535,853**	255,535,853
DEFICIT		
Balance at beginning of year	**(2,546,741,567)**	(2,545,524,450)
Net income (loss) for the year	**(1,613,980)**	(1,217,117)
Balance at end of year	**(2,548,355,547)**	(2,546,741,567)
TOTAL EQUITY	**507,180,306**	508,794,286

See Notes to Financial Statements.

IP E-GAME VENTURES, INC
STATEMENTS OF CASH FLOWS
SEPTEMBER 30, 2024 AND DECEMBER 31, 2023
In Philippine Peso

	Notes	**September 30, 2024**	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(1,613,980)**	(1,217,117)
Adjustments for:			
Depreciation	15	**-**	-
Fair Value Loss	14	**-**	-
Impairment Loss	24	**-**	-
Operating cash flows before working capital changes		**(1,613,980)**	(1,217,117)
Decrease in trade and other receivables	11	**25,000,000**	-
Increase in prepayments and other current assets	12	**(82,800)**	-
Increase in trade and other payables	17	**50,000**	61,111
Cash from (used in) operations		**23,353,220**	(1,156,006)
Income tax benefit		**-**	-
Net cash from (used in) operating activities		**23,353,220**	(1,156,006)
CASH FLOWS FROM FINANCING ACTIVITY			
Increase in advances from related parties	9	**1,646,780**	1,156,006
Net cash from financing activity		**1,646,780**	1,156,006
NET INCREASE (DECREASE) IN CASH		**25,000,000**	-
CASH AT BEGINNING OF YEAR	10	**52,198**	52,198
CASH AT END OF THE PERIOD	10	**25,052,198**	52,198

See Notes to Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

Registration with the Board of Investment (BOI)
The Company was registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City.

The Company's principal office address is 8th Floor Arthaland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, Taguig City 1634.

The Company is domiciled in the Philippines.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The financial statements are prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.04 Use of Judgments and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.05 Going Concern Assumption

The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted in 2023

The Company has adopted the following amendments to PFRS effective January 1, 2023 and accordingly, changed its accounting policies in the following areas:

- Property, Plant and Equipment - Proceeds before Intended Use *(Amendments to PAS 16, Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

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

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to standards.

- Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

    - replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements;

    - added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

    - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The adoption of the amended standards did not have a material effect on the interim financial statements of the Company.

3.02 New Standards and Amendments Issued

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

    - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

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

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

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

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments clarify that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship

between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes selecting a measurement technique (estimate or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in the inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgments). The key amendments to PAS 1 include requiring entities to disclose material accounting policies rather than significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are material to the financial statements. The amendments to PFRS Practice Statement 2 provide guidance and examples on the application of materiality to accounting policy disclosures.

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

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments require an entity to recognize deferred tax on transactions, such as leases for the lessee and decommissioning obligations, that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial asset when the Company becomes a party to the contractual provision of the financial instruments.

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial

assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c;) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flow's or to both collect contractual cash flows and sell, The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if during so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in statement of comprehensive income.

As of September 30, 2024 and December 31, 2023, the Company has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial instruments: Presentation. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using efferctive interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for ECL for all debt instruments not held at FWPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an

approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the statement of financial position as current asset when they are expected to be expensed within one year or the entity’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at cost less any accumulated depreciation, amortization and impairment losses. Cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 to 10 years
Furniture, fixtures and office equipment	–	5 years
Transportation equipment	–	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of

potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company accounts for its investments in subsidiary using the cost method in its financial statements.

Under the cost method, the investor recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Deposits for stock subscriptions represent funds received by the Company which it records as such with a view of applying the same for additional shares of increase in capital stock. Deposits for stock subscriptions are presented as a separate line item in the equity section of the statements of financial position.

Unappropriated are accumulated earnings of the Company available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.06.03 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Company's financial liabilities as presented in the statements of financial position comprise of trade and other payables excluding government payables, due to stockholders and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4.09.01 Interest Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued

on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.09.02 Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non- monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Company's financial position

at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

5.01.01 Determining Functional Currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the rendering of services and the cost of providing the services.

5.01.02 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Company takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.03 Classification of Financial Assets and Liabilities
The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 4 to the financial statements.

5.01.04 Classification of Costs and Expenses
The Company determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Company. All other costs and expenses are classified as administrative expenses.

5.01.05 Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

No deferred tax asset was recognized for the period ended **September 30, 2024 and December 31, 2023**, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized.

5.01.06 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28

The Company evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Company designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through profit or loss, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Estimating Useful Lives of Assets

The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The net carrying amount of the Company's property and equipment amounted to nil as of **September 30, 2024 and December 31, 2023**, respectively, as disclosed in Note 15.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, intangible assets and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Management has determined that the Company's property and equipment and investments are not impaired, hence, no impairment loss was recognized in **September 30, 2024 and December 31, 2023.**

5.02.03 Realization of Deferred Tax Assets
The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of September 30, 2024 and December 31 2023, deferred tax assets amounted to nil as disclosed in Note 25.

5.02.04 Estimating Allowances for Doubtful Accounts
The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

Allowance for doubtful accounts for the period ended September 30, 2024 and December 31 2023 amounted to nil, respectively, as disclosed in Note 11.

5.02.05 Provision and Contingencies
The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 20. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Company's defense in these matters and is based on an analysis of potential results. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 19.

5.02.06 Post-employment and Other Employee Benefits
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expenses and recorded obligation in such future period.

As of September 30, 2024 and December 31, 2023, the Company has no retirement benefit obligation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, available-for-sale investments and trade and other payables. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		September 30, 2024	December 31, 2023
Financial assets				
Cash and cash equivalents	10	₱	**25,052,198**	52,198
Trade and other receivables – net	11		**475,000,000**	500,000,000
Advances to related parties	9		**118,708,627**	118,708,627
		₱	**618,760,825**	618,760,825
Financial liabilities				
Trade and other payables*	18	₱	**66,027,883**	65,977,883
Advances from related parties	9		**36,249,113**	34,602,333
Due to stockholders	9		**9,783,783**	9,783,783
		₱	**112,060,779**	110,363,999

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Also, the Company manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Company as of **September 30, 2024 and December 31, 2023** without considering the effects of credit risk mitigation techniques.

	Notes		September 30, 2024		December 31, 2023
Cash in banks and cash equivalents	10	₱	**25,052,198**	₱	52,198
Trade and other receivables – gross	11		**475,000,000**		500,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below shows the credit quality by class of financial assets of the Company:

2024	**Neither past due nor impaired**	**Past due but not impaired**	**Impaired**	**Total**
Cash in banks	25,052,198	–	–	**25,052,198**
Cash equivalents	–	–	–	**–**
Trade and other receivables	475,000,000	–	-	**475,000,000**
Advances to related parties	118,708,627	–	–	**118,708,627**
	618,760,825	**-**	**-**	**618,760,825**

2023	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	52,198	–	–	52,198
Cash equivalents	–	–	–	–
Trade and other receivables	500,000,000	–	-	500,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	618,760,825	**-**	**-**	**618,760,825**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment
The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.
The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2024	**On Demand**	**Within 1 Year**	**1 – 5 Years**	**Over 5 Years**	**Total**
Cash and cash equivalents	₱ 25,052,198	₱ –	₱ –	₱ –	₱ 25,052,198
Trade and other receivables	–	475,000,000	–	–	475,000,000
Advances to related parties	118,708,627	–	–	–	118,708,627
	₱ 143,760,825	**₱ 475,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

2023	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 52,198	₱ –	₱ –	₱ –	₱ 52,198
Trade and other receivables	–	500,000,000	–	–	500,000,000
Advances to related parties	118,708,627	–	–	–	202,427,605
	₱ 118,760,825	**₱ 500,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2024	**On Demand**	**Within 1 Year**	**1 – 5 Years**	**Over 5 Years**	**Total**
Trade and other payables*	₱ –	₱ 66,027,883	₱ –	₱ –	₱ 66,027,883
Advances from related parties	–	36,249,113	–	–	36,249,113
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 102,276,996**	**₱ –**	**₱ –**	**₱ 112,060,779**

2023	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 65,977,883	₱ –	₱ –	₱ 65,977,883
Advances from related parties	–	34,602,333	–	–	34,602,333
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 99,363,099**	**₱ –**	**₱ –**	**₱ 110,363,999**

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of September 30, 2024 and December 31, 2023 are presented below:

		Fair Value			
2024	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	25,052,198	–	25,052,198	–	25,052,198
Trade and other receivables – net	475,000,000	–	475,000,000	–	475,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	66,027,883	–	66,027,883	–	66,027,883
Advances from related parties	36,249,113	–	36,249,113	–	36,249,113
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	112,060,779	**–**	**112,060,779**	**–**	**112,060,779**

		Fair Value			
2023	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	52,198	–	52,198	–	52,198
Trade and other receivables – net	500,000,000	–	500,000,000	–	500,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	65,977,883	–	65,977,883	–	65,977,883
Advances from related parties	34,602,333	–	34,602,333	–	34,602,333
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	110,363,999	**–**	**110,363,999**	**–**	**110,363,999**

There are no transfers between fair value measurements in 2024 and 2023.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash in Bank, Short-term Trade and Other Receivables, Deposits, and Trade and Other Payables
The carrying values of these financial assets and liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Investment at FVTPL and Available-for-sale Investments
There are no quoted market prices for the unlisted shares. Management deemed that the carrying value of the Company's investments approximates its fair value.

Advances and Due to/from Related Parties
Since there are no specific repayment dates agreed by the Company and its related party, carrying values of these liabilities are deemed by the Company's management to approximate their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

The capital structure of the Company consists of net debt and net equity of the Company (comprising issued capital, and share premium, and net deficit).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2024		2023
Debt	**₱**	**114,966,440**	₱	**113,269,660**
Cash		**(25,052,198)**		**(52,198)**
Net Debt	**₱**	**89,914,242**	₱	**113,217,462**
Net Equity		**507,180,306**		**508,794,286**
Net debt to equity ratio		**0.18:1**		**0.22:1**

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	**Relationship**
IP Ventures, Inc.	Ultimate Parent
Level-Up Inc.	Associate
GRCO Isulan Mining Corp	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2024		2023
Y-Fi Business Solutions, Inc.	₱	**62,928,454**	₱	62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
	₱	**118,708,627**	₱	118,708,627

9.02.02 Advances from Related Parties:

		2024		2023
Webworx Computer Technology Corporation	₱	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
IPVG Employees Inc		**10,381,936**		8,735,156
Highlands Coffee		**361,312**		361,312
	₱	**36,249,113**	₱	34,602,333

9.02.03 Due to Stockholders

		2024		2023
Due to stockholders	₱	**9,783,783**	₱	9,783,783

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for the Nine months period ended **September 30, 2024 and December 31, 2023.**

During 2024 and 2023, the Company entered into the following transactions with related parties:

*Transactions, Receivables and Payables to/from Related Parties as of **September 30, 2024** are as follows:*

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Other Related Parties:				
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc.				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
I-PAY Commerce Ventures, Inc.				
a. Advances to	-	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
b. Advances from	1,646,780	10,381,936	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
a. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627**		
Total advances from	**₱ 1,646,780**	**₱ 36,249,113**		

*Transactions, Receivables and Payables to/from Related Parties as of **December 31, 2023** are as follows:*

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Other Related Parties:				
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc.				
b. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
I-PAY Commerce Ventures, Inc.				
b. Advances to	-	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
b. Advances from	1,156,006	8,735,156	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
b. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627**		
Total advances from	**₱ 1,156,006**	**₱ 34,602,333**		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2024	2023
Cash in banks	**25,052,198**	52,198

,

Cash in bank earns interest at the applicable bank deposit rate.

Interest income generated from cash in banks and cash equivalent amounted to nil for the **Nine months ended September 30, 2024 and December 31 2023**, respectively, as disclosed in Note 24.

11. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

	2024	**2023**
Trade receivables	**-**	-
Other receivable	**₱ 475,000,000**	₱ 500,000,000
	₱ 475,000,000	₱ 500,000,000

As of **September 30, 2024 and December 31, 2023**, the sale of the investment in New Wave Strategic Holdings Limited (NWSHL) is recorded under Other receivables.

Aging of trade and other receivables are as follows:

	2024	2023
Current -	**475,000,000**	500,000,000
Balance	**₱ 475,000,000**	₱ 500,000,000

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

	2024	2023
Prepaid / Input taxes	**₱ 2,012,081**	₱ 1,929,281
Advances to suppliers	**887,429**	887,429
Prepaid rent	**486,411**	486,411
	₱ 3,385,921	₱ 3,303,121

Prepaid taxes consist of tax credit carried over for the next period.

13. INVESTMENTS IN SUBSIDIARY

Details of the Company's investments in subsidiary are as follows:

		2024		2023	
		Ownership		Ownership	
Entity	Nature of Business	**Interest**	**Amount**	Interest	Amount
New Wave Strategic Holdings Ltd.	Holding Company	**n/a**	**–**	**n/a**	–

In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.

On 18 November 2021, at the special meeting of the Board of Directors (the "Board"), it was resolved that the Corporation shall sell its entire shareholding in New Wave Strategic Holdings Limited (NWSHL).

14. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This account consists of an investment designated at fair value through profit or loss during initial recognition.

Movements in the account are disclosed below:

		2024		2023
Cost	**₱**	**51,469,257**	₱	51,469,257
Unrealized fair value loss – recognized in OCI		**(51,469,257)**		(51,469,257)
At December 31	**₱**	**-**	₱	-

On December 1, 2014, the Company executed a deed of assignment in favor of Y-Fi Business Solutions, Inc. (the Assignee), in which the Company hereby cedes, transfers and assigns to the Assignee all rights and interests to 62,928,454 shares of stock of DPI for a total consideration of ₱62,928,454, equivalent to ₱1.00 per share. As a result, the ownership of the Company in DPI decreased to 26.62%. However, the Company still has control over DPI until December 31, 2016. The Company lost control over DPI effective in 2017. Thus, the investment was designated as investment at fair value through profit or loss since 2017.

Management assessed that certain financial assets at FVOCI will not generate future benefits to the Company; thus, it was written-off. Unrealized loss recognized in OCI amounted to P51,469,257.

15. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2024		**Computer and network equipment**		**Furniture, fixtures and office equipment**		**Transportation equipment**		**Total**
Cost:								
Balance, January 1	₱	5,463,436	₱	1,598,421	₱	1,035,714	₱	8,097,571
Additions		–		–		–		–
Balance, September 30		**5,463,436**		**1,598,421**		**1,035,714**		**8,097,571**
Accumulated Depreciation:								
Balance, January 1		5,463,436		1,598,421		1,035,714		8,097,571
Depreciation				–		–		
Balance, September 30		**5,463,436**		**1,598,421**		**1,035,714**		**8,097,571**

Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

2023	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

During the year, the Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment loss has occurred on its property and equipment. There were no additions or disposals during the **Nine months period ended September 30, 2024 and year ended December 31, 2023.**

No amount of property and equipment has been pledged as security for the Company's liabilities. **As of September 30, 2024 and December 31, 2023**, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

16. OTHER NON-CURRENT ASSETS

The Company's other non-current assets amounted to nil as of September 30, 2024 and December 31, 2023.

17. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

	2024	2023
Trade payables	**₱ 25,475,002**	₱ 25,475,002
Accrued expenses	**11,813,454**	11,813,454
Other non-trade payables	**28,739,427**	28,689,427
	₱ 66,027,883	**P** 65,977,883

Trade payables are payables which are related directly to the Company's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

18. EQUITY

18.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

	2024	2023
Share capital	**₱ 2,800,000,000**	₱ 2,800,000,000
Share premium	**255,535,853**	255,535,853
	₱ 3,055,535,853	₱ 3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2024		2023	
	Shares	**Amount**	Shares	Amount
Authorized share capital ₱0.01 par value	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid, December 31	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date the Company has a total number of 40 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

19. PROVISIONS AND CONTINGENCIES

19.01 Provision

Beijing Perfect World Software, Inc.
On May 9, 2011, the Company was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Company was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 31, 2023, the parties are still in the course of litigation. However the Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to ₱2,905,661 for both 2019 and 2018 and presented as "provision for contingencies" in the statements of financial position.

19.02 Contingencies

As of December 31, 2023, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1.) People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "B.P. 22"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "Respondent") with the Office of the City Prosecutor of Makati

City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran, Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2.) *IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)*

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("OCP") of Makati City by the Company against erring former employees (the "Respondents"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents: Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "RTC"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

20. REVENUES

The Company has no revenues for the period ended September 30, 2024 and December 31, 2023.

21. COST OF SALES AND SERVICES

The Company has no cost of sales and services for the period ended September 30, 2024 and December 31, 2023.

22. OPERATING EXPENSES

The account is composed of the following operating expenses:

		September 30, 2024		September 30, 2023
Professional fees		**1,363,980**		640,444
Fees and Subscription		**250,000**		290,080
Others		-		70,926
	₱	**1,613,980**	₱	1,001,450

23. SALARIES AND OTHER EMPLOYEE BENEFITS

The Company has no salaries and other employee benefits for the period ended September 30, 2024 and December 31, 2023.

24. OTHER INCOME (LOSS)

The Company has no other income (loss) for the period ended September 30, 2024 and December 31, 2023.

26. INCOME TAXES

26.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2024		2023
Current tax expense	**₱**	**-**	₱	-
Deferred tax expense		**-**		-
	₱	**-**	₱	-

26.02 Deferred Tax Asset

The components of the Company's deferred tax assets and their respective movements are as follows:

		2024		2023
At January 1	**₱**	**-**	₱	-
Reversal		**-**		-
At December 31	**₱**	**–**	₱	–

Management does not expect that the Company will generate future taxable income that will allow the deferred tax asset to be utilized.

27. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below:

27.01 Basic Earnings (Loss) per Share

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

		September 30, 2024		September 30, 2023
Earnings (Loss) used in the calculation of total basic earnings per share	₱	**(1,613,980)**	₱	(1,001,450)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	₱	**(0.00)**	₱	(0.00)

The Company has no dilutive potential common shares outstanding as of September 30, 2024 and December 31, 2023. Thus, basic and diluted EPS are stated at the same amount.

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

Annex A-6-1

The following document has been received:

Receiving: Ma. Theresa Mabuyo
Receipt Date and Time: May 15, 2025 07:54:16 PM

Company Information

SEC Registration No.: CS200518779
Company Name: IP E-GAME VENTURES INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST10515202583343358
Document Type: Quarterly Report
Document Code: SEC_Form_17-Q
Period Covered: March 31, 2025
Submission Type: Original Filing
Remarks: None

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

COVER SHEET

C	S	2	0	0	5	1	8	7	7	9

S.E.C. Registration Number

I	P		E	-	G	A	M	E		V	E	N	T	U	R	E	S	,		I	N	C	.						

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I	P	E		G	l	o	b	a	l		H	o	l	d	i	n	g	s											

C	o	r	p	o	r	a	t	i	o	n	)																		

(Company's Full Name)

8	t	h		F	l	o	o	r		A	r	t	h	a	l	a	n	d		C	e	n	t	u	r	y			

P	a	c	i	f	i	c		T	o	w	e	r	,		5	t	h		A	v	e	n	u	e		c	o	r	.

3	0	t	h		S	t	r	e	e	t	,		B	o	n	i	f	a	c	i	o		G	l	o	b	a	l	

C	i	t	y	,		T	a	g	u	i	g		C	i	t	y		1	6	3	4									

(Business Address: No. Street Company / Town / Province)

MARY JENELLE C. PALMA ACTING CFO

Contact Person

(02) 8359-3715

Company Telephone Number

0	3

Month

3	1

Day

SEC Form 17-Q

FORM TYPE

Every Last Monday of July

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

			4	0

Total No. of Stockholders

₱ –

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2025**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **8th Floor Arthaland Century Pacific Tower, 5th Ave. cor 30th St., Bonifacio Global City, Taguig City**
   Address of principal office

   Postal Code **1634**

8. Issuer's telephone number, including area code **+63 2 8359 3715**

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	**Common Shares**

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

    Yes [ ] No [ ]

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

    Yes [ ] No [ ]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **QUARTERLY REPORT FOR THE PERIOD ENDED March 31, 2025 (SEC Form 17-Q)**, to be signed on its behalf by the undersigned thereunto duly authorized on **May 15, 2025.**

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her Capacity as Chief Finance Officer and Duly Authorized Signatory

Before me REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO before me this ___ **day of** 15 MAY 2025, the following person exhibiting to me her Tax Identification Number as follows:

	Tin No.	Place of Issue
Mary Jenelle Palma	228-440-201	Makati City

Doc No. 29;
Page No. 7;
Book No. XIX;
Series of 2025.

Atty. Jose Voltaire A. Bautista
Notary Public
Until DECEMBER 2025
PTR No. 0467264; 1-2-25; Makati City
IBP O.R. No. 492862; 1-2-25 Makati City
Appt. No. M-195 for the City of Makati
SC Roll No. 49491

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of March 31, 2025 (with comparative figures as of December 31, 2023 and 2024) and for the period ended March 31, 2024 (with comparative figures for the periods ended March 31, 2023 and 2024) (see **Annex A**).

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

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

BUSINESS AND GENERAL INFORMATION

IP E-Game Ventures, Inc. (the "Company") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on various dates.

The Company used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippines Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/ systems development for the on-line computer systems.

2025 Financial Highlights

- No significant transactions and disclosures for three-month period ended March 31, 2025.

2024 Financial Highlights

- No significant transactions/disclosures for the year ended Dec. 31, 2024.

2023 Financial Highlights

- No significant transactions and disclosures for the year ended 2023.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above, the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans

- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games

2017 Financial Highlights

- Effective 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. As the Company lost control over DPI, investment was designated as investment at fair value through profit & loss.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthen the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of ₱56.5 million resulting to a loss of ₱36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 Billion divided into 280 Billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

2012 Financial Highlights

- On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

- On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

  The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

- On July 31, 2012, during the Regular Stockholders Meeting, the Corporation approved the amendment of Article Third of the Amended Articles of Incorporation to change the principal office of the Corporation to 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila.

- On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

- In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

- On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

- We have become one of the leading online games publishers in the country, garnering a community of over 15.9 million registered gamers and 447,055 active users per month that play our online games. In line with our efforts to increase market share, we have entered into discussions for a possible merger with our biggest competitor, LUI. The aim is to combine gaming assets with LUI and substantially increase our gaming community, distribution and reach to the market. On March 31, 2012, we completed our merger with LUI.

- On March 2, 2012, the Company acquired a 25% stake in Cosamera, a company with primary business in the Cagayan Special Economic Zone and Freeport. Cosamera is in the business of hotel and resort facilities which shall serve tourists frequenting the Cagayan Economic Zone Authority including visitors to its gaming facilities. As of date, Cosamera does not have available financial information, hence the investment was reported as part of noncurrent assets in 2012 balance sheet.

- On January 9, 2012, the Company executed a Content License and Distribution Agreement with NBAP for the right and license to operate the official website of the NBA targeted at the Philippine market. NBAP is a company based in New York that operates various commercial activities of the NBA around the world, outside of Greater China. The agreement is binding and

effective until September 30, 2014 unless earlier terminated. The rights granted under this agreement shall not be assigned, sublicensed or subcontracted without the prior written consent, which consent may, in the sole discretion of NBAP, (i) be contingent upon a fee payable by IPE or the transferee, and/or (ii) impose other terms and conditions upon the assignment or transfer. The Company has plans of transferring the content license to X-Play Online Games, Inc.

- DPI secured loan with HSBC in the amount of ₱200 million, to be backed by a guarantee from the Philippine Export-Import Credit Agency (PHILEXIM). The proceeds of the loan shall be used for the expansion and development of DPI's internet café chain.

- The Company and X-Play signed an exclusive local publishing agreement with Take-Two International S.A. ("Take-Two") for online sports and social web game. The said online social web game will be locally hosted and operated in the Philippines. Take-Two, a subsidiary of Take-Two Interactive Software, Inc., is a leading developer, marketer and publisher of interactive entertainment for consumers' world-wide.

- Pursuant to the approval of the Company's BOD on May 9, 2012, the Company, through RAN Online, Inc., (ROI) a wholly-owned subsidiary of E-Games, acquired a 36,000 square meters of property in Cagayan Ecozone for a purchase price of P70.0 million, through combination of cash and shares of stock. As of December 31, 2012, Transfer Certificates of Title covering a total of 26,405 square meters of the total lot area being purchased have been issued to ROI with total cost recorded per books amounting to ₱37.3 million.

- On April 30, 2012, the Board authorized the Company to enter into a surety agreement in relation to the loan of IPVI with China Banking Corporation.

2011 Financial Highlights

- On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

- On December 3, 2011, the Company subscribed to 60,000 common shares of AB Fiber Corporation at ₱100 per share or a total subscription price of ₱36 million, ₱6 million of which was paid for by applying the Company's dividend payable from FCCDCI. The Company's stake in AB Fiber was subsequently transferred to IP Converge.

- On November 15, 2011, GMA provided a sponsorship certification of ₱30 million to X-Play for development of advergaming assets to be used by GMA in their digital advertising efforts.

- On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth ₱130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

- On October 18, 2011, the Company entered into a Licensing and Distribution Agreement with Blizzard Entertainment International granting the Company exclusive license to market, sell and distribute physical boxed versions of World of Warcraft, Starcraft, Legacy Products and Diablo.

- On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

- In July 2011, we entered into a memorandum of agreement with RS Concepts whereby the parties agreed to enter into a reseller agreement allowing RS Concepts to sell E-Games' available advertising inventory. The specific terms and conditions of the agreement are subject to further discussion and negotiations. RS Concept is a non-traditional advertising company.

- On July 8, 2011, we commercially launched Point Blank, a first person shooter game whose active user base has surpassed the performance of our flagship MMORPGs in terms of number of users and growth rate.

- On April 13, 2011, our Board approved the transfer of our 40% stake in First Cagayan Converge Data Center, Inc. ("FCCDI") to IPCDCI. The transfer, which was done in three tranches, was part of the IPVG Groups' thrust to rationalize and consolidate its interests and business operations into the respective subsidiaries and affiliates.

  As part of a rationalization of our services to focus on consumer Internet instead of a wider array of Internet services, we decided to transfer our holdings in FCCDCI to publicly listed data center operator IPCDCI. As of June 30, 2011, we have transferred 1/3 of our 40% stake in FCCDCI to IPCDCI and on September 30, 2011 we transferred an additional 1/3 of our 40% stake therein. The remaining 1/3 was sold on December 31, 2011. The total sale price was ₱114.0 million of which ₱100.0 million will be paid in cash and ₱20.0 million in future services, including internet bandwidth and co-location services. The transfer of our 40% stake in FCCDCI also includes the transfer of our equity stake, comprising 60,000 shares, in AB Fiber Corporation, the company that owns the fiber optic cables. As of December 31, 2011, the Company has completed the transfer of FCCDCI to IPCDCI.

- On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of ₱145 million, or approximately ₱1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

- On April 1, 2011, we executed a Software Development and License Agreement with Zepetto Co., a South Korean company which owns the worldwide and exclusive right to market and distribute Point Blank, a casual FPS game. Pursuant to the agreement, we were granted the exclusive, royalty-bearing and non-transferrable license for the use, promotion, distribution and marketing of the localized version of Point Blank for a period of three years from the date of commercial launch. We launched the game commercially on July 8, 2011.

- In January 2011, we conducted a right offering and offered 134,182,216Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

SELECTED FINANCIAL DATA

The selected financial information set forth in the following tables, as prepared by the Company, were derived from the unaudited stand-alone financial statements of the Company as of March 31, 2025 (with comparative figures as of unaudited December 31, 2024 and 2023) and for the period ended March 31, 2025 (with comparative figures for the periods ended March 31, 2024 and 2023).

These financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included in this submission. The summary of financial information set out below does not purport to project the results of our operations or financial condition for any future period or date.

Statement of Income Data:	**For the three months period ended March 31,**		
	2025	**2024**	**2023**
(In Thousand Pesos, except per share data)	**Stand-Alone**	**Stand-Alone**	**Stand-Alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross profit	-	-	-
Operating expenses	(689)	(188)	(468)
Equity in net losses of an associate and a joint venture			
Other income (charges)	(-)	(-)	(-)
Income (loss) before income tax	(-)	(-)	(-)
Provision for (benefit from) Income tax	-	-	(-)
Net income (loss)/ Total comprehensive income (loss)	(₱689)	(₱188)	(₱ 468)
Net income (loss)/Total comprehensive income (loss) attributable to:			
Equity holder of the company	(₱ -)	(₱ -)	(₱ -)
Non-controlling interests	(-)	(-)	(-)
	(₱689)	(₱188)	(₱ 468)
Earnings per share:			
Basic	₱ 0.0001	₱ 0.0001	₱ 0.0001
Diluted	0.0001	0.0001	0.0001

The comparative figures for the three months period ended March 31, 2023 were adjusted to report the stand-alone statement income data.

Balance Sheet Data:	For the Periods Ended,		
(In Thousand Pesos)	**March 31, 2025(Unaudited Stand-Alone)**	**December 31, 2024(Unaudited , Stand-Alone)**	**December 31, 2023(Unaudited , Stand-Alone)**
ASSETS			
Current Assets			
Cash	₱ 25,052	₱ 25,052	₱ 52
Trade and other receivables	475,000	475,000	-
Due from related parties	118,709	118,709	118,709
Other current assets	3,303	3,303	3,303
Total current assets	**622,064**	**622,064**	**122,064**
Noncurrent Assets			
Deposit for future investments	-	-	-
Other noncurrent assets	-	-	-
Total noncurrent assets	**-**	**-**	**-**
TOTAL ASSETS	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	₱ 65,709	₱ 65,751	₱ 65,865
Due to related parties	47,896	47,165	44,499
Loans payable	-	-	-
Due to directors	-	-	-
Provisions for contingencies	2,906	2,906	2,906
Income tax payable	-	-	-
Total current liabilities	**116,510**	**115,822**	**113,270**
Noncurrent Liability			
Deferred tax liabilities	-	-	-
Total Liabilities	**116,510**	**115,822**	**113,270**
Equity attributable to equity holders of the Parent	505,554	506,242	508,794
Non-controlling Interest	-	-	-
Total Equity	**505,554**	**506,242**	**508,794**
TOTAL LIABILITIES AND EQUITY	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**

KEY PERFORMANCE INDICATORS

The Company's top key performance indicators, as of March 31, 2025 (with comparative figures as of December 31, 2024 and 2023) and for the periods ended March 31, 2025 and 2024 and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	For the three months period ended March 31, 2025		For the year ended December 31, (Unaudited)	
	2025	2024	2024	2023
	Stand-Alone	Stand-Alone	Stand-Alone	Stand-Alone
Financial Ratios:				
Current ratio (x)	5.34	5.48	5.37	5.49
Asset to stockholders' equity (x)	1.23	1.22	1.23	1.22
Debt to stockholders' equity (x)	0.23	0.22	0.23	0.22
Interest rate coverage (x)	-	-	-	-
Gross margin (%)	-	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)	(0)
Basic and diluted earnings per share	0.0000	0.0000	(0.0002)	(0.0002)

Current Ratio

This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio

This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio

This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. There is no significant movement in the ratio for the comparative three months period March 31 and year ended December 31 presented above.

Interest Rate Coverage Ratio

This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin

This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin

This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

RESULTS OF OPERATIONS

For the three months period ended March 31, 2025 compared with the three months period ended March 31, 2024.

Revenues
No revenues recognized for the three months period ended March 31, 2025 and 2024.

Operating Expenses

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Three Months Ended March 31,					
	2025		2024		Increase (Decrease)	
	₱000	₱000	₱000	%	₱000	%
	Stand-Alone		Stand-Alone			
Professional fees	432	63%	188	100%	244	129%
Others	257	37%	-	-	257	100%
Total Operating Expenses	**₱ 689**	**100%**	**₱ 188**	**100%**	**₱501**	**266%**

Total operating expenses amounted to P689 thousand and P188 thousand for the 3 mos. period 2025 and 2024, respectively.

Professional fees include third party payments to legal and audit and other consultancy services.

Taxes and licenses which pertain to payments to the BIR (i.e. income tax, capital gains tax), business permits, import/export duties, if any, and all other expenditure levied by the national or local governments. We endeavor to structure the company's business transactions such that optimal tax savings are attained while ensuring that the Company is in adherence to all tax laws all the time.

Transportation and travel expenses include local transportation costs incurred for business purposes, and travel costs (including meals and lodging) while away from home overnight for business purposes.

Net Income (Loss)

Our bottom figure posted a net loss of ₱689 thousand and ₱188 thousand for the 3 months period ended March 31, 2025 and 2024, respectively.

Liquidity and Capital Resources

The Company source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

As of March 31, 2025 and December 31, 2024, we have cash ₱25.052 and ₱0.052million, respectively. We expect to meet our working capital and capital expenditure requirements primarily from continuous efforts raising cash flows from operations, financing or from issuance of shares of stock.

Additional Disclosures

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

PART II- OTHER INFORMATION

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the quarter ended March 31, 2025, particularly on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;

f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

ANNEX A

IP E-GAME VENTURES INC.

MAKATI CITY – PHILIPPINES

FINANCIAL STATEMENTS
MARCH 31, 2025 AND DECEMBER 31, 2024
(UNAUDITED)

IP E-GAME VENTURES, INC
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025
(With Comparative Figures as of December 31, 2024)
In Philippine Peso

	Notes	**(Unaudited) 2025**	(Unaudited) 2024
ASSETS			
Current Assets			
Cash and cash equivalents	10	**25,052,198**	25,052,198
Trade and other receivables – net	11	**475,000,000**	475,000,000
Due from related parties	9	**118,708,627**	118,708,627
Other current assets	12	**3,303,121**	3,303,121
Total Current Assets		**622,063,946**	622,063,946
Non-current Assets			
Property and equipment – net	13	**-**	-
Deferred tax assets	23	**-**	-
Other non-current assets	14	**-**	-
Total Non-current Assets		**-**	-
TOTAL ASSETS		**622,063,946**	622,063,946
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	15	**65,708,828**	65,751,501
Advances from related parties	9	**38,112,067**	37,380,723
Due to stockholder	9	**9,783,783**	9,783,783
Provision for contingencies	17	**2,905,661**	2,905,661
Total Current Liabilities		**116,510,338**	115,821,668
Total Liabilities		**116,510,338**	115,821,668
Equity			
Share capital	16	**2,800,000,000**	2,800,000,000
Share premium	16	**255,535,853**	255,535,853
Deficit		**(2,549,982,245)**	(2,549,293,575)
Other comprehensive loss			
		505,553,608	506,242,278
Total Equity		**505,553,608**	506,242,278
TOTAL LIABILITIES AND EQUITY		**622,063,946**	622,063,946

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
(With Comparative Figures for March 31, 2024)
In Philippine Peso

		Unaudited	
	Notes	**March 31, 2025 Stand-Alone**	March 31, 2024 Stand-Alone
Revenues	18	**-**	-
Cost of services	19	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	20	**(688,670)**	(187,667)
Fair Value Loss	22	**-**	-
Other income (charges) – net	22	**-**	-
Profit (loss) before income tax		**(688,670)**	(187,667)
Income tax expense:	23		
Current		**-**	-
Deferred		**-**	-
		-	-
Net Income (Loss)		**(688,670)**	(187,667)
Other comprehensive income		**–**	–
Total comprehensive loss		**(688,670)**	(187,667)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	24	**(0.00)**	(0.00)

See Notes to Consolidated Financial Statements.

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IP E-GAME VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THETHREE-MONTH PERIOD ENDED MARCH 31, 2025
(With Comparative Figures for 2024)
In Philippine Peso

	March 31, 2025	March 31, 2024
CAPITAL STOCK (Note 16)		
Balance at beginning of year	**2,800,000,000**	2,800,000,000
Issuances of shares	**–**	–
Balance at end of year	**2,800,000,000**	2,800,000,000
ADDITIONAL PAID-IN CAPITAL(Note 16)		
Balance at beginning of year	**255,535,853**	255,535,853
Premiums received	**–**	–
Balance at end of year	**255,535,853**	255,535,853
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of year	**(2,546,929,233)**	(2,546,741,567)
Net income (loss) for the year	**(688,670)**	(187,667)
Other comprehensive income	**-**	-
Transaction with owners	**-**	-
Balance as of March 31	**(2,547,617,903)**	(2,546,929,233)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**507,917,950**	508,606,619
	507,917,950	508,606,619

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES, INC
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025
(With Comparative Figures for 2024)
In Philippine Peso

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (Loss) before tax		**(688,670)**	(187,667)
Adjustments for:			
Operating cash flows before working capital changes		**(688,670)**	(187,667)
Increase (decrease) in trade and other payables	15	**(42,673)**	16,667
Cash generated from operations		**(731,343)**	(171,000)
Net cash used in operating activities		**(731,343)**	(171,000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Due from related parties	9	**731,343**	171,000
Net used in investing activities		**731,343**	171,000
NET INCREASE (DECREASE) IN CASH		**-**	-
CASH AT BEGINNING OF YEAR	10	**25,052,198**	25,052,198
CASH AT END OF YEAR	10	**25,052,198**	25,052,198

See Notes to Consolidated Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

Registration with the Board of Investment (BOI)
The Company was registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City.

The Company's principal office address is 8th Floor Arthaland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, Taguig City 1634.

The Company is domiciled in the Philippines.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The financial statements are prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.04 Use of Judgments and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.05 Going Concern Assumption

The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted in 2023

The Company has adopted the following amendments to PFRS effective January 1, 2023 and accordingly, changed its accounting policies in the following areas:

- Property, Plant and Equipment - Proceeds before Intended Use *(Amendments to PAS 16, Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

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

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to standards.

- Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

    - replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements;

    - added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

    - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The adoption of the amended standards did not have a material effect on the interim financial statements of the Company.

3.02 New Standards and Amendments Issued

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

    - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

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

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

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

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments clarify that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the

relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes selecting a measurement technique (estimate or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in the inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgments). The key amendments to PAS 1 include requiring entities to disclose material accounting policies rather than significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are material to the financial statements. The amendments to PFRS Practice Statement 2 provide guidance and examples on the application of materiality to accounting policy disclosures.

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

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments require an entity to recognize deferred tax on transactions, such as leases for the lessee and decommissioning obligations, that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial asset when the Company becomes a party to the contractual provision of the financial instruments.

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include

financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c;) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flow's or to both collect contractual cash flows and sell, The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if during so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in statement of comprehensive income.

As of March 31, 2025 and December 31, 2024, the Company has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial instruments: Presentation. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using efferctive interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for ECL for all debt instruments not held at FWPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to

receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the statement of financial position as current asset when they are expected to be expensed within one year or the entity’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at cost less any accumulated depreciation, amortization and impairment losses. Cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is

probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 to 10 years
Furniture, fixtures and office equipment	–	5 years
Transportation equipment	–	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated

from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company accounts for its investments in subsidiary using the cost method in its financial statements.
Under the cost method, the investor recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Deposits for stock subscriptions represent funds received by the Company which it records as such with a view of applying the same for additional shares of increase in capital stock. Deposits for stock subscriptions are presented as a separate line item in the equity section of the statements of financial position.

Unappropriated are accumulated earnings of the Company available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.06.03 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Company's financial liabilities as presented in the statements of financial position comprise of trade and other payables excluding government payables, due to stockholders and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments

and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4.09.01 Interest Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the

effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.09.02 Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were

authorized for issue. Any event that provides additional information about the Company's financial position at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

5.01.01 Determining Functional Currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the rendering of services and the cost of providing the services.

5.01.02 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Company takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.03 Classification of Financial Assets and Liabilities
The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 4 to the financial statements.

5.01.04 Classification of Costs and Expenses
The Company determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Company. All other costs and expenses are classified as administrative expenses.

5.01.05 Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

No deferred tax asset was recognized for the period ended **March 31, 2025 and December 31, 2024**, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized.

5.01.06 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28

The Company evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Company designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through profit or loss, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Estimating Useful Lives of Assets

The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The net carrying amount of the Company's property and equipment amounted to nil as of **March 31, 2025 and December 31, 2024**, respectively, as disclosed in Note 15.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, intangible assets and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Management has determined that the Company's property and equipment and investments are not impaired, hence, no impairment loss was recognized in **March 31, 2025 and December 31, 2024.**

5.02.03 Realization of Deferred Tax Assets
The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of March 31, 2025 and December 31, 2024, deferred tax assets amounted to nil as disclosed in Note 25.

5.02.04 Estimating Allowances for Doubtful Accounts
The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

Allowance for doubtful accounts for the period ended March 31, 2025 and December 31, 2024 amounted to nil, respectively, as disclosed in Note 11.

5.02.05 Provision and Contingencies
The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 20. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Company's defense in these matters and is based on an analysis of potential results. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 19.

5.02.06 Post-employment and Other Employee Benefits
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expenses and recorded obligation in such future period.

As of March 31, 2025 and December 31, 2024, the Company has no retirement benefit obligation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, available-for-sale investments and trade and other payables. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2025		2024
Financial assets					
Cash and cash equivalents	10	₱	**25,052,198**	₱	25,052,198
Trade and other receivables			**475,000,000**		475,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825
Financial liabilities					
Trade and other payables*	15	₱	**41,301,083**	₱	41,343,756
Advances from related parties	9		**38,112,067**		37,380,723
Due to stockholders	9		**9,783,783**		9,783,783
		₱	**89,196,933**	₱	88,508,262

**Excluding statutory and other payables to government agencies amounting to ₱ 24,407,745 for both 2025 and 2024.*

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Also, the Company manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Company as of March 31, 2024 and December 31, 2023 without considering the effects of credit risk mitigation techniques.

	Notes		2025		2024
Cash in banks and cash equivalents	10	₱	**25,052,198**	₱	25,052,198
Trade and other receivables – gross	11		**475,000,000**		475,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below shows the credit quality by class of financial assets of the Company:

2025	**Neither past due nor impaired**	**Past due but not impaired**	**Impaired**	**Total**
Cash in banks	25,052,198	–	–	25,052,198
Cash equivalents	–	–	–	–
Trade and other receivables	–	475,000,000	-	475,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	143,760,825	**475,000,000**	**-**	**618,760,825**

2024	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	25,052,198	–	–	25,052,198
Cash equivalents	–	–	–	–
Trade and other receivables	–	475,000,000	-	475,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	143,760,825	**475,000,000**	**-**	**618,760,825**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment

The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b)

losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2025	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 25,052,198	₱ –	₱ –	₱ –	₱ 25,052,198
Trade and other receivables	–	475,000,000	–	–	475,000,000
Advances to related parties	118,708,627	–	–	–	118,708,627
	₱ 143,760,825	**₱ 475,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

2024	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 25,052,198	₱ –	₱ –	₱ –	₱ 25,052,198
Trade and other receivables	–	475,000,000	–	–	475,000,000
Advances to related parties	118,708,627	–	–	–	118,708,627
	₱ 143,760,825	**₱ 475,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2025	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 41,301,083	₱ –	₱ –	₱ 41,301,083
Advances from related parties	–	38,112,067	–	–	38,112,067
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 79,413,150**	**₱ –**	**₱ –**	**₱ 89,196,933**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

2024	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 41,343,756	₱ –	₱ –	₱ 41,343,756
Advances from related parties	–	37,380,723	–	–	37,380,723
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 78,724,479**	**₱ –**	**₱ –**	**₱ 88,508,262**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of March 31, 2025 and December 31, 2024 are presented below:

		Fair Value			
2025	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	25,052,198	–	25,052,198	–	25,052,198
Trade and other receivables – net	475,000,000	–	475,000,000	–	475,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	41,301,083	–	41,301,083	–	41,301,083
Advances from related parties	38,112,067	–	38,112,067	–	38,112,067
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	89,196,933	**–**	**89,196,933**	**–**	**89,196,933**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

		Fair Value			
2024	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	25,052,198	–	25,052,198	–	25,052,198
Trade and other receivables – net	475,000,000	–	475,000,000	–	475,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	41,343,756	–	41,343,756	–	41,343,756
Advances from related parties	37,380,723	–	37,380,723	–	37,380,723
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	88,508,262	**–**	**88,508,262**	**–**	**88,508,262**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

There are no transfers between fair value measurements in 2025 and 2024.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash in Bank, Short-term Trade and Other Receivables, Deposits, and Trade and Other Payables
The carrying values of these financial assets and liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Advances and Due to/from Related Parties
Since there are no specific repayment dates agreed by the Company and its related party, carrying values of these liabilities are deemed by the Company's management to approximate their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2013.

The capital structure of the Company consists of net debt and net equity of the Company (comprising issued capital, and share premium, and net deficit).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2025		2024
Debt	**₱**	**116,510,338**	₱	**115,821,668**
Cash		**(25,052,198)**		**(25,052,198)**
Net Debt	**₱**	**91,458,140**	₱	**90,769,470**
Net Equity		**594,750,541**		**594,750,541**
Net debt to equity ratio		**0.15:1**		**0.15:1**

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	**Relationship**
IP Ventures, Inc.	Ultimate Parent
Level-Up Inc.	Associate
GRCO Isulan Mining Corp	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2025		2024
Y-Fi Business Solutions, Inc.	₱	**62,928,454**	₱	62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
	₱	**118,708,627.00**	₱	118,708,627.00

9.02.02 Advances from Related Parties:

		2025		2024
Webworx Computer Technology Corporation	₱	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
IPVG Employees Inc		**12,244,890**		11,513,546
Highlands Coffee		**361,312**		361,312
	₱	**38,112,067**	₱	37,380,723

9.02.03 Due to Stockholders

		2025		2024
Due to stockholders	₱	**9,783,783**	₱	9,783,783

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for the three months period ended March 31, 2025 and December 31, 2024.

During 2025 and 2024, the Company entered into the following transactions with related parties:

Sales Transactions and Trade Receivables and Payables to Related Parties as of March 31, 2025 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Subsidiary:				
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
a. Advances to	–	-	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	731,343	12,244,890	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
a. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Directors:				
a. Advances from	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627.00**		
Total advances from	**₱ 731,343**	**₱ 38,112,067**		

Sales Transactions and Trade Receivables and Payables to Related Parties as of December 31, 2024 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Subsidiary:				
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
b. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
a. Advances to	–	-	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	2,665,664	11,513,546	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
b. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Directors:				
a. Advances from	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627.00**		
Total advances from	**₱ 2,665,664**	**₱ 37,380,723**		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2025	2024
Cash in banks	**25,052,198**	25,052,198

,

Cash in bank earns interest at the applicable bank deposit rate.

Interest income generated from cash in banks and cash equivalent amounted to nil for the nine months ended March 31, 2025 and 2024, respectively, as disclosed in Note 22.

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11. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables consist of:

		2025		2024
Trade receivable	**₱**	**475,000,000**	₱	475,000,000
	₱	**475,000,000**	₱	475,000,000

The average credit period on sales of goods is 15 to 30 days. No interest is charged on trade receivables.

Aging of trade and other receivables are as follows:

		2025		2024
Current:				
1 – 30 days outstanding	**₱**	**–**	₱	–
Past due:				
31 – 60 days outstanding		**–**		–
61 – 90 days outstanding		**–**		–
over 90 days outstanding		**475,000,000**		475,000,000
Balance at December 31	**₱**	**475,000,000**	₱	475,000,000

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

		2025		2024
Prepaid taxes	**₱**	**1,929,281**	₱	**1,929,281**
Advances to suppliers		**887,429**		**887,429**
Prepaid rent		**486,411**		**486,411**
	₱	**3,303,121**	₱	**3,303,121**

Prepaid taxes consist of tax credit carried over for the next period.

13. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2025	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, March 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, March 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

2024	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

During the year, the Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment loss has occurred on its property and equipment.

There were no additions or disposals during the nine months period ended March 31, 2025 and year ended December 31, 2024.

No amount of property and equipment has been pledged as security for the Company's liabilities.

As of March 31, 2025 and December 31, 2024, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

Depreciation is part of operating expenses of the Company, as disclosed in Note 20.

14. OTHER NON-CURRENT ASSETS

The Company's other non-current assets amounting to nil as of March 31, 2025 and December 31, 2024.

15. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

		2025		2024
Trade payables	**₱**	**25,475,002**	₱	25,475,002
Accrued expenses		**11,813,454**		11,813,454
Other non-trade payables		**28,420,372**		28,463,045
	₱	**65,708,828**	**P**	65,751,501

Trade payables are payables which are related directly to the Company's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

16. EQUITY

16.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

		2025		2024
Share capital	**₱**	**2,800,000,000**	₱	2,800,000,000
Share premium		**255,535,853**		255,535,853
	₱	**3,055,535,853**	₱	3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2024			2023	
	Shares		**Amount**	Shares	Amount
Authorized share capital ₱0.01 par value	**280,000,000,000**	**₱**	**2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid, December 31	**280,000,000,000**	**₱**	**2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date the Company has a total number of 40 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

17. Provisions and Contingencies

Beijing Perfect World Software, Inc.
On May 9, 2011, the Company was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Company was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 31, 2023, the parties are still in the course of litigation. However the Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims

will not have a material effect on the Company's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to P2,905,661 for both 2019 and 2018 and presented as "provision for contingencies" in the statements of financial position.

Contingencies

As of March 31, 2025, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1.) People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "B.P. 22"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "Respondent") with the Office of the City Prosecutor of Makati

City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran, Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2.) IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("OCP") of Makati City by the Company against erring former employees (the "Respondents"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3)

Respondents: Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "RTC"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

18. REVENUES

The Company has no revenues for the period ended March 31, 2025 and December 31, 2024.

19. COST OF SALES AND SERVICES

The Company has no cost of sales and services for the period ended March 31, 2025 and December 31, 2024.

20. OPERATING EXPENSES

The account is composed of the following operating expenses:

		2025		2024
Professional fees		**432,167**		2,551,208
Others		**256,503**		800
	₱	**688,670**	₱	2,552,008

21. SALARIES AND OTHER EMPLOYEE BENEFITS

The Company has no salaries and other employee benefits for the period ended March 31, 2025 and December 31, 2024.

22. OTHER INCOME (LOSS)

The Company has no other income (loss) for the period ended March 31, 2025 and December 31, 2024.

23. INCOME TAXES

23.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2025		2024
Current tax expense	**₱**	**-**	₱	-
Deferred tax expense		**-**		-
	₱	**-**	₱	-

23.02 Deferred Tax Asset

The components of the Company's deferred tax assets and their respective movements are as follows:

		2025		2024
At January 1	₱	-	₱	-
Reversal		-		-
At December 31	₱	–	₱	–

Management does not expect that the Company will generate future taxable income that will allow the deferred tax asset to be utilized.

24. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below:

24.01 Basic Earnings (Loss) per Share

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

		2025		2024
Earnings (Loss) used in the calculation of total basic earnings per share	₱	**(688,670)**	₱	(2,552,008)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	₱	**(0.00)**	₱	(0.00)

The Company has no dilutive potential common shares outstanding as of March 31, 2025 and December 31, 2024 Thus, basic and diluted EPS are stated at the same amount.

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

Annex A-6-2

The following document has been received:

Receiving: RICHMOND CARLOS AGTARAP
Receipt Date and Time: August 14, 2025 08:08:46 PM

Company Information

SEC Registration No.: CS200518779
Company Name: IP E-GAME VENTURES INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST10814202583659634
Document Type: Quarterly Report
Document Code: SEC_Form_17-Q
Period Covered: June 30, 2025
Submission Type: Original Filing
Remarks: None

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

COVER SHEET

C	S	2	0	0	5	1	8	7	7	9

S.E.C. Registration Number

I	P		E	-	G	A	M	E		V	E	N	T	U	R	E	S	,		I	N	C	.						

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C	o	r	p	o	r	a	t	i	o	n	)																		

(Company's Full Name)

8	t	h		F	l	o	o	r		A	r	t	h	a	l	a	n	d		C	e	n	t	u	r	y			

P	a	c	i	f	i	c		T	o	w	e	r	,		5	t	h		A	v	e	n	u	e		c	o	r	.

3	0	t	h		S	t	r	e	e	t	,		B	o	n	i	f	a	c	i	o		G	l	o	b	a	l	

C	i	t	y	,		T	a	g	u	i	g		C	i	t	y		1	6	3	4									

(Business Address: No. Street Company / Town / Province)

MARY JENELLE C. PALMA ACTING CFO

Contact Person

(02) 8359-3715

Company Telephone Number

0	6

Month

3	0

Day

SEC Form 17-Q

FORM TYPE

Every Last Monday of July

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

			4	0

Total No. of Stockholders

₱–

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **June 30, 2025**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **8th Floor Arthaland Century Pacific Tower, 5th Ave. cor 30th St., Bonifacio Global City, Taguig City**
   Address of principal office

   Postal Code **1634**

8. Issuer's telephone number, including area code **+63 2 8359 3715**

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	**Common Shares**

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

    Yes [ ] No [ ]

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

    Yes [ ] No [ ]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **QUARTERLY REPORT FOR THE PERIOD ENDED June 30, 2025 (SEC Form 17-Q),** to be signed on its behalf by the undersigned thereunto duly authorized on **August 14, 2025.**

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her Capacity as Chief Finance Officer and Duly Authorized Signatory

Before me REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) S.S.
MAKATI CITY

SUBSCRIBED AND SWORN TO before me this ___ **day of** 14 AUG 2025, the following person exhibiting to me her Tax Identification Number as follows:

	Tin No.	Place of Issue
Mary Jenelle Palma	228-440-201	Makati City

Doc No. 152;
Page No. 32;
Book No. XIX;
Series of 2025.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DECEMBER 2025
PTR No. 10460204; 1-2-25; Makati City
IBP O.R. No. 492863; 1-2-25 Makati City
Appt. No. M-185 for the City of Makati
SC Roll No. 49491

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of June 30, 2025 (with comparative figures as of December 31, 2023 and 2024) and for the period ended June 30, 2024 (with comparative figures for the periods ended June 30, 2023 and 2024) (see **Annex A**).

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

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

BUSINESS AND GENERAL INFORMATION

IP E-Game Ventures, Inc. (the "Company") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on various dates.

The Company used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippines Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/ systems development for the on-line computer systems.

2025 Financial Highlights

- No significant transactions and disclosures for six-month period ended June 30, 2025.

2024 Financial Highlights

- No significant transactions/disclosures for the year ended Dec. 31, 2024.

2023 Financial Highlights

- No significant transactions and disclosures for the year ended 2023.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above, the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans

- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games

2017 Financial Highlights

- Effective 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. As the Company lost control over DPI, investment was designated as investment at fair value through profit & loss.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthen the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of ₱56.5 million resulting to a loss of ₱36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 Billion divided into 280 Billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

2012 Financial Highlights

- On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

- On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

  The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

- On July 31, 2012, during the Regular Stockholders Meeting, the Corporation approved the amendment of Article Third of the Amended Articles of Incorporation to change the principal office of the Corporation to 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila.

- On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

- In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

- On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

- We have become one of the leading online games publishers in the country, garnering a community of over 15.9 million registered gamers and 447,055 active users per month that play our online games. In line with our efforts to increase market share, we have entered into discussions for a possible merger with our biggest competitor, LUI. The aim is to combine gaming assets with LUI and substantially increase our gaming community, distribution and reach to the market. On March 31, 2012, we completed our merger with LUI.

- On March 2, 2012, the Company acquired a 25% stake in Cosamera, a company with primary business in the Cagayan Special Economic Zone and Freeport. Cosamera is in the business of hotel and resort facilities which shall serve tourists frequenting the Cagayan Economic Zone Authority including visitors to its gaming facilities. As of date, Cosamera does not have available financial information, hence the investment was reported as part of noncurrent assets in 2012 balance sheet.

- On January 9, 2012, the Company executed a Content License and Distribution Agreement with NBAP for the right and license to operate the official website of the NBA targeted at the Philippine market. NBAP is a company based in New York that operates various commercial activities of the NBA around the world, outside of Greater China. The agreement is binding and

effective until September 30, 2014 unless earlier terminated. The rights granted under this agreement shall not be assigned, sublicensed or subcontracted without the prior written consent, which consent may, in the sole discretion of NBAP, (i) be contingent upon a fee payable by IPE or the transferee, and/or (ii) impose other terms and conditions upon the assignment or transfer. The Company has plans of transferring the content license to X-Play Online Games, Inc.

- DPI secured loan with HSBC in the amount of ₱200 million, to be backed by a guarantee from the Philippine Export-Import Credit Agency (PHILEXIM). The proceeds of the loan shall be used for the expansion and development of DPI's internet café chain.

- The Company and X-Play signed an exclusive local publishing agreement with Take-Two International S.A. ("Take-Two") for online sports and social web game. The said online social web game will be locally hosted and operated in the Philippines. Take-Two, a subsidiary of Take-Two Interactive Software, Inc., is a leading developer, marketer and publisher of interactive entertainment for consumers' world-wide.

- Pursuant to the approval of the Company's BOD on May 9, 2012, the Company, through RAN Online, Inc., (ROI) a wholly-owned subsidiary of E-Games, acquired a 36,000 square meters of property in Cagayan Ecozone for a purchase price of P70.0 million, through combination of cash and shares of stock. As of December 31, 2012, Transfer Certificates of Title covering a total of 26,405 square meters of the total lot area being purchased have been issued to ROI with total cost recorded per books amounting to ₱37.3 million.

- On April 30, 2012, the Board authorized the Company to enter into a surety agreement in relation to the loan of IPVI with China Banking Corporation.

2011 Financial Highlights

- On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

- On December 3, 2011, the Company subscribed to 60,000 common shares of AB Fiber Corporation at ₱100 per share or a total subscription price of ₱36 million, ₱6 million of which was paid for by applying the Company's dividend payable from FCCDCI. The Company's stake in AB Fiber was subsequently transferred to IP Converge.

- On November 15, 2011, GMA provided a sponsorship certification of ₱30 million to X-Play for development of advergaming assets to be used by GMA in their digital advertising efforts.

- On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth ₱130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

- On October 18, 2011, the Company entered into a Licensing and Distribution Agreement with Blizzard Entertainment International granting the Company exclusive license to market, sell and distribute physical boxed versions of World of Warcraft, Starcraft, Legacy Products and Diablo.

- On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

- In July 2011, we entered into a memorandum of agreement with RS Concepts whereby the parties agreed to enter into a reseller agreement allowing RS Concepts to sell E-Games' available advertising inventory. The specific terms and conditions of the agreement are subject to further discussion and negotiations. RS Concept is a non-traditional advertising company.

- On July 8, 2011, we commercially launched Point Blank, a first person shooter game whose active user base has surpassed the performance of our flagship MMORPGs in terms of number of users and growth rate.

- On April 13, 2011, our Board approved the transfer of our 40% stake in First Cagayan Converge Data Center, Inc. ("FCCDI") to IPCDCI. The transfer, which was done in three tranches, was part of the IPVG Groups' thrust to rationalize and consolidate its interests and business operations into the respective subsidiaries and affiliates.

  As part of a rationalization of our services to focus on consumer Internet instead of a wider array of Internet services, we decided to transfer our holdings in FCCDCI to publicly listed data center operator IPCDCI. As of June 30, 2011, we have transferred 1/3 of our 40% stake in FCCDCI to IPCDCI and on September 30, 2011 we transferred an additional 1/3 of our 40% stake therein. The remaining 1/3 was sold on December 31, 2011. The total sale price was ₱114.0 million of which ₱100.0 million will be paid in cash and ₱20.0 million in future services, including internet bandwidth and co-location services. The transfer of our 40% stake in FCCDCI also includes the transfer of our equity stake, comprising 60,000 shares, in AB Fiber Corporation, the company that owns the fiber optic cables. As of December 31, 2011, the Company has completed the transfer of FCCDCI to IPCDCI.

- On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of ₱145 million, or approximately ₱1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

- On April 1, 2011, we executed a Software Development and License Agreement with Zepetto Co., a South Korean company which owns the worldwide and exclusive right to market and distribute Point Blank, a casual FPS game. Pursuant to the agreement, we were granted the exclusive, royalty-bearing and non-transferrable license for the use, promotion, distribution and marketing of the localized version of Point Blank for a period of three years from the date of commercial launch. We launched the game commercially on July 8, 2011.

- In January 2011, we conducted a right offering and offered 134,182,216Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

SELECTED FINANCIAL DATA

The selected financial information set forth in the following tables, as prepared by the Company, were derived from the unaudited stand-alone financial statements of the Company as of June 30, 2025 (with comparative figures as of unaudited December 31, 2024 and 2023) and for the period ended June 30, 2025 (with comparative figures for the periods ended June 30, 2024 and 2023).

These financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included in this submission. The summary of financial information set out below does not purport to project the results of our operations or financial condition for any future period or date.

Statement of Income Data:	**For the six months period ended June 30,**		
	2025	**2024**	**2023**
(In Thousand Pesos, except per share data)	**Stand-Alone**	**Stand-Alone**	**Stand-Alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross profit	-	-	-
Operating expenses	(1,125)	(737)	(732)
Equity in net losses of an associate and a joint venture			
Other income (charges)	(-)	(-)	(-)
Income (loss) before income tax	(1,125)	(737)	(732)
Provision for (benefit from) Income tax	-	-	(-)
Net income (loss)/ Total comprehensive income (loss)	(₱1,125)	(₱737)	(₱732)
Net income (loss)/Total comprehensive income (loss) attributable to:			
Equity holder of the company	(₱ -)	(₱ -)	(₱ -)
Non-controlling interests	(-)	(-)	(-)
	(₱1,125)	(₱737)	(₱732)
Earnings per share:			
Basic	₱ 0.0001	₱ 0.0001	₱ 0.0001
Diluted	0.0001	0.0001	0.0001

The comparative figures for the six months period ended June 30, 2025 were adjusted to report the stand-alone statement income data.

Balance Sheet Data:	For the Periods Ended,		
(In Thousand Pesos)	**June 30, 2025(Unaudited Stand-Alone)**	**December 31, 2024(Unaudited , Stand-Alone)**	**December 31, 2023(Unaudited , Stand-Alone)**
ASSETS			
Current Assets			
Cash	₱ 25,052	₱ 25,052	₱ 52
Trade and other receivables	475,000	475,000	500,000
Due from related parties	118,709	118,709	118,709
Other current assets	3,303	3,303	3,303
Total current assets	**622,064**	**622,064**	**622,064**
Noncurrent Assets			
Deposit for future investments	-	-	-
Other noncurrent assets	-	-	-
Total noncurrent assets	**-**	**-**	**-**
TOTAL ASSETS	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	₱ 64,943	₱ 65,751	₱ 65,865
Due to related parties	49,097	47,165	44,499
Loans payable	-	-	-
Due to directors	-	-	-
Provisions for contingencies	2,906	2,906	2,906
Income tax payable	-	-	-
Total current liabilities	**116,946**	**115,822**	**113,270**
Noncurrent Liability			
Deferred tax liabilities	-	-	-
Total Liabilities	**116,946**	**115,822**	**113,270**
Equity attributable to equity holders of the Parent	505,118	506,242	508,794
Non-controlling Interest	-	-	-
Total Equity	505,118	**506,242**	**508,794**
TOTAL LIABILITIES AND EQUITY	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**

KEY PERFORMANCE INDICATORS

The Company's top key performance indicators, as of June 30, 2025 (with comparative figures as of December 31, 2024 and 2023) and for the periods ended June 30, 2025 and 2024 and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	For the six months period ended June 30, 2025		For the year ended December 31, (Unaudited)	
	2025	2024	2024	2023
	Stand-Alone	Stand-Alone	Stand-Alone	Stand-Alone
Financial Ratios:				
Current ratio (x)	5.31	5.46	5.37	5.49
Asset to stockholders' equity (x)	1.23	1.22	1.23	1.22
Debt to stockholders' equity (x)	0.23	0.22	0.23	0.22
Interest rate coverage (x)	-	-	-	-
Gross margin (%)	-	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)	(0)
Basic and diluted earnings per share	0.0000	0.0000	(0.0002)	(0.0002)

Current Ratio

This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio

This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio

This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. There is no significant movement in the ratio for the comparative six months period June 30 and year ended December 31 presented above.

Interest Rate Coverage Ratio

This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin

This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin

This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

RESULTS OF OPERATIONS

For the six months period ended June 30, 2025 compared with the six months period ended June 30, 2024.

Revenues
No revenues recognized for the three months period ended June 30, 2025 and 2024.

Operating Expenses

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Six Months Ended June 30,					
	2025		2024		Increase (Decrease)	
	₱000	₱000	₱000	%	₱000	%
	Stand-Alone		Stand-Alone			
Professional fees	865	77%	487	66%	378	78%
Others	260	23%	250	34%	10	4%
Total Operating Expenses	**₱1,125**	**100%**	**₱ 737**	**100%**	**₱388**	**53%**

Total operating expenses amounted to P1.125million and P737 thousand for the 6 mos. period 2025 and 2024, respectively.

Professional fees include third party payments to legal and audit and other consultancy services.

Taxes and licenses which pertain to payments to the BIR (i.e. income tax, capital gains tax), business permits, import/export duties, if any, and all other expenditure levied by the national or local governments. We endeavor to structure the company's business transactions such that optimal tax savings are attained while ensuring that the Company is in adherence to all tax laws all the time.

Transportation and travel expenses include local transportation costs incurred for business purposes, and travel costs (including meals and lodging) while away from home overnight for business purposes.

Net Income (Loss)

Our bottom figure posted a net loss of ₱1,125million and ₱737 thousand for the 6 months period ended June 30, 2025 and 2024, respectively.

Liquidity and Capital Resources

The Company source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

As of June 30, 2025 and December 31, 2024, we have cash ₱25.052. We expect to meet our working capital and capital expenditure requirements primarily from continuous efforts raising cash flows from operations, financing or from issuance of shares of stock.

Additional Disclosures

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

PART II- OTHER INFORMATION

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the quarter ended June 30, 2025, particularly on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;

f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

ANNEX A

IP E-GAME VENTURES INC.

MAKATI CITY – PHILIPPINES

FINANCIAL STATEMENTS
JUNE 30, 2025 AND DECEMBER 31, 2024
(UNAUDITED)

IP E-GAME VENTURES, INC
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025
(With Comparative Figures as of December 31, 2024)
In Philippine Peso

	Notes	**(Unaudited) 2025**	(Unaudited) 2024
ASSETS			
Current Assets			
Cash and cash equivalents	10	**25,052,198**	25,052,198
Trade and other receivables – net	11	**475,000,000**	475,000,000
Due from related parties	9	**118,708,627**	118,708,627
Other current assets	12	**3,303,121**	3,303,121
Total Current Assets		**622,063,946**	622,063,946
Non-current Assets			
Property and equipment – net	13	**-**	-
Deferred tax assets	23	**-**	-
Other non-current assets	14	**-**	-
Total Non-current Assets		**-**	-
TOTAL ASSETS		**622,063,946**	622,063,946
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	15	**64,943,903**	65,751,501
Advances from related parties	9	**39,312,925**	37,380,723
Due to stockholder	9	**9,783,783**	9,783,783
Provision for contingencies	17	**2,905,661**	2,905,661
Total Current Liabilities		**116,946,271**	115,821,668
Total Liabilities		**116,946,271**	115,821,668
Equity			
Share capital	16	**2,800,000,000**	2,800,000,000
Share premium	16	**255,535,853**	255,535,853
Deficit		**(2,550,418,178)**	(2,549,293,575)
Other comprehensive loss			
		505,117,675	506,242,278
Total Equity		**505,117,675**	506,242,278
TOTAL LIABILITIES AND EQUITY		**622,063,946**	622,063,946

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025
(With Comparative Figures for June 30, 2024)
In Philippine Peso

	Notes	Unaudited 6 months	
		June 30, 2025 Stand-Alone	June 30, 2024 Stand-Alone
Revenues	18	**-**	-
Cost of services	19	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	20	**(1,124,603)**	(737,333)
Fair Value Loss	22	**-**	-
Other income (charges) – net	22	**-**	-
Profit (loss) before income tax		**(1,124,603)**	(737,333)
Income tax expense:	23		
Current		**-**	-
Deferred		**-**	-
		-	-
Net Income (Loss)		**(1,124,603)**	(737,333)
Other comprehensive income		**–**	–
Total comprehensive loss		**(1,124,603)**	(737,333)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	24	**(0.00)**	(0.00)

See Notes to Consolidated Financial Statements.

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IP E-GAME VENTURES, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED JUNE 30, 2025
(With Comparative Figures for June 30, 2024)
In Philippine Peso

	Notes	Unaudited	
		June 30, 2025 Stand-Alone	June 30, 2024 Stand-Alone
Revenues	18	**-**	-
Cost of services	19	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	20	**(435,933)**	(376,667)
Fair Value Loss	22	**-**	-
Other income (charges) – net	22	**-**	-
Profit (loss) before income tax		**(435,933)**	(376,667)
Income tax expense:	23		
Current		**-**	-
Deferred		**-**	-
		-	-
Net Income (Loss)		**(435,933)**	(376,667)
Other comprehensive income		**–**	–
Total comprehensive loss		**(435,933)**	(376,667)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	24	**(0.00)**	(0.00)

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THESIX-MONTH PERIOD ENDED JUNE 30, 2025
(With Comparative Figures for 2024)
In Philippine Peso

	June 30, 2025	December 31, 2024
CAPITAL STOCK (Note 16)		
Balance at beginning of year	**2,800,000,000**	2,800,000,000
Issuances of shares	**–**	–
Balance at end of year	**2,800,000,000**	2,800,000,000
ADDITIONAL PAID-IN CAPITAL(Note 16)		
Balance at beginning of year	**255,535,853**	255,535,853
Premiums received	**–**	–
Balance at end of year	**255,535,853**	255,535,853
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of year	**(2,549,293,375)**	(2,5,46,741,567)
Net income (loss) for the year	**(1,124,603)**	(2,552,008)
Other comprehensive income	**-**	-
Transaction with owners	**-**	-
Balance as of June 30	**(2,550,418,178)**	2,549,293,575
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**505,117,675**	506,242,278
	505,117,675	506,242,278

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES, INC
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025
(With Comparative Figures for 2024)
In Philippine Peso

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (Loss) before tax		**(1,124,603)**	(2,552,008)
Adjustments for:			
Operating cash flows before working capital changes		**(1,1,24,603)**	(2,552,008)
Increase (decrease) in trade and other payables	15	**(807,599)**	(113,656)
Cash generated from operations		**(1,932,202)**	(2,665,664)
Net cash used in operating activities		**(1,932,202)**	(2,665,664)
CASH FLOWS FROM INVESTING ACTIVITIES			
Due from related parties	9	**1,932,202**	2,665,664
Net used in investing activities		**1,932,202**	2,665,664
NET INCREASE (DECREASE) IN CASH		**-**	-
CASH AT BEGINNING OF YEAR	10	**25,052,198**	25,052,198
CASH AT END OF YEAR	10	**25,052,198**	25,052,198

See Notes to Consolidated Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

Registration with the Board of Investment (BOI)
The Company was registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City.

The Company's principal office address is 8th Floor Arthaland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, Taguig City 1634.

The Company is domiciled in the Philippines.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The financial statements are prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.04 Use of Judgments and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.05 Going Concern Assumption

The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted in 2023

The Company has adopted the following amendments to PFRS effective January 1, 2023 and accordingly, changed its accounting policies in the following areas:

- Property, Plant and Equipment - Proceeds before Intended Use *(Amendments to PAS 16, Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

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

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to standards.

- Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

    - replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements;

    - added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

    - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The adoption of the amended standards did not have a material effect on the interim financial statements of the Company.

3.02 New Standards and Amendments Issued

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

    - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

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

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

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

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments clarify that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting

policy. Developing an accounting estimate includes selecting a measurement technique (estimate or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in the inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgments). The key amendments to PAS 1 include requiring entities to disclose material accounting policies rather than significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are material to the financial statements. The amendments to PFRS Practice Statement 2 provide guidance and examples on the application of materiality to accounting policy disclosures.

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

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments require an entity to recognize deferred tax on transactions, such as leases for the lessee and decommissioning obligations, that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial asset when the Company becomes a party to the contractual provision of the financial instruments.

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c;) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flow's or to both collect contractual cash flows and sell, The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if during so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in statement of comprehensive income.

As of June 30, 2025 and December 31, 2024, the Company has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial instruments: Presentation. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using efferctive interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for ECL for all debt instruments not held at FWPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the statement of financial position as current asset when they are expected to be expensed within one year or the entity’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at cost less any accumulated depreciation, amortization and impairment losses. Cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 to 10 years
Furniture, fixtures and office equipment	–	5 years
Transportation equipment	–	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company accounts for its investments in subsidiary using the cost method in its financial statements.
Under the cost method, the investor recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Deposits for stock subscriptions represent funds received by the Company which it records as such with a view of applying the same for additional shares of increase in capital stock. Deposits for stock subscriptions are presented as a separate line item in the equity section of the statements of financial position.

Unappropriated are accumulated earnings of the Company available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.06.03 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.
The Company's financial liabilities as presented in the statements of financial position comprise of trade and other payables excluding government payables, due to stockholders and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4.09.01 Interest Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.09.02 Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable

or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Company's financial position at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

5.01.01 Determining Functional Currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the rendering of services and the cost of providing the services.

5.01.02 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Company takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.03 Classification of Financial Assets and Liabilities
The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 4 to the financial statements.

5.01.04 Classification of Costs and Expenses
The Company determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Company. All other costs and expenses are classified as administrative expenses.

5.01.05 Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

No deferred tax asset was recognized for the period ended **June 30, 2025 and December 31, 2024**, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized.

5.01.06 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28
The Company evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the

voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Company designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through profit or loss, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Estimating Useful Lives of Assets
The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The net carrying amount of the Company's property and equipment amounted to nil as of **June 30, 2025 and December 31, 2024**, respectively, as disclosed in Note 15.

5.02.02 Asset Impairment
The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, intangible assets and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Management has determined that the Company's property and equipment and investments are not impaired, hence, no impairment loss was recognized in **June 30, 2025 and December 31, 2024.**

5.02.03 Realization of Deferred Tax Assets
The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of June 30, 2025 and December 31, 2024, deferred tax assets amounted to nil as disclosed in Note 25.

5.02.04 Estimating Allowances for Doubtful Accounts

The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

Allowance for doubtful accounts for the period ended June 30, 2025 and December 31, 2024 amounted to nil, respectively, as disclosed in Note 11.

5.02.05 Provision and Contingencies
The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 20. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Company's defense in these matters and is based on an analysis of potential results. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 19.

5.02.06 Post-employment and Other Employee Benefits
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expenses and recorded obligation in such future period.

As of June 30, 2025 and December 31, 2024, the Company has no retirement benefit obligation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, available-for-sale investments and trade and other payables. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2025		2024
Financial assets					
Cash and cash equivalents	10	₱	**25,052,198**	₱	25,052,198
Trade and other receivables			**475,000,000**		475,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825
Financial liabilities					
Trade and other payables*	15	₱	**41,607,720**	₱	41,343,756
Advances from related parties	9		**39,312,925**		37,380,723

Due to stockholders	9		**9,783,783**		9,783,783
		₱	**90,704,428**	₱	88,508,262

**Excluding statutory and other payables to government agencies amounting to ₱ 24,407,745 for both 2025 and 2024.*

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Also, the Company manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure
The table below shows the gross maximum exposure to credit risk of the Company as of June 30, 2025 and December 31, 2024 without considering the effects of credit risk mitigation techniques.

	Notes		**2025**		2024
Cash in banks and cash equivalents	10	**₱**	**25,052,198**	₱	25,052,198
Trade and other receivables – gross	11		**475,000,000**		475,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets
The table below shows the credit quality by class of financial assets of the Company:

2025	**Neither past due nor impaired**	**Past due but not impaired**	**Impaired**	**Total**
Cash in banks	25,052,198	–	–	25,052,198
Cash equivalents	–	–	–	–
Trade and other receivables	–	475,000,000	-	475,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	143,760,825	**475,000,000**	**-**	**618,760,825**

2024	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	25,052,198	–	–	25,052,198
Cash equivalents	–	–	–	–
Trade and other receivables	–	475,000,000	-	475,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	143,760,825	**475,000,000**	**-**	**618,760,825**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment
The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2025	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 25,052,198	₱ –	₱ –	₱ –	₱ 25,052,198
Trade and other receivables	–	475,000,000	–	–	475,000,000
Advances to related parties	118,708,627	–	–	–	118,708,627
	₱ 143,760,825	**₱ 475,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

2024	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 25,052,198	₱ –	₱ –	₱ –	₱ 25,052,198
Trade and other receivables	–	475,000,000	–	–	475,000,000
Advances to related parties	118,708,627	–	–	–	118,708,627
	₱ 143,760,825	**₱ 475,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2025	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 41,607,720	₱ –	₱ –	₱ 41,607,720
Advances from related parties	–	39,312,925	–	–	39,312,925
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 80,920,645**	**₱ –**	**₱ –**	**₱ 90,704,428**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

2024	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 41,343,756	₱ –	₱ –	₱ 41,343,756
Advances from related parties	–	37,380,723	–	–	37,380,723
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 78,724,479**	**₱ –**	**₱ –**	**₱ 88,508,262**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of June 30, 2025 and December 31, 2024 are presented below:

	Fair Value

2025	Carrying Value	Quoted (Unadjusted) Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
ASSETS					
Cash and cash equivalents	25,052,198	–	25,052,198	–	25,052,198
Trade and other receivables – net	475,000,000	–	475,000,000	–	475,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	41,607,720	–	41,607,720	–	41,607,720
Advances from related parties	39,312,925	–	39,312,925	–	39,312,925
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	90,704,428	**–**	**90,704,428**	**–**	**90,704,428**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

		Fair Value			
2024	Carrying Value	Quoted (Unadjusted) Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
ASSETS					
Cash and cash equivalents	25,052,198	–	25,052,198	–	25,052,198
Trade and other receivables – net	475,000,000	–	475,000,000	–	475,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	41,343,756	–	41,343,756	–	41,343,756
Advances from related parties	37,380,723	–	37,380,723	–	37,380,723
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	88,508,262	**–**	**88,508,262**	**–**	**88,508,262**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

There are no transfers between fair value measurements in 2025 and 2024.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash in Bank, Short-term Trade and Other Receivables, Deposits, and Trade and Other Payables
The carrying values of these financial assets and liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Advances and Due to/from Related Parties
Since there are no specific repayment dates agreed by the Company and its related party, carrying values of these liabilities are deemed by the Company's management to approximate their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2013.

The capital structure of the Company consists of net debt and net equity of the Company (comprising issued capital, and share premium, and net deficit).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2025		2024
Debt	₱	**116,946,271**	₱	**115,821,668**
Cash		**(25,052,198)**		**(25,052,198)**
Net Debt	₱	**91,894,073**	₱	**90,769,470**
Net Equity		**505,117,675**		**506,242,278**
Net debt to equity ratio		**0.18:1**		**0.18:1**

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	**Relationship**
IP Ventures, Inc.	Ultimate Parent
Level-Up Inc.	Associate
GRCO Isulan Mining Corp	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2025		2024
Y-Fi Business Solutions, Inc.	₱	**62,928,454**	₱	62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
	₱	**118,708,627.00**	₱	118,708,627.00

9.02.02 Advances from Related Parties:

		2025		2024
Webworx Computer Technology Corporation	₱	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
IPVG Employees Inc		**13,445,748**		11,513,546
Highlands Coffee		**361,312**		361,312
	₱	**39,312,925**	₱	37,380,723

9.02.03 Due to Stockholders

		2025		2024
Due to stockholders	₱	**9,783,783**	₱	9,783,783

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for the six months period ended June 30, 2025 and December 31, 2024.

During 2025 and 2024, the Company entered into the following transactions with related parties:

Sales Transactions and Trade Receivables and Payables to Related Parties as of June 30, 2025 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Subsidiary:				
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
a. Advances to	–	-	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	1,932,202	13,445,748	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
a. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Directors:				
a. Advances from	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627.00**		
Total advances from	**₱ 1,932,202**	**₱ 39,312,925**		

Sales Transactions and Trade Receivables and Payables to Related Parties as of December 31, 2024 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Subsidiary:				
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
b. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
a. Advances to	–	-	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	2,665,664	11,513,546	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
b. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Directors:				
a. Advances from	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627.00**		
Total advances from	**₱ 2,665,664**	**₱ 37,380,723**		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2025	2024
Cash in banks	**25,052,198**	25,052,198

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Cash in bank earns interest at the applicable bank deposit rate.

Interest income generated from cash in banks and cash equivalent amounted to nil for the nine months ended June 30, 2025 and 2024, respectively, as disclosed in Note 22.

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11. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables consist of:

		2025		2024
Trade receivable	₱	**475,000,000**	₱	475,000,000
	₱	**475,000,000**	₱	475,000,000

The average credit period on sales of goods is 15 to 30 days. No interest is charged on trade receivables.

Aging of trade and other receivables are as follows:

		2025		2024
Current:				
1 – 30 days outstanding	₱	**–**	₱	–
Past due:				
31 – 60 days outstanding		**–**		–
61 – 90 days outstanding		**–**		–
over 90 days outstanding		**475,000,000**		475,000,000
Balance at December 31	₱	**475,000,000**	₱	475,000,000

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

		2025		2024
Prepaid taxes	₱	**1,929,281**	₱	**1,929,281**
Advances to suppliers		**887,429**		**887,429**
Prepaid rent		**486,411**		**486,411**
	₱	**3,303,121**	₱	**3,303,121**

Prepaid taxes consist of tax credit carried over for the next period.

13. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2025	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, June 30	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, June 30	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

2024	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

During the year, the Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment loss has occurred on its property and equipment.

There were no additions or disposals during the nine months period ended June 30, 2025 and year ended December 31, 2024.

No amount of property and equipment has been pledged as security for the Company's liabilities.

As of June 30, 2025 and December 31, 2024, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

Depreciation is part of operating expenses of the Company, as disclosed in Note 20.

14. OTHER NON-CURRENT ASSETS

The Company's other non-current assets amounting to nil as of June 30, 2025 and December 31, 2024.

15. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

		2025		2024
Trade payables	**₱**	**25,475,002**	₱	25,475,002
Accrued expenses		**11,813,454**		11,813,454
Other non-trade payables		**27,655,447**		28,463,045
	₱	**64,943,903**	**P**	65,751,501

Trade payables are payables which are related directly to the Company's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

16. EQUITY

16.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

		2025		2024
Share capital	**₱**	**2,800,000,000**	₱	2,800,000,000
Share premium		**255,535,853**		255,535,853
	₱	**3,055,535,853**	₱	3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2024			2023		
	Shares		**Amount**	Shares		Amount
Authorized share capital ₱0.01 par value	**280,000,000,000**	**₱**	**2,800,000,000**	280,000,000,000	₱	2,800,000,000
Issued and fully paid, December 31	**280,000,000,000**	**₱**	**2,800,000,000**	280,000,000,000	₱	2,800,000,000

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

As of reporting date the Company has a total number of 40 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

17. Provisions and Contingencies

Beijing Perfect World Software, Inc.
On May 9, 2011, the Company was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Company was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 31, 2023, the parties are still in the course of litigation. However the Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will

not have a material effect on the Company's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to P2,905,661 for both 2019 and 2018 and presented as "provision for contingencies" in the statements of financial position.

Contingencies

As of June 30, 2025, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1.) People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "B.P. 22"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "Respondent") with the Office of the City Prosecutor of Makati

City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran, Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2.) IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("OCP") of Makati City by the Company against erring former employees (the "Respondents"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents: Christopher Milongo,

Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "RTC"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

18. REVENUES

The Company has no revenues for the period ended June 30, 2025 and December 31, 2024.

19. COST OF SALES AND SERVICES

The Company has no cost of sales and services for the period ended June 30, 2025 and December 31, 2024.

20. OPERATING EXPENSES

The account is composed of the following operating expenses:

		2025		2024
Professional fees		**864,833**		2,551,208
Others		**259,770**		800
	₱	**1,124,603**	₱	2,552,008

21. SALARIES AND OTHER EMPLOYEE BENEFITS

The Company has no salaries and other employee benefits for the period ended June 30, 2025 and December 31, 2024.

22. OTHER INCOME (LOSS)

The Company has no other income (loss) for the period ended June, 2025 and December 31, 2024.

23. INCOME TAXES

23.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2025		2024
Current tax expense	**₱**	**-**	₱	-
Deferred tax expense		**-**		-
	₱	**-**	₱	-

23.02 Deferred Tax Asset

The components of the Company's deferred tax assets and their respective movements are as follows:

		2025		2024
At January 1	**₱**	**-**	₱	-
Reversal		**-**		-
At December 31	**₱**	**–**	₱	–

Management does not expect that the Company will generate future taxable income that will allow the deferred tax asset to be utilized.

24. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below:

24.01 Basic Earnings (Loss) per Share

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

		2025		2024
Earnings (Loss) used in the calculation of total basic earnings per share	**₱**	**(1,124,603)**	₱	(2,552,008)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	**₱**	**(0.00)**	₱	(0.00)

The Company has no dilutive potential common shares outstanding as of June 30, 2025 and December 31, 2024 Thus, basic and diluted EPS are stated at the same amount.

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

Annex A-6-3

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: November 14, 2025 05:35:07 PM

Company Information

SEC Registration No.: CS200518779
Company Name: IP E-GAME VENTURES INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST11114202583818969
Document Type: Quarterly Report
Document Code: SEC_Form_17-Q
Period Covered: September 30, 2025
Submission Type: Original Filing
Remarks: None

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

COVER SHEET

C	S	2	0	0	5	1	8	7	9

S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street Company / Town / Province)

MARY JENELLE C. PALMA ACTING CFO

Contact Person

(02) 8359-3715

Company Telephone Number

0	9

Month

3	0

Day

SEC Form 17-Q

FORM TYPE

Every Last Monday of July

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

			4	0

Total No. of Stockholders

Total Amount of Borrowings

₱–

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **September 30, 2025**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **8th Floor Arthaland Century Pacific Tower, 5th Ave. cor 30th St., Bonifacio Global City, Taguig City**
   Address of principal office

   Postal Code **1634**

8. Issuer's telephone number, including area code **+63 2 8359 3715**

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

    Philippine Stock Exchange **Common Shares**

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

    Yes [ ] No [ ]

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

    Yes [ ] No [ ]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **QUARTERLY REPORT FOR THE PERIOD ENDED September 30, 2025 (SEC Form 17-Q),** to be signed on its behalf by the undersigned thereunto duly authorized on **Novembe14, 2025.**

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her Capacity as Chief Finance Officer and Duly Authorized Signatory

Before me REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO before me this ___ **day of** 14 NOV 2025, the following person exhibiting to me her Tax Identification Number as follows:

	Tin No.	Place of Issue
Mary Jenelle Palma	228-440-201	Makati City

Doc No. 242;
Page No. 50;
Book No. XIX;
Series of 2025.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DECEMBER 2025
PTR No. 10467204 ; 1-2-25 ; Makati City
IBP O.R. No. 492863 ; 1-2-25 Makati City
Appt. No. M-185 for the City of Makati
SC Roll No. 49491

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of September 30, 2025 (with comparative figures as of December 31, 2023 and 2024) and for the period ended September 30, 2024 (with comparative figures for the periods ended September 30, 2023 and 2024) (see **Annex A**).

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

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

BUSINESS AND GENERAL INFORMATION

IP E-Game Ventures, Inc. (the "Company") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on various dates.

The Company used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippines Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/ systems development for the on-line computer systems.

2025 Financial Highlights

- No significant transactions and disclosures for nine-month period ended September 30, 2025.

2024 Financial Highlights

- No significant transactions/disclosures for the year ended Dec. 31, 2024.

2023 Financial Highlights

- No significant transactions and disclosures for the year ended 2023.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above, the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans

- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games

2017 Financial Highlights

- Effective 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. As the Company lost control over DPI, investment was designated as investment at fair value through profit & loss.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthen the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of ₱56.5 million resulting to a loss of ₱36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 Billion divided into 280 Billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

2012 Financial Highlights

- On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

- On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

  The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

- On July 31, 2012, during the Regular Stockholders Meeting, the Corporation approved the amendment of Article Third of the Amended Articles of Incorporation to change the principal office of the Corporation to 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila.

- On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

- In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

- On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

- We have become one of the leading online games publishers in the country, garnering a community of over 15.9 million registered gamers and 447,055 active users per month that play our online games. In line with our efforts to increase market share, we have entered into discussions for a possible merger with our biggest competitor, LUI. The aim is to combine gaming assets with LUI and substantially increase our gaming community, distribution and reach to the market. On March 31, 2012, we completed our merger with LUI.

- On March 2, 2012, the Company acquired a 25% stake in Cosamera, a company with primary business in the Cagayan Special Economic Zone and Freeport. Cosamera is in the business of hotel and resort facilities which shall serve tourists frequenting the Cagayan Economic Zone Authority including visitors to its gaming facilities. As of date, Cosamera does not have available financial information, hence the investment was reported as part of noncurrent assets in 2012 balance sheet.

- On January 9, 2012, the Company executed a Content License and Distribution Agreement with NBAP for the right and license to operate the official website of the NBA targeted at the Philippine market. NBAP is a company based in New York that operates various commercial activities of the NBA around the world, outside of Greater China. The agreement is binding and

effective until September 30, 2014 unless earlier terminated. The rights granted under this agreement shall not be assigned, sublicensed or subcontracted without the prior written consent, which consent may, in the sole discretion of NBAP, (i) be contingent upon a fee payable by IPE or the transferee, and/or (ii) impose other terms and conditions upon the assignment or transfer. The Company has plans of transferring the content license to X-Play Online Games, Inc.

- DPI secured loan with HSBC in the amount of ₱200 million, to be backed by a guarantee from the Philippine Export-Import Credit Agency (PHILEXIM). The proceeds of the loan shall be used for the expansion and development of DPI's internet café chain.

- The Company and X-Play signed an exclusive local publishing agreement with Take-Two International S.A. ("Take-Two") for online sports and social web game. The said online social web game will be locally hosted and operated in the Philippines. Take-Two, a subsidiary of Take-Two Interactive Software, Inc., is a leading developer, marketer and publisher of interactive entertainment for consumers' world-wide.

- Pursuant to the approval of the Company's BOD on May 9, 2012, the Company, through RAN Online, Inc., (ROI) a wholly-owned subsidiary of E-Games, acquired a 36,000 square meters of property in Cagayan Ecozone for a purchase price of P70.0 million, through combination of cash and shares of stock. As of December 31, 2012, Transfer Certificates of Title covering a total of 26,405 square meters of the total lot area being purchased have been issued to ROI with total cost recorded per books amounting to ₱37.3 million.

- On April 30, 2012, the Board authorized the Company to enter into a surety agreement in relation to the loan of IPVI with China Banking Corporation.

2011 Financial Highlights

- On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

- On December 3, 2011, the Company subscribed to 60,000 common shares of AB Fiber Corporation at ₱100 per share or a total subscription price of ₱36 million, ₱6 million of which was paid for by applying the Company's dividend payable from FCCDCI. The Company's stake in AB Fiber was subsequently transferred to IP Converge.

- On November 15, 2011, GMA provided a sponsorship certification of ₱30 million to X-Play for development of advergaming assets to be used by GMA in their digital advertising efforts.

- On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth ₱130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

- On October 18, 2011, the Company entered into a Licensing and Distribution Agreement with Blizzard Entertainment International granting the Company exclusive license to market, sell and distribute physical boxed versions of World of Warcraft, Starcraft, Legacy Products and Diablo.

- On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

- In July 2011, we entered into a memorandum of agreement with RS Concepts whereby the parties agreed to enter into a reseller agreement allowing RS Concepts to sell E-Games' available advertising inventory. The specific terms and conditions of the agreement are subject to further discussion and negotiations. RS Concept is a non-traditional advertising company.

- On July 8, 2011, we commercially launched Point Blank, a first person shooter game whose active user base has surpassed the performance of our flagship MMORPGs in terms of number of users and growth rate.

- On April 13, 2011, our Board approved the transfer of our 40% stake in First Cagayan Converge Data Center, Inc. ("FCCDI") to IPCDCI. The transfer, which was done in three tranches, was part of the IPVG Groups' thrust to rationalize and consolidate its interests and business operations into the respective subsidiaries and affiliates.

  As part of a rationalization of our services to focus on consumer Internet instead of a wider array of Internet services, we decided to transfer our holdings in FCCDCI to publicly listed data center operator IPCDCI. As of June 30, 2011, we have transferred 1/3 of our 40% stake in FCCDCI to IPCDCI and on September 30, 2011 we transferred an additional 1/3 of our 40% stake therein. The remaining 1/3 was sold on December 31, 2011. The total sale price was ₱114.0 million of which ₱100.0 million will be paid in cash and ₱20.0 million in future services, including internet bandwidth and co-location services. The transfer of our 40% stake in FCCDCI also includes the transfer of our equity stake, comprising 60,000 shares, in AB Fiber Corporation, the company that owns the fiber optic cables. As of December 31, 2011, the Company has completed the transfer of FCCDCI to IPCDCI.

- On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of ₱145 million, or approximately ₱1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

- On April 1, 2011, we executed a Software Development and License Agreement with Zepetto Co., a South Korean company which owns the worldwide and exclusive right to market and distribute Point Blank, a casual FPS game. Pursuant to the agreement, we were granted the exclusive, royalty-bearing and non-transferrable license for the use, promotion, distribution and marketing of the localized version of Point Blank for a period of three years from the date of commercial launch. We launched the game commercially on July 8, 2011.

- In January 2011, we conducted a right offering and offered 134,182,216Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

SELECTED FINANCIAL DATA

The selected financial information set forth in the following tables, as prepared by the Company, were derived from the unaudited stand-alone financial statements of the Company as of September 30, 2025 (with comparative figures as of unaudited December 31, 2024 and 2023) and for the period ended September 30, 2025 (with comparative figures for the periods ended September 30, 2024 and 2023).

These financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included in this submission. The summary of financial information set out below does not purport to project the results of our operations or financial condition for any future period or date.

Statement of Income Data:	**For the Nine months period ended September 30,**		
	2025	**2024**	**2023**
(In Thousand Pesos, except per share data)	**Stand-Alone**	**Stand-Alone**	**Stand-Alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross profit	-	-	-
Operating expenses	(1,985)	(1,614)	(1,001)
Equity in net losses of an associate and a joint venture			
Other income (charges)	(-)	(-)	(-)
Income (loss) before income tax	(1,985)	(1,614)	(1,001)
Provision for (benefit from) Income tax	-	-	(-)
Net income (loss)/ Total comprehensive income (loss)	(₱1,985)	(₱1,614)	(₱1,001)
Net income (loss)/Total comprehensive income (loss) attributable to:			
Equity holder of the company	(₱ -)	(₱ -)	(₱ -)
Non-controlling interests	(-)	(-)	(-)
	(₱1,985)	(₱1,614)	(₱1,001)
Earnings per share:			
Basic	₱ 0.0001	₱ 0.0001	₱ 0.0001
Diluted	0.0001	0.0001	0.0001

The comparative figures for the nine months period ended September 30, 2025 were adjusted to report the stand-alone statement income data.

Balance Sheet Data:	For the Periods Ended,		
(In Thousand Pesos)	**September 30, 2025(Unaudited Stand-Alone)**	**December 31, 2024(Unaudited , Stand-Alone)**	**December 31, 2023(Unaudited , Stand-Alone)**
ASSETS			
Current Assets			
Cash	₱ 25,052	₱ 25,052	₱ 52
Trade and other receivables	475,000	475,000	500,000
Due from related parties	118,709	118,709	118,709
Other current assets	3,303	3,303	3,303
Total current assets	**622,064**	**622,064**	**622,064**
Noncurrent Assets			
Deposit for future investments	-	-	-
Other noncurrent assets	-	-	-
Total noncurrent assets	**-**	**-**	**-**
TOTAL ASSETS	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	₱ 64,896	₱ 65,751	₱ 65,865
Due to related parties	50,004	47,165	44,499
Loans payable	-	-	-
Due to directors	-	-	-
Provisions for contingencies	2,906	2,906	2,906
Income tax payable	-	-	-
Total current liabilities	**117,806**	**115,822**	**113,270**
Noncurrent Liability			
Deferred tax liabilities	-	-	-
Total Liabilities	**117,806**	**115,822**	**113,270**
Equity attributable to equity holders of the Parent	504,258	506,242	508,794
Non-controlling Interest	-	-	-
Total Equity	504,258	**506,242**	**508,794**
TOTAL LIABILITIES AND EQUITY	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**

KEY PERFORMANCE INDICATORS

The Company's top key performance indicators, as of September 30, 2025 (with comparative figures as of December 31, 2024 and 2023) and for the periods ended September 30, 2025 and 2024 and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	For the nine months period ended September 30, 2025		For the year ended December 31, (Unaudited)	
	2025	2024	2024	2023
	Stand-Alone	Stand-Alone	Stand-Alone	Stand-Alone
Financial Ratios:				
Current ratio (x)	5.28	5.41	5.37	5.49
Asset to stockholders' equity (x)	1.23	1.23	1.23	1.22
Debt to stockholders' equity (x)	0.23	0.23	0.23	0.22
Interest rate coverage (x)	-	-	-	-
Gross margin (%)	-	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)	(0)
Basic and diluted earnings per share	0.0000	0.0000	(0.0002)	(0.0002)

Current Ratio

This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio

This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio

This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. There is no significant movement in the ratio for the comparative nine months period September 30 and year ended December 31 presented above.

Interest Rate Coverage Ratio

This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin

This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin

This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

RESULTS OF OPERATIONS

For the nine months period ended September 30, 2025 compared with the nine months period ended September 30, 2024.

Revenues
No revenues recognized for the three months period ended September 30, 2025 and 2024.

Operating Expenses

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Nine Months Ended September 30,					
	2025		2024		Increase (Decrease)	
	₱000	₱000	₱000	%	₱000	%
	Stand-Alone		Stand-Alone			
Professional fees	1,725	87%	1,364	85%	361	26%
Others	260	13%	250	15%	10	4%
Total Operating Expenses	**₱1,985**	**100%**	**₱ 1,614**	**100%**	**₱371**	**23%**

Total operating expenses amounted to P1.985million and P1,614 thousand for the 9 mos. period 2025 and 2024, respectively.

Professional fees include third party payments to legal and audit and other consultancy services.

Taxes and licenses which pertain to payments to the BIR (i.e. income tax, capital gains tax), business permits, import/export duties, if any, and all other expenditure levied by the national or local governments. We endeavor to structure the company's business transactions such that optimal tax savings are attained while ensuring that the Company is in adherence to all tax laws all the time.

Transportation and travel expenses include local transportation costs incurred for business purposes, and travel costs (including meals and lodging) while away from home overnight for business purposes.

Net Income (Loss)

Our bottom figure posted a net loss of ₱1,985 million and ₱1,614 thousand for the 9 months period ended September 30, 2025 and 2024, respectively.

Liquidity and Capital Resources

The Company source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

As of September 30, 2025 and December 31, 2024, we have cash ₱25.052. We expect to meet our working capital and capital expenditure requirements primarily from continuous efforts raising cash flows from operations, financing or from issuance of shares of stock.

Additional Disclosures

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

PART II- OTHER INFORMATION

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the quarter ended September 30, 2025, particularly on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;

f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

ANNEX A

IP E-GAME VENTURES INC.

MAKATI CITY – PHILIPPINES

FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND DECEMBER 31, 2024
(UNAUDITED)

IP E-GAME VENTURES, INC
STATEMENTS OF FINANCIAL POSITION
SEPTEBER 30, 2025
(With Comparative Figures as of December 31, 2024)
In Philippine Peso

	Notes	**(Unaudited) September 30, 2025**	(Unaudited) December 31, 2024
ASSETS			
Current Assets			
Cash and cash equivalents	10	**25,052,198**	25,052,198
Trade and other receivables – net	11	**475,000,000**	475,000,000
Due from related parties	9	**118,708,627**	118,708,627
Other current assets	12	**3,303,121**	3,303,121
Total Current Assets		**622,063,946**	622,063,946
Non-current Assets			
Property and equipment – net	13	**-**	-
Deferred tax assets	23	**-**	-
Other non-current assets	14	**-**	-
Total Non-current Assets		**-**	-
TOTAL ASSETS		**622,063,946**	622,063,946
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	15	**64,896,687**	65,751,501
Advances from related parties	9	**40,220,133**	37,380,723
Due to stockholder	9	**9,783,783**	9,783,783
Provision for contingencies	17	**2,905,661**	2,905,661
Total Current Liabilities		**117,806,264**	115,821,668
Total Liabilities		**117,806,264**	115,821,668
Equity			
Share capital	16	**2,800,000,000**	2,800,000,000
Share premium	16	**255,535,853**	255,535,853
Deficit		**(2,551,278,170)**	(2,549,293,575)
Other comprehensive loss			
		504,257,683	506,242,278
Total Equity		**504,257,683**	506,242,278
TOTAL LIABILITIES AND EQUITY		**622,063,946**	622,063,946

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(With Comparative Figures for September 30, 2024)
In Philippine Peso

	Notes	Unaudited 9 months	
		September 30, 2025 Stand-Alone	September 30, 2024 Stand-Alone
Revenues	18	**-**	-
Cost of services	19	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	20	**(1,984,595)**	(1,613,980)
Fair Value Loss	22	**-**	-
Other income (charges) – net	22	**-**	-
Profit (loss) before income tax		**(1,984,595)**	(1,613,980)
Income tax expense:	23		
Current		**-**	-
Deferred		**-**	-
		-	-
Net Income (Loss)		**(1,984,595)**	(1,613,980)
Other comprehensive income		**–**	–
Total comprehensive loss		**(1,984,595)**	(1,613,980)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	24	**(0.00)**	(0.00)

See Notes to Consolidated Financial Statements.

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IP E-GAME VENTURES, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(With Comparative Figures for September 30, 2024)
In Philippine Peso

	Notes	Unaudited	
		September 30, 2025 Stand-Alone	September 30, 2024 Stand-Alone
Revenues	18	**-**	-
Cost of services	19	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	20	**(859,992)**	(876,647)
Fair Value Loss	22	**-**	-
Other income (charges) – net	22	**-**	-
Profit (loss) before income tax		**(859,992)**	(876,647)
Income tax expense:	23		
Current		**-**	-
Deferred		**-**	-
		-	-
Net Income (Loss)		**(859,992)**	(876,647)
Other comprehensive income		**–**	–
Total comprehensive loss		**(859,992)**	(876,647)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	24	**(0.00)**	(0.00)

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025
(With Comparative Figures for 2024)
In Philippine Peso

	September 30, 2025	December 31, 2024
CAPITAL STOCK (Note 16)		
Balance at beginning of year	**2,800,000,000**	2,800,000,000
Issuances of shares	**–**	–
Balance at end of year	**2,800,000,000**	2,800,000,000
ADDITIONAL PAID-IN CAPITAL(Note 16)		
Balance at beginning of year	**255,535,853**	255,535,853
Premiums received	**–**	–
Balance at end of year	**255,535,853**	255,535,853
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of year	**(2,549,293,375)**	(2,5,46,741,567)
Net income (loss) for the year	**(2,552,008)**	(2,552,008)
Other comprehensive income	**-**	-
Transaction with owners	**-**	-
Balance as of September 30	**(2,551,845,383)**	2,549,293,575
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**504,257,683**	506,242,278
	504,257,683	506,242,278

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES, INC
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(With Comparative Figures for 2024)
In Philippine Peso

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (Loss) before tax		**(1,984,595)**	(2,552,008)
Adjustments for:			
Operating cash flows before working capital changes		**(1,984,595)**	(2,552,008)
Increase (decrease) in trade and other payables	15	**(854,814)**	(113,656)
Cash generated from operations		**(2,839,410)**	(2,665,664)
Net cash used in operating activities		**(2,839,410)**	(2,665,664)
CASH FLOWS FROM INVESTING ACTIVITIES			
Due from related parties	9	**2,839,410**	2,665,664
Net used in investing activities		**2,839,410**	2,665,664
NET INCREASE (DECREASE) IN CASH		**-**	-
CASH AT BEGINNING OF YEAR	10	**25,052,198**	25,052,198
CASH AT END OF YEAR	10	**25,052,198**	25,052,198

See Notes to Consolidated Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

Registration with the Board of Investment (BOI)
The Company was registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City.

The Company's principal office address is 8th Floor Arthaland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, Taguig City 1634.

The Company is domiciled in the Philippines.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The financial statements are prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.04 Use of Judgments and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.05 Going Concern Assumption

The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted in 2023

The Company has adopted the following amendments to PFRS effective January 1, 2023 and accordingly, changed its accounting policies in the following areas:

- Property, Plant and Equipment - Proceeds before Intended Use *(Amendments to PAS 16, Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

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

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to standards.

- Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

    - replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements;

    - added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

    - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The adoption of the amended standards did not have a material effect on the interim financial statements of the Company.

3.02 New Standards and Amendments Issued

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

    - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

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

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

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

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments clarify that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting

policy. Developing an accounting estimate includes selecting a measurement technique (estimate or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in the inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgments). The key amendments to PAS 1 include requiring entities to disclose material accounting policies rather than significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are material to the financial statements. The amendments to PFRS Practice Statement 2 provide guidance and examples on the application of materiality to accounting policy disclosures.

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

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments require an entity to recognize deferred tax on transactions, such as leases for the lessee and decommissioning obligations, that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial asset when the Company becomes a party to the contractual provision of the financial instruments.

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c;) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flow's or to both collect contractual cash flows and sell, The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if during so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in statement of comprehensive income.

As of September 30, 2025 and December 31, 2024, the Company has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial instruments: Presentation. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using efferctive interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for ECL for all debt instruments not held at FWPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the statement of financial position as current asset when they are expected to be expensed within one year or the entity’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at cost less any accumulated depreciation, amortization and impairment losses. Cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 to 10 years
Furniture, fixtures and office equipment	–	5 years
Transportation equipment	–	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company accounts for its investments in subsidiary using the cost method in its financial statements.
Under the cost method, the investor recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Deposits for stock subscriptions represent funds received by the Company which it records as such with a view of applying the same for additional shares of increase in capital stock. Deposits for stock subscriptions are presented as a separate line item in the equity section of the statements of financial position.

Unappropriated are accumulated earnings of the Company available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.06.03 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Company's financial liabilities as presented in the statements of financial position comprise of trade and other payables excluding government payables, due to stockholders and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments

and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4.09.01 Interest Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future

cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.09.02 Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Company's financial position at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

5.01.01 Determining Functional Currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the rendering of services and the cost of providing the services.

5.01.02 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Company takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.03 Classification of Financial Assets and Liabilities
The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 4 to the financial statements.

5.01.04 Classification of Costs and Expenses
The Company determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Company. All other costs and expenses are classified as administrative expenses.

5.01.05 Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

No deferred tax asset was recognized for the period ended **September 30, 2025 and December 31, 2024**, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized.

5.01.06 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28

The Company evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Company designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through profit or loss, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Estimating Useful Lives of Assets

The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The net carrying amount of the Company's property and equipment amounted to nil as of **September 30, 2025 and December 31, 2024**, respectively, as disclosed in Note 15.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, intangible assets and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Management has determined that the Company's property and equipment and investments are not impaired, hence, no impairment loss was recognized in **September 30, 2025 and December 31, 2024.**

5.02.03 Realization of Deferred Tax Assets

The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of September 30, 2025 and December 31, 2024, deferred tax assets amounted to nil as disclosed in Note 25.

5.02.04 Estimating Allowances for Doubtful Accounts
The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

Allowance for doubtful accounts for the period ended September 30, 2025 and December 31, 2024 amounted to nil, respectively, as disclosed in Note 11.

5.02.05 Provision and Contingencies
The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 20. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Company's defense in these matters and is based on an analysis of potential results. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 19.

5.02.06 Post-employment and Other Employee Benefits
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expenses and recorded obligation in such future period.

As of September 30, 2025 and December 31, 2024, the Company has no retirement benefit obligation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, available-for-sale investments and trade and other payables. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2025		2024
Financial assets					
Cash and cash equivalents	10	**₱**	**25,052,198**	₱	25,052,198
Trade and other receivables			**475,000,000**		475,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,60,825**		618,760,825

Financial liabilities					
Trade and other payables*	15	**₱**	**40,488,942**	₱	41,343,756
Advances from related parties	9		**40,220,133**		37,380,723
Due to stockholders	9		**9,783,783**		9,783,783
		₱	**90,492,858**	₱	88,508,262

**Excluding statutory and other payables to government agencies amounting to ₱ 24,407,745 for both 2025 and 2024.*

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Also, the Company manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure
The table below shows the gross maximum exposure to credit risk of the Company as of September 30, 2025 and December 31, 2024 without considering the effects of credit risk mitigation techniques.

	Notes		**2025**		2024
Cash in banks and cash equivalents	10	**₱**	**25,052,198**	₱	25,052,198
Trade and other receivables – gross	11		**475,000,000**		475,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets
The table below shows the credit quality by class of financial assets of the Company:

2025	**Neither past due nor impaired**	**Past due but not impaired**	**Impaired**	**Total**
Cash in banks	25,052,198	–	–	25,052,198
Cash equivalents	–	–	–	–
Trade and other receivables	–	475,000,000	-	475,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	143,760,825	**475,000,000**	**-**	**618,760,825**

2024	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	25,052,198	–	–	25,052,198
Cash equivalents	–	–	–	–
Trade and other receivables	–	475,000,000	-	475,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	143,760,825	**475,000,000**	**-**	**618,760,825**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment
The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2025	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 25,052,198	₱ –	₱ –	₱ –	₱ 25,052,198
Trade and other receivables	–	475,000,000	–	–	475,000,000
Advances to related parties	118,708,627	–	–	–	118,708,627
	₱ 143,760,825	**₱ 475,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

2024	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 25,052,198	₱ –	₱ –	₱ –	₱ 25,052,198
Trade and other receivables	–	475,000,000	–	–	475,000,000
Advances to related parties	118,708,627	–	–	–	118,708,627
	₱ 143,760,825	**₱ 475,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2025	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 40,488,942	₱ –	₱ –	₱ 40,488,942
Advances from related parties	–	40,220,133	–	–	40,220,133
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 80,709,075**	**₱ –**	**₱ –**	**₱ 90,492,858**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

2024	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 41,343,756	₱ –	₱ –	₱ 41,343,756
Advances from related parties	–	37,380,723	–	–	37,380,723
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 78,724,479**	**₱ –**	**₱ –**	**₱ 88,508,262**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of September 30, 2025 and December 31, 2024 are presented below:

		Fair Value			
2025	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	25,052,198	–	25,052,198	–	25,052,198
Trade and other receivables – net	475,000,000	–	475,000,000	–	475,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	40,488,942	–	40,488,942	–	40,488,942
Advances from related parties	40,220,133	–	40,220,133	–	40,220,133
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	90,492,858	**–**	**90,492,858**	**–**	**90,492,858**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

		Fair Value			
2024	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	25,052,198	–	25,052,198	–	25,052,198
Trade and other receivables – net	475,000,000	–	475,000,000	–	475,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	41,343,756	–	41,343,756	–	41,343,756
Advances from related parties	37,380,723	–	37,380,723	–	37,380,723
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	88,508,262	**–**	**88,508,262**	**–**	**88,508,262**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

There are no transfers between fair value measurements in 2025 and 2024.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash in Bank, Short-term Trade and Other Receivables, Deposits, and Trade and Other Payables
The carrying values of these financial assets and liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Advances and Due to/from Related Parties
Since there are no specific repayment dates agreed by the Company and its related party, carrying values of these liabilities are deemed by the Company's management to approximate their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2013.

The capital structure of the Company consists of net debt and net equity of the Company (comprising issued capital, and share premium, and net deficit).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2025		2024
Debt	**₱**	**117,806,264**	₱	**115,821,668**
Cash		**(25,052,198)**		**(25,052,198)**
Net Debt	**₱**	**92,754,066**	₱	**90,769,470**
Net Equity		**504,257,683**		**506,242,278**
Net debt to equity ratio		**0.18:1**		**0.18:1**

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	**Relationship**
IP Ventures, Inc.	Ultimate Parent
Level-Up Inc.	Associate
GRCO Isulan Mining Corp	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2025		2024
Y-Fi Business Solutions, Inc.	₱	**62,928,454**	₱	62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
	₱	**118,708,627.00**	₱	118,708,627.00

9.02.02 Advances from Related Parties:

		2025		2024
Webworx Computer Technology Corporation	₱	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
IPVG Employees Inc		**14,352,956**		11,513,546
Highlands Coffee		**361,312**		361,312
	₱	**40,220,133**	₱	37,380,723

9.02.03 Due to Stockholders

		2025		2024
Due to stockholders	₱	**9,783,783**	₱	9,783,783

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for the six months period ended September 30, 2025 and December 31, 2024.

During 2025 and 2024, the Company entered into the following transactions with related parties:

Sales Transactions and Trade Receivables and Payables to Related Parties as of September 30, 2025 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Subsidiary:				
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
a. Advances to	–	-	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	2,839,410	14,352,956	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
a. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Directors:				
a. Advances from	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627.00**		
Total advances from	**₱ 2,839,410**	**₱ 40,220,133**		

Sales Transactions and Trade Receivables and Payables to Related Parties as of December 31, 2024 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Subsidiary:				
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
b. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
a. Advances to	–	-	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	2,665,664	11,513,546	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
b. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Directors:				
a. Advances from	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627.00**		
Total advances from	**₱ 2,665,664**	**₱ 37,380,723**		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2025	2024
Cash in banks	**25,052,198**	25,052,198

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Cash in bank earns interest at the applicable bank deposit rate.

Interest income generated from cash in banks and cash equivalent amounted to nil for the nine months ended September 30, 2025 and 2024, respectively, as disclosed in Note 22.

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11. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables consist of:

		2025		2024
Trade receivable	₱	**475,000,000**	₱	475,000,000
	₱	**475,000,000**	₱	475,000,000

The average credit period on sales of goods is 15 to 30 days. No interest is charged on trade receivables.

Aging of trade and other receivables are as follows:

		2025		2024
Current:				
1 – 30 days outstanding	₱	**–**	₱	–
Past due:				
31 – 60 days outstanding		**–**		–
61 – 90 days outstanding		**–**		–
over 90 days outstanding		**475,000,000**		475,000,000
Balance at December 31	₱	**475,000,000**	₱	475,000,000

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

		2025		2024
Prepaid taxes	₱	**1,929,281**	₱	**1,929,281**
Advances to suppliers		**887,429**		**887,429**
Prepaid rent		**486,411**		**486,411**
	₱	**3,303,121**	₱	**3,303,121**

Prepaid taxes consist of tax credit carried over for the next period.

13. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2025	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, September 30	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, September 30	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

2024	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

During the year, the Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment loss has occurred on its property and equipment.

There were no additions or disposals during the nine months period ended September 30, 2025 and year ended December 31, 2024.

No amount of property and equipment has been pledged as security for the Company's liabilities.

As of September 30, 2025 and December 31, 2024, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

Depreciation is part of operating expenses of the Company, as disclosed in Note 20.

14. OTHER NON-CURRENT ASSETS

The Company's other non-current assets amounting to nil as of September 30, 2025 and December 31, 2024.

15. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

		2025		2024
Trade payables	**₱**	**25,475,002**	₱	25,475,002
Accrued expenses		**11,813,454**		11,813,454
Other non-trade payables		**27,608,231**		28,463,045
	₱	**64,896,687**	**P**	65,751,501

Trade payables are payables which are related directly to the Company's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

16. EQUITY

16.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

		2025		2024
Share capital	**₱**	**2,800,000,000**	₱	2,800,000,000
Share premium		**255,535,853**		255,535,853
	₱	**3,055,535,853**	₱	3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2024			2023	
	Shares		**Amount**	Shares	Amount
Authorized share capital ₱0.01 par value	**280,000,000,000**	**₱**	**2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid, December 31	**280,000,000,000**	**₱**	**2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date the Company has a total number of 40 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

17. Provisions and Contingencies

Beijing Perfect World Software, Inc.
On May 9, 2011, the Company was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Company was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 31, 2023, the parties are still in the course of litigation. However the Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will

not have a material effect on the Company's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to P2,905,661 for both 2019 and 2018 and presented as "provision for contingencies" in the statements of financial position.

Contingencies

As of September 30, 2025, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1.) People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "B.P. 22"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "Respondent") with the Office of the City Prosecutor of Makati

City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran, Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2.) IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)

This is a criminal case for qualified theft filed on September 7, 2010 before the Office of the City Prosecutor ("OCP") of Makati City by the Company against erring former employees (the "Respondents"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents:

Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "RTC"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

18. REVENUES

The Company has no revenues for the period ended September 30, 2025 and December 31, 2024.

19. COST OF SALES AND SERVICES

The Company has no cost of sales and services for the period ended September 30, 2025 and December 31, 2024.

20. OPERATING EXPENSES

The account is composed of the following operating expenses:

		2025		2024
Professional fees		**1,724,825**		2,551,208
Others		**259,770**		800
	₱	**1,984,595**	₱	2,552,008

21. SALARIES AND OTHER EMPLOYEE BENEFITS

The Company has no salaries and other employee benefits for the period ended September 30, 2025 and December 31, 2024.

22. OTHER INCOME (LOSS)

The Company has no other income (loss) for the period ended September 30, 2025 and December 31, 2024.

23. INCOME TAXES

23.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2025		2024
Current tax expense	**₱**	**-**	₱	-
Deferred tax expense		**-**		-
	₱	**-**	₱	-

23.02 Deferred Tax Asset

The components of the Company's deferred tax assets and their respective movements are as follows:

		2025		2024
At January 1	₱	**-**	₱	-
Reversal		**-**		-
At December 31	₱	**–**	₱	–

Management does not expect that the Company will generate future taxable income that will allow the deferred tax asset to be utilized.

24. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below:

24.01 Basic Earnings (Loss) per Share

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

		2025		2024
Earnings (Loss) used in the calculation of total basic earnings per share	₱	**(1,984,595)**	₱	(2,552,008)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	₱	**(0.00)**	₱	(0.00)

The Company has no dilutive potential common shares outstanding as of September 30, 2025 and December 31, 2024 Thus, basic and diluted EPS are stated at the same amount.

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

Annex A-7-1

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: May 15, 2026 08:22:02 AM

Company Information

SEC Registration No.: CS200518779
Company Name: IP E-GAME VENTURES INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST105152026811379694
Document Type: Quarterly Report
Document Code: SEC_Form_17-Q
Period Covered: May 15, 2026
Submission Type: Original Filing
Remarks: None

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

COVER SHEET

C	S	2	0	0	5	1	8	7	9

S.E.C. Registration Number

I	P		E	-	G	A	M	E		V	E	N	T	U	R	E	S	,		I	N	C	.						

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I	P	E		G	l	o	b	a	l		H	o	l	d	i	n	g	s											

C	o	r	p	o	r	a	t	i	o	n	)																		

(Company's Full Name)

8	t	h		F	l	o	o	r		A	r	t	h	a	l	a	n	d		C	e	n	t	u	r	y			

P	a	c	i	f	i	c		T	o	w	e	r	,		5	t	h		A	v	e	n	u	e		c	o	r	.

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C	i	t	y	,		T	a	g	u	i	g		C	i	t	y		1	6	3	4									

(Business Address: No. Street Company / Town / Province)

MARY JENELLE C. PALMA ACTING CFO

Contact Person

(02) 8359-3715

Company Telephone Number

0	3

Month

3	1

Day

SEC Form 17-Q

FORM TYPE

Every Last Monday of July

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

			4	0

Total No. of Stockholders

Total Amount of Borrowings

₱–

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2026**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **8th Floor Arthaland Century Pacific Tower, 5th Ave. cor 30th St., Bonifacio Global City, Taguig City**
   Address of principal office

   Postal Code **1634**

8. Issuer's telephone number, including area code **+63 2 8359 3715**

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

    Philippine Stock Exchange **Common Shares**

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

    Yes [ ] No [ ]

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

    Yes [ ] No [ ]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **QUARTERLY REPORT FOR THE PERIOD ENDED March 31, 2026 (SEC Form 17-Q),** to be signed on its behalf by the undersigned thereunto duly authorized on **May 13, 2026.**

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her Capacity as Chief Finance Officer and Duly Authorized Signatory

Before me REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO before me this ___ **day of** 13 MAY 2026, the following person exhibiting to me her Tax Identification Number as follows:

	Tin No.	Place of Issue
Mary Jenelle Palma	228-440-201	Makati City

Doc No. 446;
Page No. 91;
Book No. XX;
Series of 2026.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DECEMBER 2027
PTR No. 10744896 ; 1-6-26 ; Makati City
IBP O.R. No. 540644 ; 11-24-25 Makati City
Appt. No. M-158 for the City of Makati
SC Roll No. 49491

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of March 31, 2026 (with comparative figures as of December 31, 2024 and 2025) and for the period ended March 31, 2025 (with comparative figures for the periods ended March 31, 2024 and 2025) (see **Annex A**).

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

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

BUSINESS AND GENERAL INFORMATION

IP E-Game Ventures, Inc. (the "Company") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on various dates.

The Company used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippines Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/ systems development for the on-line computer systems.

2026 Financial Highlights

- No significant transactions and disclosures for three-month period ended March 31, 2026.

2025 Financial Highlights

- No significant transactions and disclosures for three-month period ended March 31, 2025.

2024 Financial Highlights

- No significant transactions/disclosures for the year ended Dec. 31, 2024.

2023 Financial Highlights

- No significant transactions and disclosures for the year ended 2023.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above, the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans

- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games

2017 Financial Highlights

- Effective 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. As the Company lost control over DPI, investment was designated as investment at fair value through profit & loss.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthen the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of ₱56.5 million resulting to a loss of ₱36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 Billion divided into 280 Billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

2012 Financial Highlights

- On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

- On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

  The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

- On July 31, 2012, during the Regular Stockholders Meeting, the Corporation approved the amendment of Article Third of the Amended Articles of Incorporation to change the principal office of the Corporation to 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila.

- On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

- In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

- On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

- We have become one of the leading online games publishers in the country, garnering a community of over 15.9 million registered gamers and 447,055 active users per month that play our online games. In line with our efforts to increase market share, we have entered into discussions for a possible merger with our biggest competitor, LUI. The aim is to combine gaming assets with LUI and substantially increase our gaming community, distribution and reach to the market. On March 31, 2012, we completed our merger with LUI.

- On March 2, 2012, the Company acquired a 25% stake in Cosamera, a company with primary business in the Cagayan Special Economic Zone and Freeport. Cosamera is in the business of hotel and resort facilities which shall serve tourists frequenting the Cagayan Economic Zone Authority including visitors to its gaming facilities. As of date, Cosamera does not have available

financial information, hence the investment was reported as part of noncurrent assets in 2012 balance sheet.

- On January 9, 2012, the Company executed a Content License and Distribution Agreement with NBAP for the right and license to operate the official website of the NBA targeted at the Philippine market. NBAP is a company based in New York that operates various commercial activities of the NBA around the world, outside of Greater China. The agreement is binding and effective until September 30, 2014 unless earlier terminated. The rights granted under this agreement shall not be assigned, sublicensed or subcontracted without the prior written consent, which consent may, in the sole discretion of NBAP, (i) be contingent upon a fee payable by IPE or the transferee, and/or (ii) impose other terms and conditions upon the assignment or transfer. The Company has plans of transferring the content license to X-Play Online Games, Inc.

- DPI secured loan with HSBC in the amount of ₱200 million, to be backed by a guarantee from the Philippine Export-Import Credit Agency (PHILEXIM). The proceeds of the loan shall be used for the expansion and development of DPI's internet café chain.

- The Company and X-Play signed an exclusive local publishing agreement with Take-Two International S.A. ("Take-Two") for online sports and social web game. The said online social web game will be locally hosted and operated in the Philippines. Take-Two, a subsidiary of Take-Two Interactive Software, Inc., is a leading developer, marketer and publisher of interactive entertainment for consumers' world-wide.

- Pursuant to the approval of the Company's BOD on May 9, 2012, the Company, through RAN Online, Inc., (ROI) a wholly-owned subsidiary of E-Games, acquired a 36,000 square meters of property in Cagayan Ecozone for a purchase price of P70.0 million, through combination of cash and shares of stock. As of December 31, 2012, Transfer Certificates of Title covering a total of 26,405 square meters of the total lot area being purchased have been issued to ROI with total cost recorded per books amounting to ₱37.3 million.

- On April 30, 2012, the Board authorized the Company to enter into a surety agreement in relation to the loan of IPVI with China Banking Corporation.

2011 Financial Highlights

- On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

- On December 3, 2011, the Company subscribed to 60,000 common shares of AB Fiber Corporation at ₱100 per share or a total subscription price of ₱36 million, ₱6 million of which was paid for by applying the Company's dividend payable from FCCDCI. The Company's stake in AB Fiber was subsequently transferred to IP Converge.

- On November 15, 2011, GMA provided a sponsorship certification of ₱30 million to X-Play for development of advergaming assets to be used by GMA in their digital advertising efforts.

- On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth ₱130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

- On October 18, 2011, the Company entered into a Licensing and Distribution Agreement with Blizzard Entertainment International granting the Company exclusive license to market, sell and distribute physical boxed versions of World of Warcraft, Starcraft, Legacy Products and Diablo.

- On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

- In July 2011, we entered into a memorandum of agreement with RS Concepts whereby the parties agreed to enter into a reseller agreement allowing RS Concepts to sell E-Games' available advertising inventory. The specific terms and conditions of the agreement are subject to further discussion and negotiations. RS Concept is a non-traditional advertising company.

- On July 8, 2011, we commercially launched Point Blank, a first person shooter game whose active user base has surpassed the performance of our flagship MMORPGs in terms of number of users and growth rate.

- On April 13, 2011, our Board approved the transfer of our 40% stake in First Cagayan Converge Data Center, Inc. ("FCCDI") to IPCDCI. The transfer, which was done in three tranches, was part of the IPVG Groups' thrust to rationalize and consolidate its interests and business operations into the respective subsidiaries and affiliates.

  As part of a rationalization of our services to focus on consumer Internet instead of a wider array of Internet services, we decided to transfer our holdings in FCCDCI to publicly listed data center operator IPCDCI. As of June 30, 2011, we have transferred 1/3 of our 40% stake in FCCDCI to IPCDCI and on September 30, 2011 we transferred an additional 1/3 of our 40% stake therein. The remaining 1/3 was sold on December 31, 2011. The total sale price was ₱114.0 million of which ₱100.0 million will be paid in cash and ₱20.0 million in future services, including internet bandwidth and co-location services. The transfer of our 40% stake in FCCDCI also includes the transfer of our equity stake, comprising 60,000 shares, in AB Fiber Corporation, the company that owns the fiber optic cables. As of December 31, 2011, the Company has completed the transfer of FCCDCI to IPCDCI.

- On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of ₱145 million, or approximately ₱1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

- On April 1, 2011, we executed a Software Development and License Agreement with Zepetto Co., a South Korean company which owns the worldwide and exclusive right to market and distribute Point Blank, a casual FPS game. Pursuant to the agreement, we were granted the exclusive, royalty-bearing and non-transferrable license for the use, promotion, distribution and marketing of the localized version of Point Blank for a period of three years from the date of commercial launch. We launched the game commercially on July 8, 2011.

- In January 2011, we conducted a right offering and offered 134,182,216Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

SELECTED FINANCIAL DATA

The selected financial information set forth in the following tables, as prepared by the Company, were derived from the unaudited stand-alone financial statements of the Company as of March 31, 2026 (with comparative figures as of unaudited December 31, 2025 and 2024) and for the period ended March 31, 2026 (with comparative figures for the periods ended March 31, 2025 and 2024).

These financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included in this submission. The summary of financial information set out below does not purport to project the results of our operations or financial condition for any future period or date.

Statement of Income Data:	**For the three months period ended March 31,**		
	2026	**2025**	**2024**
(In Thousand Pesos, except per share data)	**Stand-Alone**	**Stand-Alone**	**Stand-Alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross profit	-	-	-
Operating expenses	(723)	(689)	(188)
Equity in net losses of an associate and a joint venture			
Other income (charges)	(-)	(-)	(-)
Income (loss) before income tax	(-)	(-)	(-)
Provision for (benefit from) Income tax	-	-	-
Net income (loss)/ Total comprehensive income (loss)	(₱723)	(₱689)	(₱188)
Net income (loss)/Total comprehensive income (loss) attributable to:			
Equity holder of the company	(₱ -)	(₱ -)	(₱ -)
Non-controlling interests	(-)	(-)	(-)
	(₱723)	(₱689)	(₱188)
Earnings per share:			
Basic	₱ 0.0001	₱ 0.0001	₱ 0.0001
Diluted	0.0001	0.0001	0.0001

The comparative figures for the three months period ended March 31, 2026 were adjusted to report the stand-alone statement income data.

Balance Sheet Data:	For the Periods Ended,		
(In Thousand Pesos)	**March 31, 2026(Unaudited Stand-Alone)**	**December 31, 2025(Unaudited , Stand-Alone)**	**December 31, 2024(Unaudited , Stand-Alone)**
ASSETS			
Current Assets			
Cash	₱ 50,052	₱ 50,052	₱ 25,052
Trade and other receivables	450,000	450,000	475,000
Due from related parties	118,709	118,709	118,709
Other current assets	3,303	3,303	3,303
Total current assets	**622,064**	**622,064**	**622,064**
Noncurrent Assets			
Deposit for future investments	-	-	-
Other noncurrent assets	-	-	-
Total noncurrent assets	**-**	**-**	**-**
TOTAL ASSETS	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	₱ 66,062	₱ 66,111	₱ 66,045
Due to related parties	49,327	48,555	46,365
Loans payable	-	-	-
Due to directors	-	-	-
Provisions for contingencies	2,906	2,906	2,906
Income tax payable	-	-	-
Total current liabilities	**118,295**	**117,572**	**115,316**
Noncurrent Liability			
Deferred tax liabilities	-	-	-
Total Liabilities	**118,295**	**117,572**	**115,316**
Equity attributable to equity holders of the Parent	503,769	504,492	506,748
Non-controlling Interest	-	-	-
Total Equity	503,769	504,492	506,748
TOTAL LIABILITIES AND EQUITY	**₱ 622,064**	**₱ 622,064**	**₱ 622,064**

KEY PERFORMANCE INDICATORS

The Company's top key performance indicators, as of March 31, 2026 (with comparative figures as of December 31, 2025 and 2024) and for the periods ended March 31, 2026 and 2025 and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	For the three months period ended March 31		For the year ended December 31, (Unaudited)	
	2026	2025	2025	2024
	Stand-Alone	Stand-Alone	Stand-Alone	Stand-Alone
Financial Ratios:				
Current ratio (x)	5.26	5.34	5.29	5.37
Asset to stockholders' equity (x)	1.23	1.23	1.23	1.23
Debt to stockholders' equity (x)	0.23	0.23	0.23	0.23
Interest rate coverage (x)	-	-	-	-
Gross margin (%)	-	-	-	-
Operating profit (loss) margin (%)	(0)	(0)	(0)	(0)
Basic and diluted earnings per share	0.0000	0.0000	(0.0002)	(0.0002)

Current Ratio

This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio

This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio

This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. There is no significant movement in the ratio for the comparative three months period March 31 and year ended December 31 presented above.

Interest Rate Coverage Ratio

This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin

This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin

This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

RESULTS OF OPERATIONS

For the three months period ended March 31, 2026 compared with the three months period ended March 31, 2025.

Revenues
No revenues recognized for the three months period ended March 31, 2026 and 2025.

Operating Expenses

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Three Months Ended March 31,					
	2026		2025		Increase (Decrease)	
	₱000	₱000	₱000	%	₱000	%
	Stand-Alone		Stand-Alone			
Professional fees	473	65%	432	63%	41	9%
Others	250	15%	257	37%	(7)	(3%)
Total Operating Expenses	**₱ 723**	**100%**	**₱ 689**	**100%**	**₱34**	**5%**

Total operating expenses amounted to P723 thousand and P689 thousand for the 3 mos. period 2026 and 2025, respectively.

Professional fees include third party payments to legal and audit and other consultancy services.

Taxes and licenses which pertain to payments to the BIR (i.e. income tax, capital gains tax), business permits, import/export duties, if any, and all other expenditure levied by the national or local governments. We endeavor to structure the company's business transactions such that optimal tax savings are attained while ensuring that the Company is in adherence to all tax laws all the time.

Transportation and travel expenses include local transportation costs incurred for business purposes, and travel costs (including meals and lodging) while away from home overnight for business purposes.

Net Income (Loss)

Our bottom figure posted a net loss of ₱723 thousand and ₱689 thousand for the 3 months period ended March 31, 2026 and 2025, respectively.

Liquidity and Capital Resources

The Company source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

As of March 31, 2026 and December 31, 2025, we have cash ₱50.052 million. We expect to meet our working capital and capital expenditure requirements primarily from continuous efforts raising cash flows from operations, financing or from issuance of shares of stock.

Additional Disclosures

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

PART II- OTHER INFORMATION

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the quarter ended March 31, 2026, particularly on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;

f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

ANNEX A

IP E-GAME VENTURES INC.

MAKATI CITY – PHILIPPINES

FINANCIAL STATEMENTS
MARCH 31, 2026 AND DECEMBER 31, 2025
(UNAUDITED)

IP E-GAME VENTURES, INC
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2026
(With Comparative Figures as of December 31, 2025)
In Philippine Peso

	Notes	**(Unaudited) 2026**	(Unaudited) 2025
ASSETS			
Current Assets			
Cash and cash equivalents	10	**50,052,198**	50,052,198
Trade and other receivables – net	11	**450,000,000**	450,000,000
Due from related parties	9	**118,708,627**	118,708,627
Other current assets	12	**3,303,121**	3,303,121
Total Current Assets		**622,063,946**	622,063,946
Non-current Assets			
Property and equipment – net	13	**-**	-
Deferred tax assets	23	**-**	-
Other non-current assets	14	**-**	-
Total Non-current Assets		**-**	-
TOTAL ASSETS		**622,063,946**	622,063,946
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	15	**66,062,040**	66,111,217
Advances from related parties	9	**39,543,295**	38,771,407
Due to stockholder	9	**9,783,783**	9,783,783
Provision for contingencies	17	**2,905,661**	2,905,661
Total Current Liabilities		**118,294,778**	117,572,067
Total Liabilities		**118,294,778**	117,572,067
Equity			
Share capital	16	**2,800,000,000**	2,800,000,000
Share premium	16	**255,535,853**	255,535,853
Deficit		**(2,551,766,685)**	(2,551,043,974)
Other comprehensive loss		-	-
		503,769,168	504,491,879
Total Equity		**503,769,168**	504,491,879
TOTAL LIABILITIES AND EQUITY		**622,063,946**	622,063,946

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026
(With Comparative Figures for March 31, 2025)
In Philippine Peso

	Notes	Unaudited	
		March 31, 2026 Stand-Alone	March 31, 2025 Stand-Alone
Revenues	18	**-**	-
Cost of services	19	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	20	**(722,711)**	(688,670)
Fair Value Loss	22	**-**	-
Other income (charges) – net	22	**-**	-
Profit (loss) before income tax		**(722,711)**	(688,670)
Income tax expense:	23		
Current		**-**	-
Deferred		**-**	-
		-	-
Net Income (Loss)		**(722,711)**	(688,670)
Other comprehensive income		**–**	–
Total comprehensive loss		**(722,711)**	(688,670)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	24	**(0.00)**	(0.00)

See Notes to Consolidated Financial Statements.

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IP E-GAME VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THETHREE-MONTH PERIOD ENDED MARCH 31, 2026
(With Comparative Figures for 2025)
In Philippine Peso

	March 31, 2026	March 31, 2025
CAPITAL STOCK (Note 16)		
Balance at beginning of year	**2,800,000,000**	2,800,000,000
Issuances of shares	**–**	–
Balance at end of year	**2,800,000,000**	2,800,000,000
ADDITIONAL PAID-IN CAPITAL(Note 16)		
Balance at beginning of year	**255,535,853**	255,535,853
Premiums received	**–**	–
Balance at end of year	**255,535,853**	255,535,853
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of year	**(2,551,043,974)**	(2,546,929,233)
Net income (loss) for the year	**(722,711)**	(688,670)
Other comprehensive income	**-**	-
Transaction with owners	**-**	-
Balance as of March 31	**(2,551,766,685)**	(2,547,617,903)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**503,769,168**	507,917,950
	503,769,168	507,917,950

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES, INC
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026
(With Comparative Figures for 2025)
In Philippine Peso

	Notes	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (Loss) before tax		**(722,711)**	(688,670)
Adjustments for:			
Operating cash flows before working capital changes		**(722,711)**	(688,670)
Increase (decrease) in trade and other payables	15	**(49,177)**	(42,673)
Cash generated from operations		**(771,888)**	(731,343)
Net cash used in operating activities		**(771,888)**	(731,343)
CASH FLOWS FROM INVESTING ACTIVITIES			
Due from related parties	9	**771,888**	731,343
Net used in investing activities		**771,888**	731,343
NET INCREASE (DECREASE) IN CASH		**-**	-
CASH AT BEGINNING OF YEAR	10	**50,052,198**	25,052,198
CASH AT END OF YEAR	10	**50,052,198**	25,052,198

See Notes to Consolidated Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

Registration with the Board of Investment (BOI)
The Company was registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City.

The Company's principal office address is 8th Floor Arthaland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, Taguig City 1634.

The Company is domiciled in the Philippines.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The financial statements are prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.04 Use of Judgments and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.05 Going Concern Assumption

The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted in 2023

The Company has adopted the following amendments to PFRS effective January 1, 2023 and accordingly, changed its accounting policies in the following areas:

- Property, Plant and Equipment - Proceeds before Intended Use *(Amendments to PAS 16, Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to PAS 37, Provisions, Contingent Liabilities and Contingent Assets). The amendments clarify

that the cost of fulfilling a contract when assessing whether a contract is onerous includes all costs that relate directly to a contract - i.e., it comprises both incremental costs and an allocation of other direct costs.

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to standards.

- Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

  - replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements;

  - added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

  - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The adoption of the amended standards did not have a material effect on the interim financial statements of the Company.

3.02 New Standards and Amendments Issued

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

  - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

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

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

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

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments clarify that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes selecting a measurement technique (estimate or valuation technique) and choosing the inputs to be used

when applying the chosen measurement technique. The effects of changes in the inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgments). The key amendments to PAS 1 include requiring entities to disclose material accounting policies rather than significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are material to the financial statements. The amendments to PFRS Practice Statement 2 provide guidance and examples on the application of materiality to accounting policy disclosures.

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

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments require an entity to recognize deferred tax on transactions, such as leases for the lessee and decommissioning obligations, that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial asset when the Company becomes a party to the contractual provision of the financial instruments.

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c;) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flow's or to both collect contractual cash flows and sell, The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if during so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in statement of comprehensive income.

As of March 31, 2026 and December 31, 2024, the Company has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial instruments: Presentation. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using efferctive interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for ECL for all debt instruments not held at FWPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision

matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecoqnition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the statement of financial position as current asset when they are expected to be expensed within one year or the entity’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at cost less any accumulated depreciation, amortization and impairment losses. Cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 to 10 years
Furniture, fixtures and office equipment	–	5 years
Transportation equipment	–	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company accounts for its investments in subsidiary using the cost method in its financial statements.

Under the cost method, the investor recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Deposits for stock subscriptions represent funds received by the Company which it records as such with a view of applying the same for additional shares of increase in capital stock. Deposits for stock subscriptions are presented as a separate line item in the equity section of the statements of financial position.

Unappropriated are accumulated earnings of the Company available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.06.03 Financial Liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Company's financial liabilities as presented in the statements of financial position comprise of trade and other payables excluding government payables, due to stockholders and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4.09.01 Interest Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.09.02 Other Income

Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable

or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Company's financial position at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

5.01.01 Determining Functional Currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the rendering of services and the cost of providing the services.

5.01.02 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Company takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.03 Classification of Financial Assets and Liabilities
The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 4 to the financial statements.

5.01.04 Classification of Costs and Expenses
The Company determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Company. All other costs and expenses are classified as administrative expenses.

5.01.05 Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

No deferred tax asset was recognized for the period ended **March 31, 2026 and December 31, 2025**
, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized.

5.01.06 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28

The Company evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Company designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through profit or loss, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Estimating Useful Lives of Assets
The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The net carrying amount of the Company's property and equipment amounted to nil as of **March 31, 2026 and December 31, 2025**, respectively, as disclosed in Note 15.

5.02.02 Asset Impairment
The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, intangible assets and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Management has determined that the Company's property and equipment and investments are not impaired, hence, no impairment loss was recognized in **March 31, 2026 and December 31, 2025.**

5.02.03 Realization of Deferred Tax Assets
The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of March 31, 2026 and December 31, 2025, deferred tax assets amounted to nil as disclosed in Note 25.

5.02.04 Estimating Allowances for Doubtful Accounts

The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

Allowance for doubtful accounts for the period ended March 31, 2026 and December 31, 2025 amounted to nil, respectively, as disclosed in Note 11.

5.02.05 Provision and Contingencies

The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 20. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Company's defense in these matters and is based on an analysis of potential results. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 19.

5.02.06 Post-employment and Other Employee Benefits

The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expenses and recorded obligation in such future period.

As of March 31, 2026 and December 31, 2025, the Company has no retirement benefit obligation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, available-for-sale investments and trade and other payables. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2026		2025
Financial assets					
Cash and cash equivalents	10	₱	**50,052,198**	₱	50,052,198
Trade and other receivables			**450,000,000**		450,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825
Financial liabilities					

Trade and other payables*	15	₱	**41,654,295**	₱	41,703,472
Advances from related parties	9		**39,543,295**		38,771,407
Due to stockholders	9		**9,783,783**		9,783,783
		₱	**90,981,373**	₱	90,258,662

**Excluding statutory and other payables to government agencies amounting to ₱ 24,407,745 for both 2025 and 2024.*

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Also, the Company manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure
The table below shows the gross maximum exposure to credit risk of the Company as of March 31, 2024 and December 31, 2023 without considering the effects of credit risk mitigation techniques.

	Notes		2026		2025
Cash in banks and cash equivalents	10	₱	**50,052,198**	₱	50,052,198
Trade and other receivables – gross	11		**450,000,000**		450,000,000
Advances to related parties	9		**118,708,627**		118,708,627
		₱	**618,760,825**	₱	618,760,825

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets
The table below shows the credit quality by class of financial assets of the Company:

2026	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	50,052,198	–	–	50,052,198
Cash equivalents	–	–	–	–
Trade and other receivables	–	450,000,000	-	450,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	168,760,825	**450,000,000**	**-**	**618,760,825**

2025	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	50,052,198	–	–	50,052,198
Cash equivalents	–	–	–	–
Trade and other receivables	–	450,000,000	-	450,000,000
Advances to related parties	118,708,627	–	–	118,708,627
	168,760,825	**450,000,000**	**-**	**618,760,825**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment
The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2026	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 50,052,198	₱ –	₱ –	₱ –	₱ 50,052,198
Trade and other receivables	–	450,000,000	–	–	450,000,000
Advances to related parties	118,708,627	–	–	–	118,708,627
	₱ 168,760,825	**₱ 450,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

2025	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 50,052,198	₱ –	₱ –	₱ –	₱ 50,052,198
Trade and other receivables	–	450,000,000	–	–	450,000,000
Advances to related parties	118,708,627	–	–	–	118,708,627
	₱ 168,760,825	**₱ 450,000,000**	**₱ –**	**₱ –**	**₱ 618,760,825**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2026	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 41,654,295	₱ –	₱ –	₱ 41,654,295
Advances from related parties	–	39,543,295	–	–	39,543,295
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 81,197,590**	**₱ –**	**₱ –**	**₱ 90,981,373**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

2025	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 41,703,472	₱ –	₱ –	₱ 41,703,472
Advances from related parties	–	38,771,407	–	–	38,771,407
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 80,474,879**	**₱ –**	**₱ –**	**₱ 90,258,662**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of March 31, 2026 and December 31, 2025 are presented below:

		Fair Value			
2026	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	50,052,198	–	50,052,198	–	50,052,198
Trade and other receivables – net	450,000,000	–	450,000,000	–	450,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	41,654,295	–	41,654,295	–	41,654,295
Advances from related parties	39,543,295	–	39,543,295	–	39,543,295
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	90,258,662	**–**	**90,258,662**	**–**	**90,258,662**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

		Fair Value			
2025	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	50,052,198	–	50,052,198	–	50,052,198
Trade and other receivables – net	450,000,000	–	450,000,000	–	450,000,000
Advances to related parties	118,708,627	–	118,708,627	–	118,708,627
	618,760,825	**–**	**618,760,825**	**–**	**618,760,825**
LIABILITIES					
Trade and other payables*	41,703,472	–	41,703,472	–	41,703,472
Advances from related parties	38,771,407	–	38,771,407	–	38,771,407
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	90,258,662	**–**	**90,258,662**	**–**	**90,258,662**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

There are no transfers between fair value measurements in 2026 and 2025.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash in Bank, Short-term Trade and Other Receivables, Deposits, and Trade and Other Payables
The carrying values of these financial assets and liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Advances and Due to/from Related Parties
Since there are no specific repayment dates agreed by the Company and its related party, carrying values of these liabilities are deemed by the Company's management to approximate their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2013.

The capital structure of the Company consists of net debt and net equity of the Company (comprising issued capital, and share premium, and net deficit).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2026		2025
Debt	₱	**118,294,778**	₱	117,572,067
Cash		**(50,052,198)**		(50,052,198)
Net Debt	₱	**68,242,580**	₱	67,519,869
Net Equity		**503,769,168**		504,491,879
Net debt to equity ratio		**0.13:1**		0.13:1

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	**Relationship**
IP Ventures, Inc.	Ultimate Parent
Level-Up Inc.	Associate
GRCO Isulan Mining Corp	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2026		2025
Y-Fi Business Solutions, Inc.	₱	**62,928,454**	₱	62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910

Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
	₱	**118,708,627.00**	₱	118,708,627.00

9.02.02 Advances from Related Parties:

		2026		2025
Webworx Computer Technology Corporation	**₱**	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
IPVG Employees Inc		**13,676,118**		12,904,230
Highlands Coffee		**361,312**		361,312
	₱	**39,543,295**	₱	38,771,407

9.02.03 Due to Stockholders

		2026		2025
Due to stockholders	**₱**	**9,783,783**	₱	9,783,783

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for the three months period ended March 31, 2026 and December 31, 2025.

During 2026 and 2025, the Company entered into the following transactions with related parties:

Sales Transactions and Trade Receivables and Payables to Related Parties as of March 31, 2026 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Subsidiary:				
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
a. Advances to	–	-	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	771,888	13,676,118	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
a. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Directors:				
a. Advances from	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627.00**		
Total advances from	**₱** 771,888	**₱ 39,543,295**		

Sales Transactions and Trade Receivables and Payables to Related Parties as of December 31, 2025 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to*	₱ -	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Associate:				
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Subsidiary:				
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
b. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees Inc				
a. Advances to	–	-	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	2,189,594	12,904,230	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworks				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc				
b. Advances from	-	361,312	On demand; non-interest bearing	Unsecured, no impairment
Directors:				
a. Advances from	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱ 118,708,627.00**		
Total advances from	**₱ 2,189,594**	**₱ 38,771,407**		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2026	2025
Cash in banks	**50,052,198**	50,052,198

,

Cash in bank earns interest at the applicable bank deposit rate.

Interest income generated from cash in banks and cash equivalent amounted to nil for the nine months ended March 31, 2026 and 2025, respectively, as disclosed in Note 22.

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11. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables consist of:

		2026		2025
Trade receivable	₱	**450,000,000**	₱	450,000,000
	₱	**450,000,000**	₱	450,000,000

The average credit period on sales of goods is 15 to 30 days. No interest is charged on trade receivables.

Aging of trade and other receivables are as follows:

		2026		2025
Current:				
1 – 30 days outstanding	₱	**–**	₱	–
Past due:				
31 – 60 days outstanding		**–**		–
61 – 90 days outstanding		**–**		–
over 90 days outstanding		**450,000,000**		450,000,000
Balance at December 31	₱	**450,000,000**	₱	450,000,000

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

		2026		2025
Prepaid taxes	₱	**1,929,281**	₱	1,929,281
Advances to suppliers		**887,429**		887,429
Prepaid rent		**486,411**		486,411
	₱	**3,303,121**	₱	3,303,121

Prepaid taxes consist of tax credit carried over for the next period.

13. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2026	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, March 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, March 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

2025	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

During the year, the Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment loss has occurred on its property and equipment.

There were no additions or disposals during the nine months period ended March 31, 2026 and year ended December 31, 2024.

No amount of property and equipment has been pledged as security for the Company's liabilities.

As of March 31, 2026 and December 31, 2024, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

Depreciation is part of operating expenses of the Company, as disclosed in Note 20.

14. OTHER NON-CURRENT ASSETS

The Company's other non-current assets amounting to nil as of March 31, 2026 and December 31, 2025.

15. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

		2026		2025
Trade payables	**₱**	**25,828,214**	₱	25,834,718
Accrued expenses		**11,813,454**		11,813,454
Other non-trade payables		**28,420,372**		28,463,045
	₱	**66,062,040**	**P**	66,111,217

Trade payables are payables which are related directly to the Company's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

16. EQUITY

16.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

		2026		2025
Share capital	**₱**	**2,800,000,000**	₱	2,800,000,000
Share premium		**255,535,853**		255,535,853
	₱	**3,055,535,853**	₱	3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2026			2025		
	Shares		**Amount**	Shares		Amount
Authorized share capital ₱0.01 par value	**280,000,000,000**	**₱**	**2,800,000,000**	280,000,000,000	₱	2,800,000,000
Issued and fully paid, December 31	**280,000,000,000**	**₱**	**2,800,000,000**	280,000,000,000	₱	2,800,000,000

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

As of reporting date the Company has a total number of 40 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

17. Provisions and Contingencies

Beijing Perfect World Software, Inc.
On May 9, 2011, the Company was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Company was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 31, 2023, the parties are still in the course of litigation. However the Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will

not have a material effect on the Company's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to P2,905,661 for both 2019 and 2018 and presented as "provision for contingencies" in the statements of financial position.

Contingencies

As of March 31, 2026, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1.) People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "B.P. 22"), filed on January 18, 2008 by the Company against respondent Mario Munoz (the "Respondent") with the Office of the City Prosecutor of Makati

City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran, Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2.) IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("OCP") of Makati City by the Company against erring former employees (the "Respondents"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents: Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "RTC"). One of the Respondents, Milongo, was arrested while

the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

18. REVENUES

The Company has no revenues for the period ended March 31, 2026 and December 31, 2025.

19. COST OF SALES AND SERVICES

The Company has no cost of sales and services for the period ended March 31, 2026 and December 31, 2025.

20. OPERATING EXPENSES

The account is composed of the following operating expenses:

		2026		2025
Professional fees		**472,711**		1,996,491
Others		**250,000**		259,769
	₱	**722,711**	₱	2,256,260

21. SALARIES AND OTHER EMPLOYEE BENEFITS

The Company has no salaries and other employee benefits for the period ended March 31, 2026 and December 31, 2025.

22. OTHER INCOME (LOSS)

The Company has no other income (loss) for the period ended March 31, 2026 and December 31, 2025.

23. INCOME TAXES

23.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2026		2025
Current tax expense	**₱**	**-**	₱	-
Deferred tax expense		**-**		-
	₱	**-**	₱	-

23.02 Deferred Tax Asset

The components of the Company's deferred tax assets and their respective movements are as follows:

		2026		2025
At January 1	₱	**-**	₱	-
Reversal		**-**		-
At December 31	₱	**–**	₱	–

Management does not expect that the Company will generate future taxable income that will allow the deferred tax asset to be utilized.

24. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below:

24.01 Basic Earnings (Loss) per Share

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

		2026		2025
Earnings (Loss) used in the calculation of total basic earnings per share	₱	**(722,711)**	₱	(2,256,260)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	₱	**(0.00)**	₱	(0.00)

The Company has no dilutive potential common shares outstanding as of March 31, 2026 and December 31, 2025 Thus, basic and diluted EPS are stated at the same amount.

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

Annex A-7-2

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: August 14, 2026 07:35:20 PM

Company Information

SEC Registration No.: CS200518779
Company Name: IP E-GAME VENTURES INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST108142026811784167
Document Type: QUARTERLY_REPORT
Document Code: SEC_Form_17-Q
Period Covered: June 30, 2026
Submission Type: Original Filing
Remarks: None

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

COVER SHEET

C	S	2	0	0	5	1	8	7	7	9

S.E.C. Registration Number

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C	o	r	p	o	r	a	t	i	o	n	)																		

(Company's Full Name)

8	t	h		F	l	o	o	r		A	r	t	h	a	l	a	n	d		C	e	n	t	u	r	y			

P	a	c	i	f	i	c		T	o	w	e	r	,		5	t	h		A	v	e	n	u	e		c	o	r	.

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C	i	t	y	,		T	a	g	u	i	g		C	i	t	y		1	6	3	4									

(Business Address: No. Street Company / Town / Province)

MARY JENELLE C. PALMA ACTING CFO

Contact Person

(02) 8359-3715

Company Telephone Number

0	6

Month

3	0

Day

SEC Form 17-Q

FORM TYPE

Every Last Monday of July

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

			4	1

Total No. of Stockholders

₱ –

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **June 30, 2026**

2. SEC Identification Number **CS200518779**

3. BIR Tax Identification No. **242-246-380**

4. Exact name of issuer as specified in its charter **IP E-GAME VENTURES, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **8th Floor Arthaland Century Pacific Tower, 5th Ave. cor 30th St., Bonifacio Global City, Taguig City**
   Address of principal office

   Postal Code **1634**

8. Issuer's telephone number, including area code **+63 2 8359 3715**

9. **N/A**
   Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**280,000,000,000 shares**

11. Are any or all of these securities listed on a Stock Exchange.
    Yes [✓] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	Common Shares

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

    Yes [ ] No [ ]

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

    Yes [ ] No [ ]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report, **QUARTERLY REPORT FOR THE PERIOD ENDED June 30, 2026 (SEC Form 17-Q),** to be signed on its behalf by the undersigned thereunto duly authorized on **August 14, 2026.**

IP E-GAME VENTURES, INC
Issuer

By:

MARY JENELLE PALMA
In her Capacity as Chief Finance Officer and Duly Authorized Signatory

Before me REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO before me this ___ **day of** 14 AUG 2026, the following person exhibiting to me her Tax Identification Number as follows:

	Tin No.	Place of Issue
Mary Jenelle Palma	228-440-201	Makati City

Doc No. 470;
Page No. 97;
Book No. XX;
Series of 2026.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DECEMBER 2027
PTR No. 10765848 ; 1-6-26 ; Makati City
IBP O.R No. 510544 ; 11-24-25 Makati City
Appt. No. M-158 for the City of Makati
SC Roll No. 49491

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information contained herein should be read in conjunction with the accompanying unaudited financial statements and related notes of the Company, prepared in accordance with Philippine Financial Reporting Standards (PFRS), as of June 30, 2026 (with comparative figures as of December 31, 2024 and 2025) and for the period ended June 30, 2025 (with comparative figures for the periods ended June 30, 2024 and 2025) (see **Annex A**).

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

Discussions in the foregoing sections of this report may contain forward-looking statements that reflect current views, with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties. Actual results may be different from our forecasts.

BUSINESS AND GENERAL INFORMATION

IP E-Game Ventures, Inc. (the "Company") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on various dates.

The Company used to be the leading online game publisher in the Country, with a portfolio of massively multiplayer online role-playing games (MMORPG) and casual online games. The Company pioneered the "free-to-play" business model, wherein gamers are not required to pay a subscription fee to play online games. Gamers are given the option of purchasing "in-game items" to enhance their gaming experience by using virtual currency (e-Points), which the Company sells.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippines Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/ systems development for the on-line computer systems.

2026 Financial Highlights

- No significant transactions and disclosures for three-month period ended June 30, 2026.

2025 Financial Highlights

- No significant transactions and disclosures for six-month period ended June 30, 2025.

2024 Financial Highlights

- No significant transactions/disclosures for the year ended Dec. 31, 2024.

2023 Financial Highlights

- No significant transactions and disclosures for the year ended 2023.

2022 Financial Highlights

- The pandemic has severely impacted tourism and hospitality related industry. Many traditional industries have been depressed because of COVID-19. However, COVID-19 has also accelerated some of the trends in technology. Over the last 24 months, we have seen a massive increase in the adoption of technology, internet, e-commerce, and everything else digital. Given the above, the Company divested its real estate business in 4Q 2021 and decided to pivot towards the technology sector, more specifically in the financial technology business including but not limited to digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, peer-to-peer (P2P) lending, remittances, foreign exchange.

- For the year 2022, the Company continues to look for opportunities to invest in high growth digital financial technologies and related sectors.

2021 Financial Highlights

- In 4Q 2021, The Company divested its' 100% ownership in New Wave Strategic Holdings Limited ("New Wave"). The divestment of Company's 100% ownership in New Wave is in continuation of the Corporation's plans of changing its primary purpose as approved by its stockholders, which is to focus on financial technology and related sectors. The divestment which mainly comprises the real estate portion of New Wave is part of Company's realignment strategy. Further, given the pandemic, the underlying investment consortium in Vietnam has decided not to pursue the integrated resort project in the landholding of New Wave. Thus, the Corporation is reflecting a write down for adjustment in valuation of its landholding.

2020 Financial Highlights

- For 2020, the Company's operations consist of overseeing Real Estate Investment and Development Plans.
- However, the pandemic in 2020 has severely impacted tourism and hospitality related industry. Given the above, the Company continued to look for investing in growth opportunities that opened up during lockdowns such as but not limited digital financial technologies and related sectors.

2019 Financial Highlights

- In 2019, the Company acquired 50,000,000 shares of New Wave at US$1.00 per share. New Wave is a Company incorporated in the British Virgin Islands under the BVI Companies Act, 2004.
- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate.

2018 Financial Highlights

- For 2018, the Corporation's operations consist of overseeing Real Estate Investment and Development Plans

- The Company continues to look for opportunities to invest in the real estate sector particularly in real estate segments that converge with high technology areas such as IOT (Internet of things), block chain, AI, AR/VR and games

2017 Financial Highlights

- Effective 2017, IP E-Game Venture, Inc. ("EG") assigned 62,928,454 of its shares in Digital Paradise, Inc. ("DPI") to Y-Fi Business Solutions, Inc. This reduced the % equity of EG in DPI to 26.62%, thereby excluding DPI from the consolidated audited financials of EG. As the Company lost control over DPI, investment was designated as investment at fair value through profit & loss.

2016 Financial Highlights

- Consolidated revenues slightly increase by 3% or ₱6 million in 2016, with the influx of revenues from the internet café business & retail operations as a result of partnership with Bayad Center last July 2016.

- The Corporation had strengthen the efforts to reduce costs which resulted to the significant reduction of ₱13 million in operating expenses or a decrease of 36% from ₱35 million in 2015 to ₱23 million in 2016. The introduction of a minimalist store design for the internet café business also contributed to lesser capital expenditures and set-up costs.

2015 Financial Highlights

- In 2015, the Corporation's shares of stock in its subsidiary, Digital Paradise, Inc. (DPI) were pledged to secure a loan secured by DPI in the amount of up to US$1.872 million. Proceeds of the loan obtained by DPI are being used by DPI to pursue its business objectives and expansion goals, and to address loan amortization requirements. As parent company, the Corporation is extending support to the fund raising activities of DPI, such as the US$1.872 million loan

2014 Financial Highlights

- In March 2014, the Company and Asiasoft Corporation Public Company Limited ("Asiasoft") entered into a Deed of Absolute Sale pertaining to the Company's 30% ownership in LUI in exchange for a total consideration of ₱56.5 million resulting to a loss of ₱36,849,137.

- In October 2014, the Company entered into Deed of Assignment of Subscription Receivable, wherein, the Company assigned all its shares in Northern Star Gaming and Resort, Inc. (Formerly: RAN Online, Inc.) to IPVG Employees, Inc. in consideration of the payables to IPVG Employees, Inc. The receivables are not fully settled and paid upon assignment of the Shares by the Company to IPVG Employees, Inc

2013 Financial Highlights

- In August 2013, the BOD approved the amendment of its previous approval as to the planned increase in authorized capital stock. The BOD now approved to amend the Article Seventh of the Amended Articles Incorporation, increasing the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱2.8 Billion divided into 280 Billion shares at ₱0.01 each.

- The BOD also approved that the increase in the authorized capital stock of the Corporation shall be subscribed as follows:

Name of Subscriber	Amount
IPE Global Holdings Corporation	₱2,100,000,000
IPVG Employees, Inc.	400,000,000
	₱2,500,000,000

2012 Financial Highlights

- On February 14, 2012, the BOD approved the amendment in the Articles of Incorporation to change the corporate name and primary purpose of the Company to allow it to engage in the business of food and beverage, entertainment, hotel and leisure.

- On June 28, 2012, the BOD approved the amendment of Article Seventh of the Amended Articles Incorporation, to increase the authorized capital stock of the Corporation from ₱300,000,000, divided into 30 billion shares with par value of ₱0.01 each, to ₱1 billion, divided into 100 billion shares with par value of ₱0.01 each.

  The BOD likewise approved the issuance and listing of up to 40 billion shares out of the increase in authorized capital stock, subject to the final terms and conditions of the subscription.

- On July 31, 2012, during the Regular Stockholders Meeting, the Corporation approved the amendment of Article Third of the Amended Articles of Incorporation to change the principal office of the Corporation to 2/F Bonifacio Technology Center, 31st Street Corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila.

- On October 25, 2012, the BOD approved to amend the Articles of Incorporation, increasing the authorized capital stock of the Company to P9 billion divided into 900 billion shares. On the same date, the BOD approved to issue shares out of the increase in authorized capital stock, the proceeds of which shall be used to buy into a larger gaming and resort development project.

- In November 5, 2012, the BOD approved a modification on the approval made on October 25, 2012 to amend the Company's Amended Articles of Incorporation. The modification made is to amend the Corporation's Amended Articles of Incorporation, increasing the authorized capital stock to P50 billion divided into 5 trillion shares.

- On March 22, 2012, during the Shareholders' Meeting, the minority and unrelated shareholders approved the waiver of the requirement to conduct a rights or public offering in relation to the additional listing of the above shares because the 10% required public ownership has already been attained by the Company.

- We have become one of the leading online games publishers in the country, garnering a community of over 15.9 million registered gamers and 447,055 active users per month that play our online games. In line with our efforts to increase market share, we have entered into discussions for a possible merger with our biggest competitor, LUI. The aim is to combine gaming assets with LUI and substantially increase our gaming community, distribution and reach to the market. On March 31, 2012, we completed our merger with LUI.

- On March 2, 2012, the Company acquired a 25% stake in Cosamera, a company with primary business in the Cagayan Special Economic Zone and Freeport. Cosamera is in the business of hotel and resort facilities which shall serve tourists frequenting the Cagayan Economic Zone

Authority including visitors to its gaming facilities. As of date, Cosamera does not have available financial information, hence the investment was reported as part of noncurrent assets in 2012 balance sheet.

- On January 9, 2012, the Company executed a Content License and Distribution Agreement with NBAP for the right and license to operate the official website of the NBA targeted at the Philippine market. NBAP is a company based in New York that operates various commercial activities of the NBA around the world, outside of Greater China. The agreement is binding and effective until September 30, 2014 unless earlier terminated. The rights granted under this agreement shall not be assigned, sublicensed or subcontracted without the prior written consent, which consent may, in the sole discretion of NBAP, (i) be contingent upon a fee payable by IPE or the transferee, and/or (ii) impose other terms and conditions upon the assignment or transfer. The Company has plans of transferring the content license to X-Play Online Games, Inc.

- DPI secured loan with HSBC in the amount of ₱200 million, to be backed by a guarantee from the Philippine Export-Import Credit Agency (PHILEXIM). The proceeds of the loan shall be used for the expansion and development of DPI's internet café chain.

- The Company and X-Play signed an exclusive local publishing agreement with Take-Two International S.A. ("Take-Two") for online sports and social web game. The said online social web game will be locally hosted and operated in the Philippines. Take-Two, a subsidiary of Take-Two Interactive Software, Inc., is a leading developer, marketer and publisher of interactive entertainment for consumers' world-wide.

- Pursuant to the approval of the Company's BOD on May 9, 2012, the Company, through RAN Online, Inc., (ROI) a wholly-owned subsidiary of E-Games, acquired a 36,000 square meters of property in Cagayan Ecozone for a purchase price of P70.0 million, through combination of cash and shares of stock. As of December 31, 2012, Transfer Certificates of Title covering a total of 26,405 square meters of the total lot area being purchased have been issued to ROI with total cost recorded per books amounting to ₱37.3 million.

- On April 30, 2012, the Board authorized the Company to enter into a surety agreement in relation to the loan of IPVI with China Banking Corporation.

2011 Financial Highlights

- On December 27, 2011, the SEC approved the reduction in the Company's par value from P1.00 per share to P0.01 per share. With the decrease in par value, the authorized capital stock of the Company of P300 million is now divided into 30 billion shares.

- On December 3, 2011, the Company subscribed to 60,000 common shares of AB Fiber Corporation at ₱100 per share or a total subscription price of ₱36 million, ₱6 million of which was paid for by applying the Company's dividend payable from FCCDCI. The Company's stake in AB Fiber was subsequently transferred to IP Converge.

- On November 15, 2011, GMA provided a sponsorship certification of ₱30 million to X-Play for development of advergaming assets to be used by GMA in their digital advertising efforts.

- On October 19, 2011, GNMI executed a Subscription Agreement with the Company wherein the Company committed to allow GNMI to subscribe to Offer Shares worth ₱130 million as part of the Company's complying public offer. On the same date, the GNMI and E-Games executed an Option Agreement relative to their shares in X-Play.

- On October 18, 2011, the Company entered into a Licensing and Distribution Agreement with Blizzard Entertainment International granting the Company exclusive license to market, sell and distribute physical boxed versions of World of Warcraft, Starcraft, Legacy Products and Diablo.

- On September 2, 2011, we purchased 60% of Webworx, Inc., owner and operator of the CYBR Internet café chain with 23 Internet cafés (18 company-owned branches and 5 franchised branches located in Luzon).

- In July 2011, we entered into a memorandum of agreement with RS Concepts whereby the parties agreed to enter into a reseller agreement allowing RS Concepts to sell E-Games' available advertising inventory. The specific terms and conditions of the agreement are subject to further discussion and negotiations. RS Concept is a non-traditional advertising company.

- On July 8, 2011, we commercially launched Point Blank, a first person shooter game whose active user base has surpassed the performance of our flagship MMORPGs in terms of number of users and growth rate.

- On April 13, 2011, our Board approved the transfer of our 40% stake in First Cagayan Converge Data Center, Inc. ("FCCDI") to IPCDCI. The transfer, which was done in three tranches, was part of the IPVG Groups' thrust to rationalize and consolidate its interests and business operations into the respective subsidiaries and affiliates.

  As part of a rationalization of our services to focus on consumer Internet instead of a wider array of Internet services, we decided to transfer our holdings in FCCDCI to publicly listed data center operator IPCDCI. As of June 30, 2011, we have transferred 1/3 of our 40% stake in FCCDCI to IPCDCI and on September 30, 2011 we transferred an additional 1/3 of our 40% stake therein. The remaining 1/3 was sold on December 31, 2011. The total sale price was ₱114.0 million of which ₱100.0 million will be paid in cash and ₱20.0 million in future services, including internet bandwidth and co-location services. The transfer of our 40% stake in FCCDCI also includes the transfer of our equity stake, comprising 60,000 shares, in AB Fiber Corporation, the company that owns the fiber optic cables. As of December 31, 2011, the Company has completed the transfer of FCCDCI to IPCDCI.

- On April 1, 2011, we acquired 97,557,504 shares of DPI from ePLDT, Inc. for a consideration of ₱145 million, or approximately ₱1.49 per share. The acquired shares constitute 75% of the outstanding capital stock of DPI, a corporation engaged in the business of providing shared community access through the Internet, computer leasing, desktop publishing and other Internet-related activities.

- On April 1, 2011, we executed a Software Development and License Agreement with Zepetto Co., a South Korean company which owns the worldwide and exclusive right to market and distribute Point Blank, a casual FPS game. Pursuant to the agreement, we were granted the exclusive, royalty-bearing and non-transferrable license for the use, promotion, distribution and marketing of the localized version of Point Blank for a period of three years from the date of commercial launch. We launched the game commercially on July 8, 2011.

- In January 2011, we conducted a right offering and offered 134,182,216Common Shares ("Rights Shares") to our stockholders as of January 3, 2011 ("Record Date"). The Rights Shares were offered at the offer price of P1.00 per share and each eligible holder of Common Shares was entitled to subscribe to four (4) Rights Shares for every one (1) Common Share held as of the

Record Date. The Rights Offering was fully subscribed and the Rights Shares were listed on the Second Board of the PSE on February 4, 2011.

SELECTED FINANCIAL DATA

The selected financial information set forth in the following tables, as prepared by the Company, were derived from the unaudited stand-alone financial statements of the Company as of June 30, 2026 (with comparative figures as of unaudited December 31, 2025 and 2024) and for the period ended June 30, 2026 (with comparative figures for the periods ended June 30, 2025 and 2024).

These financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included in this submission. The summary of financial information set out below does not purport to project the results of our operations or financial condition for any future period or date.

Statement of Income Data:	**For the six months period ended June 30,**		
	2026	**2025**	**2024**
(In Thousand Pesos, except per share data)	**Stand-Alone**	**Stand-Alone**	**Stand-Alone**
Net revenue	₱ -	₱ -	₱ -
Cost of sales and services	(-)	(-)	(-)
Gross profit	-	-	-
Operating expenses	(1,193)	(1,125)	(737)
Equity in net losses of an associate and a joint venture			
Other income (charges)	(-)	(-)	(-)
Income (loss) before income tax	(1,193)	(1,125)	(737)
Provision for (benefit from) Income tax	-	-	(-)
Net income (loss)/ Total comprehensive income (loss)	(₱1,193)	(₱1,125)	(₱737)
Net income (loss)/Total comprehensive income (loss) attributable to:			
Equity holder of the company	(₱ -)	(₱ -)	(₱ -)
Non-controlling interests	(-)	(-)	(-)
	(₱1,193)	(₱1,125)	(₱737)
Earnings per share:			
Basic	₱ 0.0001	₱ 0.0001	₱ 0.0001
Diluted	0.0001	0.0001	0.0001

The comparative figures for the six months period ended June 30, 2026 were adjusted to report the stand-alone statement income data.

Balance Sheet Data:	For the Periods Ended,		
(In Thousand Pesos)	**June 30, 2026(Unaudited Stand-Alone)**	**December 31, 2025(Unaudited , Stand-Alone)**	**December 31, 2024(Unaudited , Stand-Alone)**
ASSETS			
Current Assets			
Cash	₱ 50,016	₱ 50,016	₱ 50,016
Trade and other receivables	-	-	-
Due from related parties	-	-	-
Other current assets	-	-	-
Total current assets	**50,016**	**50,016**	**50,016**
Noncurrent Assets			
Deposit for future investments	-	-	-
Other noncurrent assets	-	-	-
Total noncurrent assets	**-**	**-**	**-**
TOTAL ASSETS	**₱ 50,016**	**₱ 50,016**	**₱ 50,016**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	₱ 53,410	₱ 53,376	₱ 53,304
Due to related parties	16,526	15,366	12,195
Loans payable	-	-	-
Due to stockholder	9,783	9,783	9,783
Provisions for contingencies	2,906	2,906	2,906
Income tax payable	-	-	-
Total current liabilities	**82,625**	**81,431**	**78,188**
Noncurrent Liability			
Deferred tax liabilities	-	-	-
Total Liabilities	**82,625**	**81,431**	**78,188**
Equity attributable to equity holders of the Parent	(32,609)	(31,415)	(28,172)
Non-controlling Interest	-	-	-
Total Equity	(32,609)	(31,415)	(28,172)
TOTAL LIABILITIES AND EQUITY	**₱ 50,016**	**₱ 50,016**	**₱ 50,016**

KEY PERFORMANCE INDICATORS

The Company's top key performance indicators, as of June 30, 2026 (with comparative figures as of December 31, 2025 and 2024) and for the periods ended June 30, 2026 and 2025 and how they are computed, are listed below:

The following financial ratios are deemed to be relevant to the Company:

	June 30, 2026	Dec 31, 2025
	Stand-Alone	Stand-Alone
Financial Ratios:		
Current ratio (x)	0.61	0.61
Asset to stockholders' equity (x)	-1.53	-1.59
Debt to stockholders' equity (x)	-2.53	-2.59
Interest rate coverage (x)	-	-
Gross margin (%)	-	-
Operating profit (loss) margin (%)	-	-

Current Ratio

This is calculated by dividing current assets over current liabilities. This ratio measures the Company's ability to pay short-term obligations. As shown above, the Company's current assets are still sufficient to cover its currently maturing liabilities.

Asset to Stockholders' Equity Ratio

This is calculated by dividing total assets over total stockholders' equity. This ratio measures the Company's leverage. A ratio of more than 1.0 means that the Company owns more of its assets than financed by the shareholders through equity.

Debt to Stockholders' Equity Ratio

This is calculated by dividing total liabilities over total stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners. There is no significant movement in the ratio for the comparative six months period June 30 and year ended December 31 presented above.

Interest Rate Coverage Ratio

This is calculated by dividing a Company's earnings before interest and taxes by the Company's interest expenses. This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the Company is burdened by debt expense. Hence, an interest coverage ratio below 1.0 indicates the Company is not generating sufficient revenues to satisfy interest expenses.

Gross Margin

This is computed by dividing gross profit by total revenue, and is dependent on the amount of revenues generated and cost of services expended. Please refer to "Results of Operations" for a more detailed analysis of revenues and cost of services.

Operating Profit (Loss) Margin

This is computed by dividing earnings before interest and taxes by net revenue. The operating profit (loss) margin is a measure of overall operating efficiency, incorporating all the expenses of ordinary, daily business activity.

Basic Earnings Per Share
This is computed by dividing net income by weighted average number of common shares outstanding. Basic earnings per share do not factor in the dilutive effects on convertible securities.

Diluted Earnings Per Share
A performance metric used to gauge the quality of a company's earnings per share (EPS) if all convertible securities were exercised. Convertible securities refer to all outstanding convertible preferred shares, convertible debentures, stock options (primarily employee based) and warrants.

RESULTS OF OPERATIONS

For the six months period ended June 30, 2026 compared with the six months period ended June 30, 2025.

Revenues
No revenues recognized for the three months period ended June 30, 2026 and 2025.

Operating Expenses

The following table shows our operating expenses, by amount and percentage of our net revenues, for the periods indicated:

(In Thousand Pesos)	For the Six Months Ended June 30,					
	2026		2025		Increase (Decrease)	
	₱000	₱000	₱000	%	₱000	%
	Stand-Alone		Stand-Alone			
Professional fees	943	79%	865	77%	78	10%
Others	250	21%	260	23%	(10)	-4%
Total Operating Expenses	**₱1,193**	**100%**	**₱1,125**	**100%**	**₱68**	**6%**

Total operating expenses amounted to P1.193million and P1.125million for the 6 mos. period 2026 and 2025, respectively.

Professional fees include third party payments to legal and audit and other consultancy services.

Taxes and licenses which pertain to payments to the BIR (i.e. income tax, capital gains tax), business permits, import/export duties, if any, and all other expenditure levied by the national or local governments. We endeavor to structure the company's business transactions such that optimal tax savings are attained while ensuring that the Company is in adherence to all tax laws all the time.

Transportation and travel expenses include local transportation costs incurred for business purposes, and travel costs (including meals and lodging) while away from home overnight for business purposes.

Net Income (Loss)

Our bottom figure posted a net loss of ₱1,193million and ₱1,125million for the 6 months period ended June 30, 2026 and 2025, respectively.

Liquidity and Capital Resources

The Company source liquidity through advances from related parties which are non-interest bearing, unsecured and repayable within 12 months. We also source liquidity through third-party loans and financing which bear interest at market rates.

As of June 30, 2026 and December 31, 2025, we have cash ₱50.016. We expect to meet our working capital and capital expenditure requirements primarily from continuous efforts raising cash flows from operations, financing or from issuance of shares of stock.

Additional Disclosures

We currently do not foresee events that will result in liquidity increasing or decreasing in a material manner such as cash flow or liquidity problems.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

No independent accountant was previously engaged as the principal accountant to audit the Company's financial statements, neither was an independent accountant, previously engaged to audit a significant subsidiary of the Company, ceased performing services for the Company.

There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with this report.

PART II- OTHER INFORMATION

There were no material disclosures that have not been reported under SEC Form 17-C (Current Report) during the quarter ended June 30, 2026, particularly on the following:

a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

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. Any material off-balance sheet transactions, arrangement, 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;

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/revenues/income from continuing operations;

f. Any significant elements of income or loss that did not arise from the issuer's continuing operations;

g. The causes of 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.

ANNEX A

IP E-GAME VENTURES INC.

MAKATI CITY – PHILIPPINES

FINANCIAL STATEMENTS
JUNE 30, 2026 AND DECEMBER 31, 2025
(UNAUDITED)

IP E-GAME VENTURES, INC
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026
(With Comparative Figures as of December 31, 2025)
In Philippine Peso

	Notes	**(Unaudited) 2026**	(Unaudited) 2025
ASSETS			
Current Assets			
Cash and cash equivalents	10	**50,015,692**	50,015,692
Trade and other receivables – net	11	**-**	-
Due from related parties	9	**-**	-
Other current assets	12	**-**	-
Total Current Assets		**50,015,692**	50,015,692
Non-current Assets			
Property and equipment – net	13	**-**	-
Deferred tax assets	23	**-**	-
Other non-current assets	14	**-**	-
Total Non-current Assets		**-**	-
TOTAL ASSETS		**50,015,692**	50,015,692
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	15	**53,409,528**	53,376,194
Advances from related parties	9	**16,526,679**	15,366,839
Due to stockholder	9	**9,783,783**	9,783,783
Provision for contingencies	17	**2,905,661**	2,905,661
Total Current Liabilities		**82,625,651**	81,432,477
Total Liabilities		**82,625,651**	81,432,477
Equity			
Share capital	16	**2,800,000,000**	2,800,000,000
Share premium	16	**255,535,853**	255,535,853
Deficit		**(3,088,145,812)**	(3,086,952,638)
Other comprehensive loss		**-**	-
Total Equity		**(32,609,959)**	(31,416,785)
TOTAL LIABILITIES AND EQUITY		**50,015,692**	50,015,692

See Notes to Financial Statements.

IP E-GAME VENTURES, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2026
(With Comparative Figures for June 30, 2025)
In Philippine Peso

	Notes	Unaudited 6 months	
		June 30, 2026 Stand-Alone	June 30, 2025 Stand-Alone
Revenues	18	**-**	-
Cost of services	19	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	20	**(1,193,173)**	(1,124,603)
Fair Value Loss	22	**-**	-
Other income (charges) – net	22	**-**	-
Profit (loss) before income tax		**(1,193,173)**	(1,124,603)
Income tax expense:	23		
Current		**-**	-
Deferred		**-**	-
		-	-
Net Income (Loss)		**(1,193,173)**	(1,124,603)
Other comprehensive income		**–**	–
Total comprehensive loss		**(1,193,173)**	(1,124,603)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	24	**(0.00)**	(0.00)

See Notes to Financial Statements.

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IP E-GAME VENTURES, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED JUNE 30, 2026
(With Comparative Figures for June 30, 2025)
In Philippine Peso

		Unaudited	
	Notes	**June 30, 2026 Stand-Alone**	June 30, 2025 Stand-Alone
Revenues	18	**-**	-
Cost of services	19	**(-)**	(-)
Gross profit		**-**	-
Operating expenses	20	**(471,587)**	(435,933)
Fair Value Loss	22	**-**	-
Other income (charges) – net	22	**-**	-
Profit (loss) before income tax		**(471,587)**	(435,933)
Income tax expense:	23		
Current		**-**	-
Deferred		**-**	-
		-	-
Net Income (Loss)		**(471,587)**	(435,933)
Other comprehensive income		**–**	–
Total comprehensive loss		**(471,587)**	(435,933)
Basic and Diluted Earnings per share			
Attributable to equity holders of the parent	24	**(0.00)**	(0.00)

See Notes to Financial Statements.

IP E-GAME VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(With Comparative Figures for 2025)
In Philippine Peso

	June 30, 2026	December 31, 2025
CAPITAL STOCK (Note 16)		
Balance at beginning of year	**2,800,000,000**	2,800,000,000
Issuances of shares	**–**	–
Balance at end of year	**2,800,000,000**	2,800,000,000
ADDITIONAL PAID-IN CAPITAL (Note 16)		
Balance at beginning of year	**255,535,853**	255,535,853
Premiums received	**–**	–
Balance at end of year	**255,535,853**	255,535,853
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of year	**(3,086,952,638)**	(3,083,708,770)
Net income (loss) for the year	**(1,193,173)**	(3,243,868)
Other comprehensive income	**-**	-
Transaction with owners	**-**	-
Balance as of June 30	**(3,088,145,812)**	(3,086,952,638)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**(32,609,959)**	(31,416,785)
	(32,609,959)	(31,416,785)

See Notes to Financial Statements.

IP E-GAME VENTURES, INC
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2026
(With Comparative Figures for 2025)
In Philippine Peso

	Notes	June 30, 2026	Dec 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (Loss) before tax		**(1,193,173)**	(3,243,868)
Adjustments for:			
		-	-
Operating cash flows before working capital changes		**(1,193,173)**	(3,243,868)
(Increase) decrease in trade and other receivables		**-**	25,000,000
Increase (decrease) in trade and other payables	15	**33,333**	72,222
Cash generated from operations		**(1,159,840)**	21,828,354
Net cash used in operating activities		**(1,159,840)**	21,828,354
CASH FLOWS FROM INVESTING ACTIVITIES			
Due from related parties	9	**1,159,840**	3,171,646
Net used in investing activities		**1,159,840**	3,171,646
NET INCREASE (DECREASE) IN CASH		**-**	25,000,000
CASH AT BEGINNING OF YEAR	10	**50,015,692**	25,015,692
CASH AT END OF YEAR	10	**50,015,692**	50,015,692

See Notes to Financial Statements.

1. CORPORATE INFORMATION

IP E-GAME VENTURES INC. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 22, 2005. The principal activities of the Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish through joint venture or otherwise, internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management technical and maintenance support and services; and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Company's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

Registration with the Board of Investment (BOI)
The Company was registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City.

The Company's principal office address is 8th Floor Arthaland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, Taguig City 1634.

The Company is domiciled in the Philippines.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The financial statements are prepared on a going concern basis under the historical cost convention, except where a Financial Reporting Standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.03 Presentation and Functional Currency

Items included in the financial statements of the Company are measured using Philippine Peso, the currency of the primary economic environment in which the Company operates (the "functional currency"). All presented financial information has been rounded to the nearest Peso, except when otherwise indicated.

2.04 Use of Judgments and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.05 Going Concern Assumption

The Company is not aware of any significant uncertainties that may cast doubts upon the Company's ability to continue as a going concern.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted in 2023

The Company has adopted the following amendments to PFRS effective January 1, 2023 and accordingly, changed its accounting policies in the following areas:

- Property, Plant and Equipment - Proceeds before Intended Use *(Amendments to PAS 16, Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, Inventories.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

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

- Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to standards.

- Reference to the Conceptual Framework (Amendment to PFRS 3, Business Combinations). The amendments:

    - replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements;

    - added a requirement that, for transactions and other events within the scope of PAS 37 or International Financial Reporting Interpretations Committee (IFRIC) 21, Levies, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

    - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The adoption of the amended standards did not have a material effect on the interim financial statements of the Company.

3.02 New Standards and Amendments Issued

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

    - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

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

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

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

- Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments clarify that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting

policy. Developing an accounting estimate includes selecting a measurement technique (estimate or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in the inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The amendments apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, Making Materiality Judgments). The key amendments to PAS 1 include requiring entities to disclose material accounting policies rather than significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are material to the financial statements. The amendments to PFRS Practice Statement 2 provide guidance and examples on the application of materiality to accounting policy disclosures.

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

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments require an entity to recognize deferred tax on transactions, such as leases for the lessee and decommissioning obligations, that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Company recognizes financial asset when the Company becomes a party to the contractual provision of the financial instruments.

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Company's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c;) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flow's or to both collect contractual cash flows and sell, The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if during so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in statement of comprehensive income.

As of June 30, 2026 and December 31, 2025, the Company has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Company may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial instruments: Presentation. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statement of financial position. These fair value changes are recognized in equity and are not reclassified to statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost
As part of its classification process, the financial assets of the Company are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using efferctive interest method, less in impairment in value.

The Company's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment
The Company recognizes an allowance for ECL for all debt instruments not held at FWPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecoqnition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the statement of financial position as current asset when they are expected to be expensed within one year or the entity’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Property and Equipment

Property and equipment are measured at cost less any accumulated depreciation, amortization and impairment losses. Cost consists of purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. The carrying amount of replaced parts is

derecognized. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed on a straight-line method based on the estimated useful lives of the assets as follows:

Computer and network equipment	–	5 to 10 years
Furniture, fixtures and office equipment	–	5 years
Transportation equipment	–	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Fully-depreciated assets still in use are retained in the financial statements. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the financial statements and any resulting gain or loss is credited or charged to profit or loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

4.04 Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.05 Investment in Subsidiary

A subsidiary is an entity which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company accounts for its investments in subsidiary using the cost method in its financial statements.
Under the cost method, the investor recognizes income from the investment only to the extent that the investor received distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost to the investment.

The Company controls an investee if and only if the investor has all of the following elements:

- power over the investee; the Company has existing rights that give it the ability to direct the relevant activities that significantly affect the investee's return
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect the amount of the Company's returns.

4.06 Financial Liabilities and Equity Instruments

4.06.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.06.02 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Company's statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by a company since its inception that are not distributed to shareholders as dividends but are either reinvested in the business or kept as a reserve for specific objectives. Deficit is reduced by profits.

Deposits for stock subscriptions represent funds received by the Company which it records as such with a view of applying the same for additional shares of increase in capital stock. Deposits for stock subscriptions are presented as a separate line item in the equity section of the statements of financial position.

Unappropriated are accumulated earnings of the Company available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.06.03 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Company's financial liabilities as presented in the statements of financial position comprise of trade and other payables excluding government payables, due to stockholders and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.06.04 Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.07 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments

and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.08 Provisions, Contingent Liabilities and Contingent Assets

4.08.01 Provisions
Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.08.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

4.09.01 Interest Income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future

cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.09.02 Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.10 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.11 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.12 Related Parties and Related Party Transactions

4.12.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company, post-employment benefit plans for the benefit of Company's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

4.12.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Company.

4.13 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.13.01 Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.13.02 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.14 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.15 Events After the Reporting Date

The Company identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Company's financial position at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

5.01.01 Determining Functional Currency
Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates and it is the currency that mainly influences the rendering of services and the cost of providing the services.

5.01.02 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Company takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.03 Classification of Financial Assets and Liabilities
The Company determines the classification of the financial assets and liabilities at initial recognition and re-evaluates this classification at reporting date. The classifications of the various financial assets and liabilities are disclosed in Note 4 to the financial statements.

5.01.04 Classification of Costs and Expenses
The Company determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Company. All other costs and expenses are classified as administrative expenses.

5.01.05 Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

No deferred tax asset was recognized for the period ended **June 30, 2026 and December 31, 2025**, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized.

5.01.06 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28

The Company evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Company designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through profit or loss, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Estimating Useful Lives of Assets
The useful lives of the Company's assets with definite life are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The net carrying amount of the Company's property and equipment amounted to nil as of **June 30, 2026 and December 31, 2025**, respectively, as disclosed in Note 15.

5.02.02 Asset Impairment
The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment, intangible assets and investments, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under generally accepted accounting principles in the Philippines.

Management has determined that the Company's property and equipment and investments are not impaired, hence, no impairment loss was recognized in **June 30, 2026 and December 31, 2025.**

5.02.03 Realization of Deferred Tax Assets
The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of June 30, 2026 and December 31, 2025, deferred tax assets amounted to nil as disclosed in Note 25.

5.02.04 Estimating Allowances for Doubtful Accounts
The Company estimates the allowance for doubtful accounts related to its trade receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific reserves for customers against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

Allowance for doubtful accounts for the period ended June 30, 2026 and December 31, 2025 amounted to nil, respectively, as disclosed in Note 11.

5.02.05 Provision and Contingencies
The Company is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 20. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Company's defense in these matters and is based on an analysis of potential results. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 19.

5.02.06 Post-employment and Other Employee Benefits
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by the actuary in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expenses and recorded obligation in such future period.

As of June 30, 2026 and December 31, 2025, the Company has no retirement benefit obligation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, available-for-sale investments and trade and other payables. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2026		2025
Financial assets					
Cash and cash equivalents	10	₱	**50,015,692**	₱	50,015,692
Trade and other receivables			**-**		-
Advances to related parties	9		**-**		-
		₱	**50,015,692**	₱	50,015,692
Financial liabilities					
Trade and other payables*	15	₱	**53,409,528**	₱	53,376,194
Advances from related parties	9		**16,526,679**		15,366,839
Due to stockholders	9		**9,783,783**		9,783,783
		₱	**78,719,990**	₱	78,526,816

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company principally transacts with its related party.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

Also, the Company manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the financial statements represents the Company's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Company as of June 30, 2026 and December 31, 2025 without considering the effects of credit risk mitigation techniques.

	Notes		2026		2025
Cash in banks and cash equivalents	10	₱	**50,015,692**	₱	50,015,692
Trade and other receivables – gross	11		**-**		-
Advances to related parties	9		**-**		-
		₱	**50,015,692**	₱	50,015,692

The Company does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below shows the credit quality by class of financial assets of the Company:

2026	**Neither past due nor impaired**	**Past due but not impaired**	**Impaired**	**Total**
Cash in banks	50,015,692	–	–	50,015,692
Cash equivalents	–	–	–	–
Trade and other receivables	–	–	–	–
Advances to related parties	–	–	–	–
	50,015,692	–	–	**50,015,692**

2025	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cash in banks	50,015,692	–	–	50,015,692
Cash equivalents	–	–	–	–
Trade and other receivables	–	–	–	–
Advances to related parties	–	–	–	–
	50,015,692	–	–	**50,015,692**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment

The Company recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the

following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

The aging analysis of trade and other receivables that are past due but not impaired is presented in Note 11.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2026	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 50,015,692	₱ –	₱ –	₱ –	₱ 50,015,692
Trade and other receivables	–	–	–	–	–
Advances to related parties	–	–	–	–	–
	₱ 50,015,692	**₱ –**	**₱ –**	**₱ –**	**₱ 50,015,692**

2025	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Cash and cash equivalents	₱ 50,015,692	₱ –	₱ –	₱ –	₱ 50,015,692
Trade and other receivables	–	–	–	–	–
Advances to related parties	–	–	–	–	–
	₱ 50,015,692	**₱ –**	**₱ –**	**₱ –**	**₱ 50,015,692**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

2026	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 53,409,528	₱ –	₱ –	₱ 53,409,528
Advances from related parties	–	16,526,679	–	–	16,526,679
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 69,936,207**	**₱ –**	**₱ –**	**₱ 79,719,990**

2025	On Demand	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Trade and other payables*	₱ –	₱ 53,376,194	₱ –	₱ –	₱ 53,376,194
Advances from related parties	–	15,366,839	–	–	15,366,839
Due to related parties	9,783,783	–	–	–	9,783,783
	₱ 9,783,783	**₱ 68,743,033**	**₱ –**	**₱ –**	**₱ 78,526,816**

7. FAIR VALUE MEASUREMENTS

7.01 Fair Value of Financial Assets and Liabilities

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of June 30, 2026 and December 31, 2025 are presented below:

		Fair Value			
2026	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	50,015,692	–	50,015,692	–	50,015,692
Trade and other receivables – net	–	–	–	–	–
Advances to related parties	–	–	–	–	–
	50,015,692	**–**	**50,015,692**	**–**	**50,015,692**
LIABILITIES					
Trade and other payables*	53,409,528	–	53,409,528	–	53,409,528
Advances from related parties	16,526,679	–	16,526,679	–	16,526,679
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	79,719,990	**–**	**79,719,990**	**–**	**79,719,990**

		Fair Value			
2025	**Carrying Value**	**Quoted (Unadjusted) Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
ASSETS					
Cash and cash equivalents	50,015,692	–	50,015,692	–	50,015,692
Trade and other receivables – net	–	–	–	–	–
Advances to related parties	–	–	–	–	–
	50,015,692	**–**	**50,015,692**	**–**	**50,015,692**
LIABILITIES					
Trade and other payables*	53,376,194	–	53,376,194	–	53,376,194
Advances from related parties	15,366,839	–	15,366,839	–	15,366,839
Due to stockholders	9,783,783	–	9,783,783	–	9,783,783
	78,526,816	**–**	**78,526,816**	**–**	**78,526,816**

There are no transfers between fair value measurements in 2026 and 2025.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

Cash in Bank, Short-term Trade and Other Receivables, Deposits, and Trade and Other Payables
The carrying values of these financial assets and liabilities approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

Advances and Due to/from Related Parties
Since there are no specific repayment dates agreed by the Company and its related party, carrying values of these liabilities are deemed by the Company's management to approximate their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2013.

The capital structure of the Company consists of net debt and net equity of the Company (comprising issued capital, and share premium, and net deficit).

The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors reviews the capital structure of the Company on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2026		2025
Debt	₱	**82,625,651**	₱	81,432,477
Cash		**(50,015,692)**		(50,015,692)
Net Debt	₱	**(32,609,959)**	₱	(31,416,785)
Net Equity		**(32,609,959)**		(31,416,785)
Net debt to equity ratio		**-**		-

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Company that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

Related parties are as follows:

Company	**Relationship**
IP Ventures, Inc.	Ultimate Parent
IPE Global Holdings Corp.	Parent
GRCO Isulan Mining Corp	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
IPVG Employees, Inc.	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2026		2025
IPE Global Holdings Corp.	₱	**81,357,960**	₱	81,357,960
Y-Fi Business Solutions, Inc.		**62,928,454**		62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**16,409,794**		16,409,794
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
XPlay Online Games Incorporated		**7,141,369**		7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
	₱	**201,576,083**	₱	201,576,083
Less: Allowance for ECL		**(201,576,083)**		(201,576,083)
	₱	**-**	₱	-

9.02.03 Due to Stockholders

		2026		2025
Due to stockholders	₱	**9,783,783**	₱	9,783,783

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for the six months period ended June 30, 2026 and December 31, 2025.

During 2026 and 2025, the Company entered into the following transactions with related parties:

Sales Transactions and Trade Receivables and Payables to Related Parties as of June 30, 2026 and December 31, 2025 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to	₱ –	₱ 22,518,475	On demand; non-interest bearing	Unsecured, fully impaired
Parent:				
IPE Global Holding Corp.				
a. Advances to	–	81,357,960	On demand; non-interest bearing	Unsecured, fully impaired
Entities under common control:				
GRCO Isulan Mining Corporation	–			
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, fully impaired
IPE Global Pte. Ltd				
a. Advances to	–	16,049,794	On demand; non-interest bearing	Unsecured, fully impaired
I-Pay Commerce Ventures Inc.				
a. Advances to	–	217,476	On demand; non-interest bearing	Unsecured, fully impaired
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	-	1,072,645	On demand; non-interest bearing	Unsecured, fully impaired
Xplay Online Games Incorporated				
a. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, fully impaired
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, fully impaired
IPVG Employees Inc				
a. Advances from	1,159,840	16,526,679	On demand; non-interest bearing	Unsecured, no impairment
Directors:				
a. Advances from	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ -**	**₱** -		
Total advances from	**₱** 1,159,840	**₱ 16,526,679**		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

Cash at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2026	2025
Cash in banks	**50,015,692**	50,015,692

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Cash in bank earns interest at the applicable bank deposit rate.

Interest income generated from cash in banks and cash equivalent amounted to nil for the six months ended June 30, 2026 and 2025, respectively, as disclosed in Note 22.

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11. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables consist of:

		2026		2025
Trade receivable	₱	**450,000,000**	₱	450,000,000
Less: impairment		**(450,000,000)**		(450,000,000)
	₱	**-**	₱	-

The average credit period on sales of goods is 15 to 30 days. No interest is charged on trade receivables.

Aging of trade and other receivables are as follows:

		2026		2025
Current:				
1 – 30 days outstanding	₱	**–**	₱	–
Past due:				
31 – 60 days outstanding		**–**		–
61 – 90 days outstanding		**–**		–
over 90 days outstanding		**450,000,000**		450,000,000
Balance at December 31	₱	**450,000,000**	₱	450,000,000

12. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Company's prepayments and other current assets are shown below:

		2026		2025
Prepaid taxes	₱	**-**	₱	-
Advances to suppliers		**-**		-
Prepaid rent		**-**		-
	₱	**-**	₱	-

Prepaid taxes consist of tax credit carried over for the next period.

13. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment are as follows:

2026	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, June 30	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, June 30	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

2025	Computer and network equipment	Furniture, fixtures and office equipment	Transportation equipment	Total
Cost:				
Balance, January 1	₱ 5,463,436	₱ 1,598,421	₱ 1,035,714	₱ 8,097,571
Additions	–	–	–	–
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Accumulated Depreciation:				
Balance, January 1	5,447,154	1,598,421	1,035,714	8,081,289
Depreciation	16,282	–	–	16,282
Balance, December 31	**5,463,436**	**1,598,421**	**1,035,714**	**8,097,571**
Net carrying value	**₱ –**	**₱ –**	**₱ –**	**₱ –**

During the year, the Company carried out a review of the recoverable amounts of its property and equipment. The Company has determined that there is no indication that an impairment loss has occurred on its property and equipment.

There were no additions or disposals during the nine months period ended June 30, 2026 and year ended December 31, 2025.

No amount of property and equipment has been pledged as security for the Company's liabilities.

As of June 30, 2026 and December 31, 2025, the Company has no outstanding contractual commitments to acquire certain property and equipment items.

Depreciation is part of operating expenses of the Company, as disclosed in Note 20.

14. OTHER NON-CURRENT ASSETS

The Company's other non-current assets amounting to nil as of June 30, 2026 and December 31, 2025.

15. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

		2026		2025
Trade payables	₱	**13,991,152**	₱	13,991,152
Accrued expenses		**12,000,224**		12,000,224
Other non-trade payables		**27,418,152**		27,384,818
	₱	**53,409,528**	₱	53,376,194

Trade payables are payables which are related directly to the Company's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Other non-trade payables pertain to payables not directly related to the Company's core operating business.

16. EQUITY

16.01 Share Capital and Premium

The share capital and premium of the Company is as follows:

		2026		2025
Share capital	₱	**2,800,000,000**	₱	2,800,000,000
Share premium		**255,535,853**		255,535,853
	₱	**3,055,535,853**	₱	3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2026			2025	
	Shares		**Amount**	Shares	Amount
Authorized share capital ₱0.01 par value	**280,000,000,000**	₱	**2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid, December 31	**280,000,000,000**	₱	**2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date the Company has a total number of 40 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

17. Provisions and Contingencies

Contingencies

As of June 30, 2026, the pending litigations involving the Company, or its directors (both incumbent and nominees for election) or executive officers, or any of its material properties are:

1.) People vs. Mario Munoz (Crim. Case No. 356224-25, Metropolitan Trial Court of Makati City, Branch 65)

This is a criminal complaint for seven (7) counts of violation of Batas Pambansa Big. No. 22 (Bouncing Checks Law or "B.P. 22"), filed on January 18, 2008 by the Company against respondent

Mario Munoz (the "Respondent") with the Office of the City Prosecutor of Makati City. Respondent is the owner of Lord Cyber Cafe, an internet shop located in Baclaran, Parañaque City. On January 15, 2007, respondent entered into a Distribution Agreement with the Company wherein he bound himself to purchase the Company's E-games pre-paid cards in the amount of ₱3,000,000.00, for eventual resale to customers. Accordingly, on January 8, 2007, the Company sold and delivered to respondent 16,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱741,000.00.

On January 12, 2007, the Company again sold and delivered to respondent 13,500 pieces of pre-paid cards, in various denominations, in the total amount of ₱826,800.00. However, respondent failed to fully pay for the same. As of February 2007, respondent owed the Company the amount of ₱1,367,000.00. When the Company demanded payment from respondent, he requested that he be given extension of time to settle his obligation. Acceding to his request, the Company allowed him to execute an Undertaking on March 30, 2007 wherein he bound himself to pay the above-mentioned sum on installment basis from April 2007 to January 2008, with ten (10) post-dated checks issued in favor of the Company as security therefor.

The Undertaking contained an escalation clause which provided that the remaining principal and interest due shall automatically become due and demandable in case the Respondent fails to honor any of the post-dated checks. When one of the checks bounced, the Company immediately demanded payment thereof, but despite demand, the Respondent failed to pay. After the Respondent was arraigned, the parties entered in a compromise agreement, thereby holding in abeyance the continuance of the case, which was likewise archived pending implementation of the said compromise agreement. However, the Respondent violated said compromise agreement, so a writ of execution was issued by the court for the execution of the civil aspect of the case. A bench warrant for the arrest of the Respondent was likewise issued by the court, but the Respondent remains at large. Meanwhile, the case was archived pending the arrest of the Respondent.

The Company foresees no ultimate liability because it is the private complainant in this case. This case is being handled by the law firm Ledesma Gonzales Labayen Law Office, which law firm, together with the Company, are searching for properties of the Respondent that may satisfy his civil liability to the Company.

2.) IP E-Game Ventures, Inc. (IPEG) vs. Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City; NPS-XV-05-INV-10F-0162; Regional Trial Court, Makati City, Branch 58, Crim. Case No. 11-149)

This is a criminal case for qualified theft filed on June 7, 2010 before the Office of the City Prosecutor ("OCP") of Makati City by the Company against erring former employees (the "Respondents"), who took away business income from the Company by manipulating the CABAL (i.e., an internet game duly licensed to the Company) upgrade items. The OCP of Makati City issued a resolution dated December 30, 2010, finding probable cause against the three (3) Respondents: Christopher Milongo, Christopher Martinez, and Antonio Paz. A warrant for their arrest was issued by the Regional Trial Court of Makati City, Branch 58 (the "RTC"). One of the Respondents, Milongo, was arrested while the other Respondents remain at large. On the otherhand, the RTC, in its Order dated October 27, 2011, denied the prosecution's Motion to Withdraw Information against Antonio Paz.

Meanwhile, Respondent Milongo was arraigned and thereafter the RTC heard the Petition for Bail filed by said accused, which was subsequently denied. On October 5, 2016, Respondent Milongo was convicted of the crime of qualified theft. The rest of the Respondents are still at large.

In the near term, the Company foresees no ultimate liability to it, because the Company is the complainant in this case. This case is being handled by an external counsel, Baterina Baterina Casals Lozada & Tiblani Law Offices.

18. REVENUES

The Company has no revenues for the period ended June 30, 2026 and December 31, 2025.

19. COST OF SALES AND SERVICES

The Company has no cost of sales and services for the period ended June 30, 2026 and December 31, 2025.

20. OPERATING EXPENSES

The account is composed of the following operating expenses:

		2026		2025
Professional fees		**952,026**		841,336
Others		**250,000**		283,267
	₱	**1,193,173**	₱	1,124,603

21. SALARIES AND OTHER EMPLOYEE BENEFITS

The Company has no salaries and other employee benefits for the period ended June 30, 2026 and December 31, 2025.

22. OTHER INCOME (LOSS)

The Company has no other income (loss) for the period ended June 30, 2026 and December 31, 2025.

23. INCOME TAXES

23.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2026		2025
Current tax expense	**₱**	**-**	₱	-
Deferred tax expense		**-**		-
	₱	**-**	₱	-

23.02 Deferred Tax Asset

The components of the Company's deferred tax assets and their respective movements are as follows:

		2026		2025
At January 1	**₱**	**-**	₱	-
Reversal		**-**		-
At December 31	**₱**	**–**	₱	–

Management does not expect that the Company will generate future taxable income that will allow the deferred tax asset to be utilized.

24. EARNINGS PER SHARE

The Company's basic and diluted earnings per share are presented below:

24.01 Basic Earnings (Loss) per Share

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

		2026		2025
Earnings (Loss) used in the calculation of total basic earnings per share	**₱**	**(1,913,173)**	₱	(1,124,603)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	**₱**	**(0.00)**	₱	(0.00)

The Company has no dilutive potential common shares outstanding as of June 30, 2026 and December 31, 2025 Thus, basic and diluted EPS are stated at the same amount.

Annex "C"

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS

IP E-GAME VENTURES INC.

16 February 2021

Via zoom conferencing platform

PRESENT:

(1) Chairman of the Meeting (Mr. Jaime C. Gonzalez)
(2) President (Mr. Jaime Enrique Y. Gonzalez
(3) Compliance Officer (Atty. Juname De Leon)
(4) Acting Chief Financial Officer (Ms. Jenelle Palma)
(5) Corporate Secretary (Atty. Mary Zoelli R. Velasco)
(6) Assistant Corporate Secretary (Atty. Jose Voltaire Bautista)
(7) Stockholders:
IPE Global Holdings Corp.
IPVG Employees, Inc.
AP Securities, Incorporated.
GMA Network, Inc.
GMA New Media, Inc.
Jaime C. Gonzalez
Juan Kevin G. Belmonte
Eduardo Martin T. Lichauco
Srinivas Polishetty
Shennan A. Sy
Atty. Ma. Juanita E. Cueto
(8) Stock Transfer Service, Inc.

I. CALL TO ORDER

At the request of the stockholders present, IP E-Game Ventures Inc.'s ("Company" or "Corporation") Chairman, Mr. Jaime C. Gonzalez ("Chairman") called the meeting to order and presided over the same. Atty. Mary Zoelli R. Velasco, the Corporate Secretary ("Secretary"), was requested to record the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Chairman asked the Secretary to certify that notices for this Annual Stockholders Meeting ("Meeting") had been sent to the stockholders and whether a quorum was present.

The Secretary replied that the notices have been duly sent and published in two newspapers of general circulation for two consecutive days. She also mentioned that the Definitive Information Statement was distributed according to relevant disclosure rules and posted on the Company's website.

She likewise confirmed that 227,489,638,425 shares or 86.81%[1] of the total issued and outstanding capital stock of the Company were present in person or by proxy. Hence, a quorum was present for the transaction of business at hand.

III. APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING HELD ON 28 SEPTEMBER 2017

The next item on the agenda was the approval of the minutes of the last stockholders' meeting.

The Chairman asked the Secretary if copies of the minutes had been provided to the stockholders, which she confirmed.

After motion made and duly seconded, the following resolutions were approved by at least a majority of the stockholders present:

> "**RESOLVED**, that the Minutes of the Meeting of the Stockholders dates 28 September 2017 is hereby approved."

IV. ANNUAL REPORT

The President, Mr. Jaime Enrique Y. Gonzalez ("President") then presented the Annual Report.

After a summary on the current situation of the Company as well as the projections for the current year, an approval was sought for the same.

Upon motion made and duly seconded, the Annual Report was approved by at least a majority of the stockholders present:

> "**RESOLVED**, that the President's Annual Report as presented in the 16 February 2026 meeting is hereby approved."

V. RATIFICATION OF THE CORPORATE ACTS OF THE BOARD OF DIRECTORS AND OFFICERS OF THE CORPORATION FROM 28 SEPTEMBER 2017 TO DATE.

[1] As certified by Stock Transfer Service, Inc. (STSI), Richard D. Regala, Jr

The Chairman proceeded to the next item on the agenda which is the ratification of the corporate acts of the Board of Directors and officers of the Company since the last stockholders' meeting.

The following items were presented as the items to be ratified:

Date	Matters Approved/Disclosed
25 October 2018	Board of Directors Delegation of Authority to the Executive Committee
16 November 2018	Divestment of Assets
14 December 2018	Authority to Indemnify the Philippine Stock Exchange
2 January 2019	Divestment of Assets Disclosed
16 April 2019	Assignment of shares of Digital Paradise, Inc.
12 March 2020	Replacement of Corporate Secretary
22 July 2020	Replacement and Appointment of Alternative Information Office and Compliance Officer
10 November 2020	Replacement of the Company's CFO
14 December 2020	Approval of the Rules in the Conduct of Virtual Meetings and Contact Persons for the Securities and Exchange Commission.

Upon motion made and duly seconded, the Annual Report was approved by at least a majority of the stockholders present:

> "**RESOLVED**, that all acts of the Board of Directors, officers, and management of the Corporation, in the performance of their official duties as such from 28 September 2017 to date be hereby approved, ratified, and confirmed."

VI. APPROVAL OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE CORPORATION FOR THE YEARS ENDING 2017, 2018, and 2019

The Chairman asked the Secretary of the financial statements for the period ending 31 December 2017 to 2019 had been furnished to the stockholders.

The Secretary answered that the foregoing documents had been made available to the stockholders beginning 25 January 2021 together with the other materials for this stockholders' meeting. She likewise proposed that considering that the stockholders had received and been given the opportunity to review the copied of such financial

statements, that its presentation be dispensed with. The dispensation of the presentation was moved and seconded by the stockholders.
The following resolution was thereafter approved by at least a majority of the stockholders present:

> "**RESOLVED**, that the Audited Financial Statements of the Corporation for years 2017, 2018 and 2019 are accepted and approved."

VII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND INDEPENDENT DIRECTORS

The Chairman announced that the next item on the agenda was the election of the members of Board of Directors for 2020 to 2021. He discussed that as required by the Securities and Exchange Commission ("SEC"), the stockholders were informed of the nominees for the directorship positions in the Definitive Information Statement.

He noted that the members of the Nomination Committee are himself, the President, and Mr. Juan Kevin G. Belmonte and mentioned that in accordance with the Corporation's Manual of Corporate Governance, the Nomination Committee had previously met and pre-screened the list of nominees to determine their qualifications. The Chairman then requested the Corporate Secretary to read the names of the nominees:

The Secretary announced that the nominees for directors are as follows:

- Mr. Jaime C. Gonzalez;
- Mr. Jaime Enrique Y. Gonzalez;
- Mr. Kevin G. Belmonte;
- Mr. Roger Stone;
- Mr. Srinivas Polishetty for Independent Director;
- Mr. Eduardo Martin T. Lichauco for Independent Director;
- Atty. Shennan Sy for Independent Director
- Atty. Ma. Juanita Cueto for Independent Director

Considering that there was no objection to the foregoing recommended nominees, the Chairman requested the Secretary to tally the votes. The Secretary then mentioned that at least a majority of the stockholders present voted in favor of the election of the nominees.

Thereafter, the Chairman remarked that it was his pleasure to introduce the members of the Corporation's Board of Directors for the term 2021-2022:

- Mr. Jaime C. Gonzalez;
- Mr. Jaime Enrique Y. Gonzalez;
- Mr. Kevin G. Belmonte;
- Mr. Roger Stone;
- Mr. Srinivas Polishetty, Independent Director;
- Mr. Eduardo Martin T. Lichauco, Independent Director;
- Atty. Shennan Sy, Independent Director
- Atty. Ma. Juanita Cueto, Independent Director

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman mentioned that the Board of Directors recommended that Alas, Oplas & Co CPAs serve as the Company's external auditor for 2021 to 2022.

After motion duly made and seconded, at least a majority of the stockholders present resolved as follows:

> "**RESOLVED**, that Alas, Oplas & Co CPAs be, as it hereby selected and appointed as the independent auditor of the Corporation for 2021 to 2022."

IX. AMENDMENT OF THE ARTICLES OF INCORPORATION

The Chairman discussed that the next order of business was the proposed amendment of the Corporation's Articles of Incorporation, as approved by the Board of Directors on 14 December 2020, which were successively discussed as follows:

a. Corporate Name

> "**RESOLVED**, that the First Article of the Articles of Incorporation be, as it is hereby amended to read as follows:
>
> 'FIRST: That the name of the Corporation shall be:
>
> **OASIS FINANCIAL GROUP INC."**

b. Change in Corporate Purpose

> "**RESOLVED FURTHER**, that the Corporation is hereby authorized to amend its primary purpose to include engaging in the financial technology ("Fintech") business;

RESOLVED FURTHER, that the Second Article of the Articles of Incorporation of the Corporation be as it is hereby amended to read as follows:

'SECOND: The Purposes for which this Corporation is formed are:

To **engage in the financial technology business including digital banking, electronic payments, and all related and allied businesses thereto, venture capital investment, financing, p2p, remittances, foreign exchange, all forms of activities under the financial technology sector;** and carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to the above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights;"

c. *Change in Principal Address*

"**RESOLVED FURTHER**, that the Corporation is hereby authorized to amend its principal address from Makati to Taguig;

RESOLVED FURTHER, that the Third Article of the Amended Articles of Incorporation of the Corporation be as it is hereby amended to read as follows:

'THIRD: The place where the principal office of the Corporation is to be **located** at the 8th Floor, Arthland Century Pacific Tower, 5th Avenue cor. 30th Street, Bonifacio Global City, 1634, Taguig City, Metro Manila."

After motion duly made and seconded, at least 2/3 of the outstanding capital stock resolved to approve the aforementioned proposed amendments of the Articles of Incorporation.

X. AMENDMENT OF THE ARTICLES OF THE BY-LAWS

It was discussed that following the proposed amendment of the Corporation's Articles of Incorporation, the By-Laws were similarly sought to be amended, particularly as follows:

a. Corporate Name

"**RESOLVED**, that the title of the By-Laws be hereby amended to read as follows:

AMENDED BY-LAWS
OF
OASIS FINANCIAL GROUP INC."

b. Notice of Meeting

"**RESOLVED FURTHER**, that the Corporation is hereby authorized to amend Article II, Section 4 of its By-Laws;

RESOLVED FURTHER, that Article II, Section 4 of the By-laws of the Corporation be as it is hereby amended to read as follows:

'Section 4. **Notice of Meeting**-Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery, facsimile transmission, e-mail, by mail, **posting in the Corporation's official website at least forty (40) days** prior to the date of the meeting to each stockholder of record at his last known post office address or by publication in a newspaper of general circulation. The notice shall state the place, date, and hour of the meeting, and the purpose or purposes for which the meeting is called. In case of special meetings, only matters stated in the notice may be the subject of motions or deliberation at such meeting."

c. Conduct of the Meeting

"**RESOLVED FURTHER**, that the Corporation is hereby authorized to amend Article II, Section 6 of its By-Laws;

RESOLVED FURTHER, that Article II, Section 6 of the By-Laws of the Corporation be as it is hereby amended to read as follows:

'Section 6. **Conduct of Meeting**- Meetings of the stockholders shall be presided over by the Chairman of the Board, or in his absence, the President. If none of the foregoing is present then a chairman to be chosen by the stockholders. The Secretary shall act as secretary of the meeting, but in his absence, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the meeting may adjourn the meeting from time to time, without notice other than announced at the meeting.

In view of modern technology, conduct of stockholders' meetings through videoconferencing or teleconferencing shall be allowed."

d. Composition of the Board of Directors

"**RESOLVED FURTHER**, that the Corporation is hereby authorized to amend Article III, Section 1(a) of its By-Laws;

RESOLVED FURTHER, that Article III, Section 1(a) of the By-Laws of the Corporation be as it is hereby amended to read as follows:

'Section 1(a): Composition of the Board of Directors- The Board of Directors shall be composed of **nine (9)** members.

e. Election and Term

"**RESOLVED FURTHER**, that the Corporation is hereby authorized to amend Article III, Section 2 of its By-Laws;

RESOLVED FURTHER, that Article III, Section 2 of the By-Laws of the Corporation be as it is hereby amended to read as follows:

'Section 2. **Election and Term**-The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and have qualified.

All nominations for directors to be elected by the stockholders of the Corporation shall be submitted in writing to the Secretary of the Corporation at the principal office of the Corporation **or via electronic mail to the official email of the Corporation specified in the Notice of the Meeting not earlier than the date the Notice was first published or sent to the Stockholders nor later than thirty (30) calendar days prior to the regular or special meeting stockholders for the election of directors.** Nominations which are not submitted within such nomination period shall not be valid. Only a stockholder of record entitled to notice of and vote at the regular or special meeting of the stockholders for the election of directors shall be qualified to be nominated and elected a director of the Corporation.

After motion duly made and seconded, at least a majority of the outstanding capital stock resolved to approve the aforementioned proposed amendments of the By-Laws.

XI. ADJOURNMENT

The Chairman asked if there were any other matters to be discussed. Considering that there were no other matters aside from the upcoming Organizational Board of Directors' meeting, a motion for the adjournment of the stockholders' meeting was entertained and duly seconded.

The Chairman thanked all those who attended.

Prepared by:

MARY ZOELLI R. VELASCO
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

Annex "D"

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: July 14, 2026 04:20:14 PM

Company Information

SEC Registration No.: CS200518779
Company Name: IP E-GAME VENTURES INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST107142026811726053
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2021
Submission Type: Consolidated
Remarks: None

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

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	5	1	8	7	7	9

COMPANY NAME

I	P		E	-	G	A	M	E		V	E	N	T	U	R	E	S		I	N	C	.		A	N	D				
S	U	B	S	I	D	I	A	R	Y																					

PRINCIPAL OFFICE *(N. Street /Barangay/City/ Town)Province*)

3	4	T	H		F	L	O	O	R		R	C	B	C		P	L	A	Z	A		T	O	W	E	R		2		
6	8	1	9		A	Y	A	L	A		A	V	E	N	U	E		M	A	K	A	T	I		C	I	T	Y		

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
official.ip.egame@gmail.com	N/A	0917 122 0114

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
39	16-Feb	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
MARY JENELLE PALMA	jenelle@ceza.io	N/A	0917 122 0114

CONTACT PERSON's ADDRESS

34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City

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

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

C O N T E N T S

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SUPPLEMENTARY STATEMENT....4

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION....6

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS....7

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY....8

CONSOLIDATED STATEMENTS OF CASH FLOWS....9

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") is responsible for the preparation and fair presentation of consolidated financial statements including the schedules attached therein, for the period January 1, 2021 to December 17, 2021 and year ended December 31, 2020, in accordance with the prescribed financial reporting framework indicated therein, and 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders of the Group.

Alas, Oplas & Co., CPAs, the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group 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.

JUAN KEVIN BELMONTE
Chairman of the Board

JAIME ENRIQUE Y. GONZALEZ
Chief Executive Officer/President

MARY JENELLE PALMA
Chief Financial Officer/Treasurer

Signed this 18th day of May, 2026

SUBSCRIBED & SWORN TO
BEFORE ME THIS JUL 09 2026
IN QUEZON CITY

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304528 / 1/05/2026-Q.C.
IBP NO. INV 562041 / 12-01-2025-Q.C.
Roll No. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add: 473 Boni Serrano Road, Barangay
San Roque Murphy, Quezon City

DOC. NO. 175
PAGE NO. 36
BOOK NO. LIII
SERIES OF 20 26

Alas Oplas & Co., CPAs

7/F Philippine AXA Life Centre
1286 Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Phone: (632) 7116-4366
Email: aocheadoffice@alasoplas.com
Website: www.alasoplascpas.com

Offices:

Makati Alabang Ortigas Paranaque Cavite
Bulacan Isabela Nueva Ecija Bacolod Iloilo
Legazpi La Union Laguna

INDEPENDENT AUDITORS' REPORT TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have examined the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") for the period January 1, 2021 to December 17, 2021 on which we have rendered the attached report dated May 18, 2026.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the said Group has a total number of thirty-nine (39) stockholders owning one hundred (100) or more shares each.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2026, issued on February 6, 2026; effective until February 5, 2029
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period (Extended until Audit Period 2025)
TIN 232-158-286-000
PTR No. 10767236, issued on January 5, 2026, Makati City

May 18, 2026
Makati City, Philippines

BKR INTERNATIONAL | INDEPENDENT MEMBER

Alas Oplas & Co., CPAs

7/F Philippine AXA Life Centre
1286 Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Phone: (632) 7116-4366
Email: aocheadoffice@alasoplas.com
Website: www.alasoplascpas.com

Offices:

Makati Alabang Ortigas Paranaque Cavite
Bulacan Isabela Nueva Ecija Bacolod Iloilo
Legazpi La Union Laguna Quezon Province FCIE

INDEPENDENT AUDITORS' REPORT

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

Opinion

We have audited the consolidated financial statements of **IP E-GAME VENTURES INC.** (the "Group") which comprise the consolidated statements of financial position as of December 17, 2021 and December 31, 2020, and the consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the period January 1, 2021 to December 17, 2021, years ended December 31, 2020, and 2019, and the notes to the consolidated financial statements, including material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 17, 2021 and December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the period January 1, 2021 to December 17, 2021, years ended December 31, 2020, and 2019 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated financial statements* section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 consolidated opinion on these matters. For the matters below, our description of how our audit addressed the matter is provided in that context.

Recoverability and Derecognition of Advances and Liabilities Involving Related Parties

As disclosed in Note 9 to the consolidated financial statements, the Group recognized an Expected Credit Loss (ECL) of ₱113.08 million on advances to related parties and derecognized advances from related parties amounting to ₱20.24 million in 2021. These transactions are material to the consolidated financial statements and involve significant management judgment in assessing the recoverability of advances and the appropriateness of derecognition of liabilities.

BKR INTERNATIONAL INDEPENDENT MEMBER

Audit response

We obtained and reviewed management's assessment of the recoverability of advances to related parties and the derecognition of advances from related parties. Our procedures included:

- Evaluating the assumptions and methodology used by management in estimating the ECL in accordance with PFRS 9, including the assessment of credit risk, historical payment behavior, and forward-looking information.
- Assessing the financial capacity of related parties to repay the advances by reviewing their audited financial statements, cash flow forecasts, and other relevant data.
- Reviewing supporting documentation for the derecognition of advances from related parties, including agreements, correspondence, and evidence of extinguishment of the liability.
- Testing the accuracy and completeness of disclosures in Note 9 to ensure compliance with the disclosure requirements of PAS 24 (Related Party Disclosures) and PFRS 9.
- Challenging management's judgments and estimates through inquiries and corroboration with external and internal evidence.

Derecognition of Trade and Other Payables

As disclosed in Note 15 to the consolidated financial statements, the Group derecognized long-outstanding trade and other payables amounting to ₱12.77 million, which were recognized as other income during the period.

This matter was considered a Key Audit Matter due to the materiality of the amount and the significant judgment involved in determining whether the obligations continue to exist, including assessment of aging, historical activity, absence of creditor claims, and other indicators that the liabilities are no longer valid obligations of the Group.

Audit response

We obtained and reviewed management's assessment supporting the reversal of long-outstanding trade and other payables amounting to ₱12.77 million, as disclosed in Note 15 to the consolidated financial statements. Our audit procedures included:

- Reviewing aging schedules and historical payment records to determine the nature, duration, and inactivity of the payables.
- Inspecting available supporting documentation, such as supplier contracts, correspondence, and legal opinions, to assess whether the obligations were still enforceable.
- Obtaining external confirmations from selected counterparties to validate the existence, status, and enforceability of the payables, and to corroborate management's assertion that no further claims are expected.
- Evaluating the reasonableness of management's judgments, including consideration of absence of demand for payment and other indicators of extinguishment of obligation.
- Reviewing disclosures in the financial statements to ensure transparency and adequacy in accordance with the relevant financial reporting framework.

Provisions and Contingencies

As disclosed in Note 23 to the consolidated financial statements, the Group is involved in several legal proceedings arising from the ordinary course of business. Management is required to apply significant judgment in determining whether these matters give rise to a present obligation requiring recognition of a provision, or whether they should be disclosed as contingent liabilities, including the estimation of the amount of any provision recognized.

This matter was considered a Key Audit Matter due to the judgment involved in assessing the probability and potential financial impact of the legal proceedings, particularly in respect of the case with Beijing Perfect World Software, Inc., for which a provision has been recognized.

Audit response

Our audit procedures in respect of provisions and contingencies included the following:

- Discussing the status of significant legal proceedings with management and obtaining representations regarding management's assessment of the likelihood and potential financial impact of each case.
- Obtaining and reviewing written legal opinions from the Group's external legal counsel covering material litigation matters, including the basis for classifying each case as a provision or contingent liability.
- Evaluating management's assessment of the probability of outflows and the estimation of provisions recognized, with particular focus on the case with Beijing Perfect World Software, Inc.
- Assessing whether the recognition of provisions and disclosure of contingent liabilities are consistent with the requirements of the applicable financial reporting framework.
- Evaluating the adequacy and transparency of disclosures in Note 23 to the consolidated financial statements.

Consolidation Process

The Group's consolidated financial statements comprise the financial statements of IP E-Game Ventures Inc. and its subsidiary after the elimination of material intercompany transactions. The Group's consolidation process is significant to our audit because of the complexity of the process. It involves identifying and elimination various intercompany transactions and balances to properly reflect the consolidated financial position of the Group, its consolidated financial performance and its consolidated cash flows in accordance with PFRSs.

Audit response

We obtained an understanding of the Group structure and its consolidated policy and process, including the procedures for identifying intercompany transactions and reconciling intercompany transactions and reconciling intercompany balances.

We verified the accuracy and appropriateness of intercompany elimination entries, such as but not limited to, elimination of investment in subsidiaries, elimination of intercompany transactions and balances, and other significant consolidation adjustments.

We reviewed the sufficiency and adequacy of disclosures in the Group's consolidated financial statements in accordance with PFRSs.

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 and Annual Report for the period ended December 17, 2021. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the period ended December 17, 2021 are expected to be made available to us after the date of this auditors' 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 audits 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 audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with PFRS Accounting Standards, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the 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.
- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.
- Obtain sufficient audit evidence regarding the financial information of the entities of 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 audit. We are solely responsible for our audit opinion.

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, related safeguards.

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the 2021 audit resulting in this independent auditors' report is Ryan A. Sabug.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner

CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2026, issued on February 6, 2026; effective until February 5, 2029
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period (Extended until Audit Period 2025)
TIN 232-158-286-000
PTR No. 10767236, issued on January 2, 2026, Makati City

May 18, 2026
Makati City, Philippines

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 17, 2021 AND DECEMBER 31, 2020
In Philippine Peso

	Notes	**2021**	2020
ASSETS			
Current Assets			
Cash	11	**15,692**	52,198
Trade and other receivables – net	12	**–**	–
Advances to related parties	9	**–**	118,708,627
Prepayments and other current assets	13	**–**	3,303,121
Total Current Assets		**15,692**	122,063,946
Non-current Asset			
Financial assets at fair value through other comprehensive income	14	**585,717,719**	585,717,719
TOTAL ASSETS		**585,733,411**	707,781,665
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Trade and other payables	15	**53,096,194**	65,871,105
Advances from related parties	9	**4,989,692**	26,106,401
Due to stockholders	9	**9,783,783**	9,783,783
Provision for contingencies	23	**2,905,661**	2,905,661
Total Liabilities		**70,775,330**	104,666,950
EQUITY			
Share capital	16	**2,800,000,000**	2,800,000,000
Share premium	16	**255,535,853**	255,535,853
Deficit		**(2,540,577,772)**	(2,452,421,138)
Total Equity		**514,958,081**	603,114,715
TOTAL LIABILITIES AND EQUITY		**585,733,411**	707,781,665

See Notes to the Consolidated Financial Statements.

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021, YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Notes	2021	2020	2019
Other income	17	**33,010,215**	–	2,500,000
Operating expenses	18	**(4,750,468)**	(1,438,722)	(3,507,766)
Impairment loss	14	**–**	(1,914,282,281)	–
Loss on asset written off	19	**(3,339,627)**	(8,491,720)	(41,256,400)
Provision for expected credit losses	20	**(113,076,754)**	(88,499,329)	(31,468)
Loss before tax		**(88,156,634)**	(2,012,712,052)	(42,295,634)
Income tax expense	21	**–**	–	(50,000)
LOSS		**(88,156,634)**	(2,012,712,052)	(42,345,634)
Other comprehensive loss	14	**–**	–	(1,235,282)
TOTAL COMPREHENSIVE LOSS		**(88,156,634)**	(2,012,712,052)	(43,580,916)
LOSS PER SHARE				
Basic and diluted	22	**(0.0003)**	(0.0072)	(0.0002)

See Notes to the Consolidated Financial Statements.

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021, YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Share capital (Note 16)	Share premium (Note 16)	Deficit	Other comprehensive loss (Note 14)	Total
Balance at December 31, 2018	2,800,000,000	255,535,853	(354,385,915)	(41,742,255)	2,659,407,683
Comprehensive income:					
Loss for the year	–	–	(42,345,634)	–	(42,345,634)
Unrealized loss on financial assets at FVOCI	–	–	–	(1,235,282)	(1,235,282)
Total comprehensive loss	–	–	(42,345,634)	(1,235,282)	(43,580,916)
Balance at December 31, 2019	2,800,000,000	255,535,853	(396,731,549)	(42,977,537)	2,615,826,767
Comprehensive income:					
Loss for the year	–	–	(2,012,712,052)	–	(2,012,712,052)
Unrealized loss on financial assets at FVOCI – reclassification adjustment	–	–	(42,977,537)	42,977,537	–
Total comprehensive loss	–	–	(2,055,689,589)	42,977,537	(2,012,712,052)
Balance at December 31, 2020	2,800,000,000	255,535,853	(2,452,421,138)	–	603,114,715
Comprehensive income:					
Loss for the year	–	–	(88,156,634)	–	(88,156,634)
Total comprehensive loss	–	–	(88,156,634)	–	(88,156,634)
Balance at December 17, 2021	**2,800,000,000**	**255,535,853**	**(2,540,577,772)**	**–**	**514,958,081**

See Notes to the Consolidated Financial Statements

IP E-GAME VENTURES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021, YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Notes	**2021**	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		**(88,156,634)**	(2,012,712,052)	(42,295,634)
Adjustments for:				
Provision for expected credit losses	20	**113,076,754**	88,499,329	31,468
Income from reversal of payables		**(33,010,215)**	–	–
Loss on asset written off except cash	19	**3,303,121**	8,491,720	41,256,400
Impairment loss		**–**	1,914,282,281	–
Operating cash flows before working capital changes		**(4,786,974)**	(1,438,722)	(1,007,766)
Increase (Decrease) in prepayments and other current assets		**–**	92,400	(50,400)
Decrease in trade and other payables		**–**	(660,795)	(2,323,500)
Net cash used in operating activities		**(4,786,974)**	(2,007,117)	(3,381,666)
CASH FLOWS FROM INVESTING ACTIVITY				
Collection of advances to related parties	9	**–**	1,767,893	3,381,666
CASH FLOWS FROM FINANCING ACTIVITY				
Proceeds from advances from related parties	9	**4,750,468**	239,224	–
NET DECREASE IN CASH		**(36,506)**	–	–
CASH AT BEGINNING OF YEAR		**52,198**	52,198	52,198
CASH AT END OF YEAR	11	**15,692**	52,198	52,198

See Notes to the Consolidated Financial Statements.

1. CORPORATE INFORMATION

1.01 IP E-Game Ventures Inc. (the "Parent Company")

The Parent Company was incorporated and registered with the SEC on November 22, 2005. The principal activities of the Parent Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish thru joint venture or otherwise, internet shops; provide internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management, technical and maintenance support and services; and as a consequence and as may be necessarily useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Parent Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Parent Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Group's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Parent Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Parent Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City. On May 22, 2015, the Parent Company's Board of Directors has approved the change of principal office address from 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City to 1003 10th Floor, Centerpoint Condominium, Garnet Road corner Julia Vargas Avenue, Ortigas Center, Pasig City. The Parent Company is domiciled in the Philippines.

1.02 New Wave Strategic Holdings Ltd. (the "Subsidiary")

The Subsidiary was registered and incorporated in the British Virgin Islands on May 19, 2017, under the BVI Business Companies Act 2004 (as amended). The Subsidiary is established to exercise its powers to do the following:

1. Grant options over unissued shares in the Company and treasury shares;
2. Issue securities that are convertible into shares;
3. Give financial assistance to any person in connection with the acquisition of the Company's owns shares
4. Issue debt obligations of any kind and grant options, warrants and rights to acquire debt obligations;
5. Guarantee a liability or obligation of any person and secure any of its obligations by mortgage, pledge or other charge, of any of its assets for that purpose; and
6. Protect the assets of the Company for the benefit of the Company, its creditors and its members and, at the discretion of the directors, for any person having a direct or indirect interest in the Company.

On January 1, 2019, the Parent Company acquired 50,000,000 shares of the Subsidiary at US$1.00 per share, representing 100% of the Subsidiary's outstanding capital stock.

The Parent Company and the Subsidiary are collectively known as the "Group".

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial and Sustainability Reporting Standards Committee (FSRSC) and adopted by the SEC.

2.02 Basis of Preparation

The consolidated financial statements are prepared on a going concern basis under the historical cost convention, except for financial assets at fair value through other comprehensive income.

2.03 Presentation and Functional Currency

The consolidated financial statements are presented in Philippine Peso, which is the functional and presentation currency of the Parent Company. Each entity determines its own functional currency, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity, and items included in the financial statements of each entity are measured using that functional currency.

All financial information expressed in Philippine Peso has been rounded off to the nearest Peso, unless when otherwise indicated.

2.04 Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its Subsidiary, which it controls as at December 31, 2019. Control is achieved when the Parent is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent controls an investee if and only if the Parent has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
b. Exposure, or rights, to variable returns from its involvement with the investee, and
c. The ability to use its power over the investee to affect its returns

When the Parent has less than a majority of the voting or similar rights of an investee, the Parent considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee
b. Rights arising from other contractual arrangements
c. The Parent's voting rights and potential voting rights

The Parent re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent obtains control over the subsidiary and ceases when the Parent loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Parent gains control or until the date the Group ceases to control the Subsidiary.

The financial statements of the Subsidiary are prepared for the same reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions including inter-group unrealized profits and losses are eliminated in preparing the consolidated financial statements.

The financial statements of the Subsidiary are included in the consolidated financial statements from the date when the Parent Company obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the Subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

2.05 Use of Judgments and Estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Group's consolidated financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.06 Going Concern Assumption

The Group is not aware of any significant uncertainties that may cast doubts upon the Group's ability to continue as a going concern.

2.07 Comparative Information

The Parent Company lost control over the Subsidiary effective December 17, 2021. The amounts presented in the Group's consolidated statements of financial position, consolidated statements of comprehensive loss, consolidated statements of changes in equity, and consolidated statements of cash flows are for the period January 1, 2021 to December 17, 2021 only and accordingly, not comparable to the amounts presented for the years ended December 31, 2020 and 2019.

3. ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

3.01 New and Amended Standards and Interpretations Effective on January 1, 2021

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.01.01 Amendments to PFRS 16, Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to PFRS 16:

- permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021);
- require a lessee applying the amendment to do so for annual reporting periods beginning on or after 1 April 2021;
- require a lessee applying the amendment to do so retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
- specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of PAS 8.

3.02 Standards Issued but Not Yet Effective (Effective Beginning on or After January 1, 2022)

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

3.02.01 Annual Improvements to PFRS Standards 2018-2020

PFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. A subsidiary can elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements.

A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

PFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

PFRS 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements.

No effective date is stated.

PAS 41 Agriculture
The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value.

The management of the Group is still evaluating the impact of the new standards.

3.02.02 Amendments to PAS 37: Onerous Contracts – Costs of Fulfilling a Contract
The amendment specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments published today are effective for annual periods beginning on or after 1 January 2022.

The management of the Group is still evaluating the impact of the new standard.

3.02.03 Amendments to PAS 16, Property, Plant and Equipment - Proceeds before Intended Use
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to PAS 16) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments published today are effective for annual periods beginning on or after 1 January 2022.

The management of the Company is still evaluating the impact of the new standard.
3.02.04 Amendments to PFRS 3, Reference to the Conceptual Framework
The changes include:

- update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- add to PFRS 3 a requirement that, for transactions and other events within the scope of PAS 37 or Philippine IFRIC 21, an acquirer applies PAS 37 or Philippine IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- add to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments published today are effective for annual periods beginning on or after 1 January 2022.

The management of the Group is still evaluating the impact of the new standard.

3.02.05 Amendments to PAS 1, Classification of Liabilities as Current or Non-current
The amendments affect only the presentation of liabilities in the separate statements of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Group is still evaluating the impact of the new standard.

3.02.06 Amendments to PAS 8, Definition of Accounting Estimates

The changes focus entirely on accounting estimates and clarify the following:

- Under the new definition, accounting estimates are "monetary amounts in consolidated financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in consolidated financial statements to be measured in a way that involves measurement uncertainty.
- Clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Group is still evaluating the impact of the new standard.

3.02.07 Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative – Accounting Policies

- An entity is now required to disclose its material accounting policy information (MAPI) instead of its significant accounting policies (SAP);
- Explains how an entity can identify MAPI and to give examples of when accounting policy information is likely to be material;
- Clarified that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- Clarified that accounting policy information is material if users of an entity's consolidated financial statements would need it to understand other material information in the consolidated financial statements; and
- Clarified that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

Guidance and examples are added to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Group is still evaluating the impact of the new standard.

3.02.08 Amendments to PAS 12, Deferred Tax related to Assets and Liabilities from a Single Transaction

The main change is an exemption from the initial recognition exemption provided in PAS 12.15(b) and PAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph PAS 12.22A.

The amendments are effective for annual periods beginning on or after 1 January 2023.

The management of the Group is still evaluating the impact of the new standard.

3.02.09 Amendments to PFRS 17, Insurance Contracts

The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

PFRS 17 supersedes PFRS 4 'Insurance Contracts' and related interpretations.

The FRSC amended the mandatory effective date of PFRS 17 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of IFRS 17 by two (2) years after its effective date as decided by the IASB.

The standard is not applicable to the Group.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Group recognizes financial assets when the entity becomes party to the contractual provision of the financial instruments.

4.01.01 Classification and Impairment of Financial Assets

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Group's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell. The Group may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Group had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in consolidated statements of comprehensive income.

As of December 17, 2021 and December 31, 2020, the Group has not designated any financial assets at FVPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Group may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation.* This option is available and made on an instrument-by-instrument basis.

Dividends from equity instruments held at FVOCI are recognized in consolidated statements of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to consolidated statements of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost

As part of its classification process, the financial assets of the Group are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using effective interest method, less in impairment in value.

The Group's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

The Group considers a financial asset in default when contractual payments are more than 91 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition
A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the consolidated statements of financial position as current asset when they are expected to be expensed within one year or the entity's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Impairment of Non-Financial Assets

At each reporting date, the Group assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.04 Financial Liabilities and Equity Instruments

4.04.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements

4.04.02 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Group's consolidated statements of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by the Group since its inception. Deficit is reduced by profits.

Unappropriated retained earnings are accumulated earnings of the Group available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.04.03 Financial Liabilities

Financial liabilities are classified as either financial liabilities ‘at FVPL’ or ‘other financial liabilities’.

The Group’s financial liabilities as presented in the consolidated statements of financial position comprise of trade and other payables excluding government payables, due to stockholder and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.04.04 Derecognition of Financial Liabilities

The Group derecognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.05 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.06 Provisions, Contingent Liabilities and Contingent Assets

4.06.01 Provisions
Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.06.02 Contingent Liabilities and Contingent Assets
Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.07 Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent.

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

Revenues outside the scope of PFRS 15

Interest income
Interest income is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.08 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.09 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.10 Related Parties and Related Party Transactions

4.10.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Group, post-employment benefit plans for the benefit of Group's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Group that gives them significant influence in the financial and operating policy decisions of the Group are also considered to be related parties.

4.10.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Group when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Group.

4.11 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.11.01 Current Income Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.11.02 Deferred Income Tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.12 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.13 Events After the Reporting Date

The Group identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Group's financial position at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when the consolidated financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

5.01.01 Distinction Between Provisions and Contingencies
Management exercises judgment in distinguishing provisions from contingent liabilities for legal proceedings, considering whether a present obligation exists, the likelihood of an outflow of resources, and the ability to reliably estimate the amount. These judgments are based on the facts of each case and consultation with external legal counsel. Accordingly, a provision was recognized for Beijing Perfect World Software, Inc., while other legal matters were disclosed as contingent liabilities.

5.01.02 Classification of Financial Assets

The Group follows the guidance of PFRS 9 in classifying financial assets at initial recognition whether it will be subsequently measured at fair value through other comprehensive income, at amortized cost, or at fair value through profit or loss. The Group determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. The Group determines whether the contractual cash flows associated with the financial asset are solely payments of principal and interest (the "SPPI"). If the instrument fails the SPPI test, it will be measured at fair value through statement of comprehensive income.

5.01.03 Recognition of Reversal of Payables as Other Income

Management exercised significant judgment in determining whether certain aged and inactive trade and other payables should be derecognized.

In making this assessment, management considered several factors, including:

- The length of time the payables have remained outstanding;
- The absence of claims or demand for payment from counterparties; and
- Management's assessment that the related obligations are no longer valid or enforceable based on available information.

Based on these considerations, management concluded that the obligations no longer exist and derecognized the liabilities. The resulting amounts were recognized as other income in the 2021, as disclosed in Note 17.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Assessment for ECL on Trade Receivables

The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Group has recognized provision for ECL on trade and other receivables amounting nil in 2021 and 2020 and ₱31,468 in 2019. The carrying amount of trade and other receivables is nil, net of allowance for ECL amounting to ₱3,772,468, as of December 17, 2021 and December 31, 2020, as disclosed in Note 12.

5.02.02 Assessment for ECL on Other Financial Assets at Amortized Cost

The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and,
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 91 days past to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Company has assessed that the advances to related parties may be impaired because there are no firm repayment terms and the recoverability is not assured due to the operational status of the related entities. The Company has recognized provision for ECL on advances to related parties amounting to ₱113,076,754, ₱88,499,329 and ₱31,468 in 2021, 2020 and 2019, respectively. The carrying amount of advances to related parties, net of allowance for ECL, amounted to nil and ₱118,708,627 as of December 17, 2021 and December 31, 2020, respectively, as disclosed in Note 9.

5.02.03 Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

As of December 17, 2021, management assessed that the Group's property and equipment no longer provides future economic benefits and is therefore subject to write-off.

5.02.04 Realization of Deferred Tax Assets

The Group reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

No deferred tax assets relating to NOLCO, MCIT, and allowance for expected credit losses were recognized as of December 17, 2021 and December 31, 2020, since management believes that the Group will not generate future taxable income that may allow the deferred tax assets to be utilized. As of December 17, 2021 and December 31, 2020, deferred tax assets not recognized amounted to ₱53,097,404 and ₱21,804,587, respectively, as disclosed in Note 21.

5.02.04 Provision and Contingencies

The Group is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 23. The estimates of probable losses are developed in consultation with external legal counsel and are based on management's assessment of the expected outcome, timing, and financial impact of each case. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Company's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 23.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Group's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, financial assets at FVOCI and trade and other payables. The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2021		2020
Financial assets					
Cash	11	₱	**15,692**	₱	52,198
Trade and other receivables – net	12		**–**		–
Advances to related parties	9		**–**		118,708,627
Financial assets at FVOCI	14		**585,717,719**		585,717,719
		₱	**585,733,411**	₱	704,478,544
Financial liabilities					
Trade and other payables*	15	₱	**28,828,609**	₱	41,603,520
Advances from related parties	9		**4,989,692**		26,106,401
Due to stockholders	9		**9,783,783**		9,783,783
		₱	**43,602,084**	₱	77,493,704

**excluding statutory and other payables to government agencies amounting to ₱24,267,585 as of December 17, 2021 and December 31, 2020.*

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group principally transacts with its related party.

The Group does not have significant credit risk exposure to any single counterparty.

Also, the Group manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the consolidated financial statements represents the Group's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Group as of December 17, 2021 and December 31, 2020, without considering the effects of credit risk mitigation techniques.

	Notes		2021		2020
Cash in banks	11	₱	**15,692**	₱	52,198
Trade and other receivables – gross	12		**3,772,468**		3,772,468
Advances to related parties	9		**201,576,083**		207,207,956
Financial assets at FVOCI	14		**585,717,719**		585,717,719
		₱	**791,081,962**	₱	796,750,341

The Group does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subject to 12-month ECL (Stage 1) or lifetime ECL (Stage 2 and Stage 3).

2021	12-month ECL (Stage 1)	Lifetime ECL – not credit impaired (Stage 2)	Lifetime ECL – credit impaired (Stage 3)	Measured at fair value	Total
Cash in banks	15,692	–	–	–	15,692
Trade and other receivables	–	–	3,772,468	–	3,772,468
Advances to related parties	–	–	201,576,083	–	201,576,083
Financial assets at FVOCI	–	–	–	585,717,719	585,717,719
	15,692	**–**	**205,348,551**	**585,717,719**	**791,081,962**

2020	12-month ECL (Stage 1)	Lifetime ECL – not credit impaired (Stage 2)	Lifetime ECL – credit impaired (Stage 3)	Measured at fair value	Total
Cash in banks	52,198	–	–	–	52,198
Trade and other receivables	–	–	3,772,468	–	3,772,468
Advances to related parties	207,207,956	–	–	–	207,207,956
Financial assets at FVOCI	–	–	–	585,717,719	585,717,719
	207,260,154	–	3,772,468	585,717,719	796,750,341

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment

The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

Trade and other receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed per customer type, credit terms, offsetting arrangements. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking information.

The aging analysis of trade and other receivables is presented in Note 12.

Other financial assets at amortized cost

The Group's other financial assets at amortized cost pertain to cash in banks and advances to related parties. The Group limits its exposure to credit risk by investing its cash only with banks with good credit standing and reputation in the local and international banking industry. Also, the Group transacts only with parties with good credit rating, thus risk of default is low.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2021	On Demand	Within 1 Year	Over 1 Year	Total
Cash	₱ 15,692	₱ –	₱ –	₱ 15,692
Trade and other receivables	3,772,468	–	–	3,772,468
Advances to related parties	201,576,083	–	–	201,576,083
Financial assets at FVOCI	585,717,719	–	–	585,717,719
	₱ 791,081,962	**₱ –**	**₱ –**	**₱ 791,081,962**

2020	On Demand	Within 1 Year	Over 1 Year	Total
Cash	₱ 52,198	₱ –	₱ –	₱ 52,198
Trade and other receivables	3,772,468	–	–	3,772,468
Advances to related parties	207,207,956	–	–	207,207,956
Financial assets at FVOCI	585,717,719	–	–	585,717,719
	₱ 796,750,341	₱ –	₱ –	₱ 796,750,341

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2021	**On Demand**	**Within 1 Year**	**Over 1 Year**	**Total**
Trade and other payables*	₱ 28,828,609	₱ –	₱ –	₱ 28,828,609
Advances from related parties	4,989,692	–	–	4,989,692
Due to stockholder	9,783,783	–	–	9,783,783
	₱ 43,602,084	**₱ –**	**₱ –**	**₱ 43,602,084**

**Excluding statutory and other payables to government agencies amounting to ₱24,267,585.*

2020	On Demand	Within 1 Year	Over 1 Year	Total
Trade and other payables*	₱ 41,603,520	₱ –	₱ –	₱ 41,603,520
Advances from related parties	26,106,401	–	–	26,106,401
Due to stockholder	9,783,783	–	–	9,783,783
	₱ 77,493,704	₱ –	₱ –	₱ 77,493,704

**Excluding statutory and other payables to government agencies amounting to ₱24,267,585.*

7. FAIR VALUE MEASUREMENTS

The following table summarizes the carrying amounts and the fair values by level of the fair value hierarchy of the Group's financial assets that are carried at fair value as at December 17, 2021 and December 31, 2020.

2021	**Carrying Amount**	**Fair Value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements:					
Financial assets at FVOCI	585,717,179	–	–	585,717,179	585,717,179

2020	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Recurring fair value measurements:					
Financial assets at FVOCI	585,717,179	–	–	585,717,179	585,717,179

7.01 Fair Value Hierarchy

The Group uses the following hierarchy as guide for determining fair value of financial instruments:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchange;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability that are not based on observable market data (observable inputs). This level includes equity investment (if any,) and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

As of December 17, 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

7.02 Fair Value Determination

Basis or assumptions in determining the fair value of financial instruments are disclosed below:

7.02.01 Cash in Banks
The estimated fair value of fixed interest-bearing deposits is made based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

7.02.02 Trade and Other Receivables and Advances to Related Parties
Trade and other receivables are net of allowance for expected credit losses. The estimated fair value of trades and other receivables and advances to related parties represents the discounted amount of estimated future cash flows expected to be received.

7.02.03 Financial Assets at FVOCI
Financial assets at FVOCI pertain to investments in shares of stocks not traded in an active market. Since alternative reliable measurements of fair value are not available, management deemed that the investee's net assets multiplied by the Group's percentage share is the best estimate of the fair value of the investment.

7.02.04 Trade and Other Payables and Other Financial Liabilities
Due to their short duration, the carrying amounts of trade and other payables and other financial liabilities in the statements of financial position are considered to be reasonable approximations of their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and equity of the Group (comprising issued capital, share premium, and retained earnings).

The Group is not subject to any externally imposed capital requirements. The Group's Board of Directors reviews the capital structure of the Group on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2021		2020
Debt	₱	**70,775,330**	₱	104,666,950
Cash		**(15,692)**		(52,198)
Net Debt	₱	**70,759,638**	₱	104,614,752
Equity		**514,958,081**		603,114,715
Net debt to equity ratio		**0.14:1**		0.17:1

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Group that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

The Group's related parties are as follows:

Company	Relationship
IP Ventures, Inc.	Ultimate Parent
IPE Global Holdings Corp.	Parent
IPVG Employees, Inc.	Entity Under Common Control
GRCO Mining Isulan Corporation	Entity Under Common Control
Highlands Coffee Philippines Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
I-Pay Commerce Ventures, Inc.	Entity Under Common Control
Level Up, Inc.	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control
X-Play Online Games Incorporated	Entity Under Common Control
Y-Fi Business Solutions, Inc.	Entity Under Common Control

Entities under common control refer to entities that are ultimately controlled by the same parties.

9.02 Related Party Transactions and Balances

Related party transactions and balances consist of the following:

9.02.01 Advances to Related Parties:

		2021		2020
IPE Global Holdings Corp.	₱	**81,357,960**	₱	81,357,960
Y-Fi Business Solutions, Inc.		**62,928,454**		62,928,454
IP Ventures, Inc.		**22,518,475**		22,518,475
IPE Global Pte Ltd.		**16,409,794**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
X-Play Online Games Incorporated		**7,141,369**		7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-Pay Commerce Ventures, Inc.		**217,476**		217,476
		201,576,083		207,207,956
Allowance for expected credit losses		**(201,576,083)**		(88,499,329)
	₱	**–**	₱	118,708,627

Movement of allowance for ECL on advances to related parties is disclosed below:

		2021		2020
Balance, January 1	₱	**88,499,329**	₱	–
Provision		**113,076,754**		88,499,329
Balance, December 17/31	₱	**201,576,083**	₱	88,499,329

9.02.02 Advances from Related Parties

Advances from related parties represents advances to support the Group's operations, amounting to ₱4,989,692 and ₱26,106,401 as of December 17, 2021 and December 31, 2020, respectively.

In 2021, management assessed that several related parties to which the advances pertain have remained dormant and non-operational. Additionally, no claims have been made over the past years in relation to these advances. Accordingly, the Company has reversed the outstanding balances amounting to ₱20,235,304, which have been recognized as part of other income, as disclosed in Note 20. Management, however, will continue to monitor these related parties for any potential future claims or developments that may affect the recoverability of previously reversed amounts.

9.02.04 Due to Stockholder

Due to stockholder pertains loans from the stockholder to the Company, amounting to ₱9,783,783 as of December 17, 2021 and December 31, 2020.

9.03 Key Management Personnel Compensation

Key management personnel received per diem amounting to ₱583,000 for 2021, as disclosed in Note 18. However, no compensation was received for 2021, 2020, and 2019.

During 2021 and 2020, the Group entered into the following transactions with related parties:

Transactions and Advances to and from Related Parties for the year 2021 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to	₱ –	₱ 22,518,475	On demand; non-interest bearing	Unsecured, fully-impaired
Parent:				
IPE Global Holdings Corporation				
a. Advances to	–	81,357,960	On demand; non-interest bearing	Unsecured, fully-impaired
Entities under common control:				
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, fully-impaired
Highlands Coffee Philippines, Inc.				
a. Advances from	(361,312)	–	On demand; non-interest bearing	Unsecured
IPE Global Pte Ltd				
a. Advances to	(5,631,873)	16,409,794	On demand; non-interest bearing	Unsecured, fully-impaired
b. Advances from	(5,631,873)	–	On demand; non-interest bearing	Unsecured
I-Pay Commerce Ventures, Inc.				
a. Advances to	–	217,476	On demand; non-interest bearing	Unsecured, fully-impaired
IPVG Employees, Inc.				
a. Advances from	4,750,468	4,989,692	On demand; non-interest bearing	Unsecured
Level-Up Inc.				
a. Advances from	(873,992)	–	On demand; non-interest bearing	Unsecured, fully-impaired
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	–	1,072,645	On demand; non-interest bearing	Unsecured, fully-impaired
Webworx Computer Technology Corporation				
a. Advances from	(19,000,000)	–	On demand; non-interest bearing	Unsecured
X-Play Online Games, Incorporated				
a. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, fully-impaired
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, fully-impaired
Stockholder:				
a. Due to	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ (5,631,873)**	**₱ 201,576,083**		
Total advances from	**₱ (21,116,709)**	**₱ 4,989,692**		
Total due to	**₱ –**	**₱ 9,783,783**		

Transactions and Advances to and from Related Parties for the year 2020 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to	₱ (1,767,893)	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Parent:				
IPE Global Holdings Corporation				
b. Advances to	–	81,357,960	On demand; non-interest bearing	Unsecured, no impairment
Entities under common control:				
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc.				
a. Advances from	–	361,312	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
I-Pay Commerce Ventures				
a. Advances to	–	217,476	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
IPVG Employees, Inc.				
a. Advances from	239,224	239,224	On demand; non-interest bearing	Unsecured, no impairment
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
Advances to	–	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
Webworx Computer Technology Corporation				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
X-Play Online Incorporated				
a. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Stockholder:				
a. Due to	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	₱ (1,767,893)	₱ 207,207,956		
Total advances from	₱ 239,224	₱ 26,106,401		
Total due to	₱ –	₱ 9,783,783		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. BUSINESS COMBINATION

On January 1, 2019, the Parent Company acquired 50,000,000 shares of the Subsidiary, representing 100% ownership, for US$1.00 a share, or a total consideration of US$50,000,000, equivalent to ₱2.5 billion.

The fair values of the identified assets and liabilities of the Subsidiary at the time of acquisition and the purchase price was allocated as follows:

		Amount
Investment in equity securities	₱	2,500,000,000
Percentage share of net assets acquired		100%
Net assets acquired	₱	2,500,000,000

11. CASH

Cash represents cash in bank, amounting to ₱15,692 and ₱52,198 as of December 17, 2021 and December 31, 2020, respectively.

During 2021, the Group wrote-off some of its cash since management believes that its recoverability is doubtful. Loss on asset written off recognized in 2021 amounted to ₱36,506, as disclosed in Note 19.

Interest income generated from cash in banks and cash equivalent amounted to nil for 2021, 2020 and 2019.

12. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables consist of:

		2021		2020
Trade receivables	₱	**3,741,000**	₱	3,741,000
Advances to officers and employees		**31,468**		31,468
		3,772,468		3,772,468
Allowance for expected credit losses		**(3,772,468)**		(3,772,468)
	₱	**–**	₱	–

Aging of trade and other receivables are as follows:

		2021		2020
Current:				
1 – 30 days outstanding	₱	**–**	₱	–
Past due:				
31 – 60 days outstanding		**–**		–
61 – 90 days outstanding		**–**		–
over 90 days outstanding		**3,772,468**		3,772,468
Balance at December 17/31	₱	**3,772,468**	₱	3,772,468

Movement of allowance for ECL on trade and other receivables is disclosed below:

		2021		2020
Balance, January 1	₱	**3,772,468**	₱	3,772,468
Provision		**–**		–
Balance, December 17/31	₱	**3,772,468**	₱	3,772,468

13. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Group's prepayments and other current assets are shown below:

		2021		2020
Prepaid taxes	₱	**–**	₱	1,929,281
Advances to suppliers		**–**		887,429
Deposit		**–**		486,411
	₱	**–**	₱	3,303,121

Prepaid taxes consist of tax credit carried over for the next period. Deposit pertains to advance rental paid by the Group to its previous lessor. In 2021, the Company assessed and decided that no future economic benefits are expected to be received from the prepaid taxes, advances to suppliers and deposit; thus, these accounts amounting to ₱3,303,121 was written off as disclosed in Note 19.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The account consists of investment in shares of stocks of the following entities:

		2021		2020
Winvest Vietnam Investments Ltd.	₱	**2,500,000,000**	₱	2,500,000,000
Digital Paradise, Inc.		**–**		–
Total cost		**2,500,000,000**		2,500,000,000
Allowance for impairment		**(1,914,282,281)**		(1,914,282,281)
At December 17/31	₱	**585,717,719**	₱	585,717,719

Such investments were presented as financial assets at FVOCI since it is not held for trading.

In 2020, a revaluation of the investment in Winvest Vietnam Investments Ltd. has been performed due to an indication of potential impairment of land lease value. A development of a five-star hotel was planned at the proposed site, with an assumption that the surrounding areas will see a sharp increase in recreational economic activities. However, with the onset of COVID-19, the development of the hotel could not be achieved in due time and the commercial development of the whole area has been postponed indefinitely.

Due to the above conditions, the Group recognized an impairment loss on its investment in Winvest Vietnam Investments Ltd. amounting to ₱1,914,282,281 in 2020.

Movements in the account are disclosed below:

		2021		2020
Balance, January 1	₱	**585,717,719**	₱	2,508,491,720
Write-off (Note 19)		**–**		(8,491,720)
Impairment loss		**–**		(1,914,282,281)
Balance, December 17/31	₱	**585,717,719**	₱	585,717,719

No dividends were received from this investment for the years ended December 17, 2021 and December 31, 2020.

15. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

		2021		2020
Trade payables	₱	**13,991,152**	₱	25,475,002
Output VAT		**12,817,156**		12,817,156
Accrued expenses		**12,000,224**		11,788,254
Withholding taxes		**11,450,429**		11,450,429
Other non-trade payables		**2,837,233**		4,340,264
	₱	**53,096,194**	₱	65,871,105

Trade payables are payables which are related directly to the Group's primary operations. Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Subscriptions payable pertain to subscription of IPVG Employees, Inc. (IEI) to Cosamera Resorts Corporation (CRC) assigned to the Group.

Other non-trade payables pertain to payables not directly related to the Group's core operating business.

In 2021, the Company derecognized previously recognized trade and other payables amounting to ₱12,774,911, which were assessed to be no longer valid obligations of the Company. The derecognized payables mainly relate to long-outstanding balances with no recent transaction activity and with no demand for settlement from the counterparties for an extended period. Based on management's assessment, these obligations were determined to be inactive and no longer payable. Accordingly, the amounts were reversed and recognized as other income, as disclosed in Note 17.

16. EQUITY

16.01 Share Capital and Premium

The share capital and premium of the Group is as follows:

		2021		2020
Share capital	₱	**2,800,000,000**	₱	2,800,000,000
Share premium		**255,535,853**		255,535,853
	₱	**3,055,535,853**	₱	3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2021		2020	
	Shares	**Amount**	Shares	Amount
Authorized share capital ₱0.01 par value	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid, December 17/31	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date, the Group has a total number of 39 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

17. OTHER INCOME

The Company recognized miscellaneous income due to written-off of the following accounts:

	Notes	**2021**	2020	2019
Advances from related parties	9	**₱ 20,235,304**	₱ –	₱ –
Trade and other payables	15	**12,774,911**	–	–
Subscription payable		**–**	–	2,500,000
		₱ 33,010,215	₱ –	₱ 2,500,000

Subscriptions payable pertain to subscription of IPVG Employees, Inc. (IEI) to Cosamera Resorts Corporation (CRC) assigned to the Company.

IEI subscribed to 500,000 shares of CRC at a par value of ₱10 per share, or a total of ₱5,000,000. Out of the total amount, ₱2,500,000 was already paid by IEI. On March 2, 2012, IEI executed a deed of assignment wherein IEI assigns its subscription of CRC's shares of stocks to the Company, and the Company will assume the payment of the unpaid subscription equivalent to ₱2,500,000. In 2019, the payable was reversed to other income.

18. OTHER EXPENSES

The account is composed of the following operating expenses:

	Note	**2021**	2020	2019
Professional fees		**₱ 3,623,550**	₱ 1,148,461	₱ 2,524,912
Directors' fees	9	**583,000**	–	–
Listing fees		**329,409**	261,000	567,840
Fines and penalties		**200,893**	–	155,000
Taxes and licenses		**–**	–	500
Others		**13,616**	29,261	259,514
		₱ 4,750,468	₱ 1,438,722	₱ 3,507,766

Others pertain to meals, company meetings, and miscellaneous expenses.

19. LOSS ON ASSET WRITTEN OFF

Loss on assets written off consists of the following:

	Notes	2021	2020	2019
Loss on write-off of:				
Prepayments and other current assets	13	**₱ 3,303,121**	₱ –	₱ –
Cash	11	**36,506**	–	–
Financial assets at FVOCI	14	**–**	8,491,720	–
Other non-current asset		**–**	–	41,256,400
		₱ 3,339,627	₱ 8,491,720	₱ 41,256,400

In 2019, the Company wrote off its other non-current assets, recognizing loss on assets written off amounting to ₱41,256,400. No other non-current assets were written off in 2021 and 2020.

20. PROVISIONS FOR EXPECTED CREDIT LOSSES

Details of the account is disclosed below:

	Notes	2021	2020	2019
Provision for expected credit losses on:				
Advances to related parties	9	**₱ 113,076,754**	₱ 88,499,329	₱ –
Trade receivables	12	**–**	–	31,468
		₱ 113,076,754	₱ 88,499,329	₱ 31,468

21. INCOME TAXES

21.01 Income Tax Recognized in Profit or Loss

Components of income tax expense from MCIT are as follows:

	2021	2020	2019
Current tax expense - MCIT	**₱ –**	₱ –	₱ 50,000

A numerical reconciliation between tax expense and the product of accounting loss multiplied by the tax rate in 2021 follows:

	2021	2020	2019
Accounting loss	**₱ (88,156,634)**	₱ (2,012,712,052)	₱ (42,295,634)
Tax benefit at 25%/25%/30%	**(22,039,159)**	(503,178,013)	(12,688,690)
Additions to income tax resulting from:			
Unrecognized DTA on provision for ECL	**28,269,189**	22,124,832	9,440
Unrecognized DTA on NOLCO	**1,137,394**	359,681	255,830
Non-deductible expenses	**885,130**	480,693,500	12,423,420
Non-taxable income	**(8,252,554)**		
Excess MCIT over RCIT	**–**	–	50,000
	₱ –	₱ –	₱ 50,000

21.02 Net Operating Loss Carry-over (NOLCO)

Under Section 24 of NIRC, the net operating loss of the Group for any taxable year immediately preceding the current taxable year which had not been previously offset as deduction from gross income, shall be carried over as a deduction from gross income for the next three consecutive taxable years immediately following the year of such loss.

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

Details of Group's NOLCO which can be applied as special deduction against future taxable are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2019	852,766	–	–	–	852,766	2022
2020	1,438,722	–	–	–	1,438,722	2025
2021	4,549,575	–	–	–	4,549,575	2026
₱	**6,841,063**	**₱ –**	**₱ –**	**₱ –**	**6,841,063**	

21.03 Minimum Corporate Income Tax (MCIT)

Section 27(E) of the National Internal Revenue Code of 1997 provides that an MCIT of two percent (2%) of the gross income as of the end of the taxable year is imposed on a taxable corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operation, when the MCIT is greater than RCIT for the taxable year.

Details of Group's MCIT which can be claimed as tax credits against regular income tax are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2019	**₱ 50,000**	**₱ –**	**₱ –**	**₱ –**	**50,000**	**2022**

21.04 Deferred Tax Assets

Details of the Group's unrecognized deferred tax assets are disclosed below:

		2021		2020
Allowance for expected credit losses	**₱**	**51,337,138**	₱	21,181,715
NOLCO		**1,710,266**		572,872
MCIT		**50,000**		50,000
	₱	**53,097,404**	₱	21,804,587

21.05 Republic Act No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Law

On February 03, 2021, the final provisions of Senate Bill No. 1357 and House Bill No. 4157 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Bill, which seeks to reform corporate income taxes and incentives in the country, had been ratified by the Senate and the House of Representatives of the Philippines.

Under the bill, the corporate income tax will be reduced from the current 30% to 20% for domestic corporations with total assets not exceeding ₱100 million, excluding land, and total net taxable income of not more than P5 million. The corporate income tax of all other corporations, meanwhile, will be lowered to 25%. The bill would also lower the MCIT from 2% to 1% effective July 1, 2020 until June 30, 2023.

Other key provisions of the CREATE bill include:
1. One percent tax rate for Proprietary Educational Institutions and Hospitals which are non-Profit effective July 1, 2021 until June 30, 2023
2. Value-added tax (VAT) exemption threshold for socialized and low-cost housing to ₱2.5 million and P4.2 million for house and lot
3. VAT exemption for medicines for cancer, mental illness, tuberculosis, and kidney diseases
4. VAT-free importation and sale of COVID-19 medicines, PPEs beginning until December 31, 2023
5. Reduced preferential tax rates from 10% to 1% for non-profit hospitals and educational institutions effective July 1, 2021 to June 30, 2023.

Also, CREATE bill grants up to 17 years of incentives, including four to seven years of income tax holiday and 10 years of special corporate income tax or enhanced deduction, for exporters and for "critical" domestic market enterprises, which will be defined by the National Economic and Development Authority.

For other domestic market enterprises, the CREATE bill gives up to 12 years of incentives, including four to seven years of income tax holiday and five years of special corporate income tax or enhanced deductions.

The CREATE bill is enacted into a law by the President of the Philippines on March 26, 2021.

22. EARNINGS PER SHARE

The Group's basic and diluted earnings per share are presented below:

22.01 Basic Loss per Share

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

		2021		2020		2019
Loss used in the calculation of total basic earnings per share	₱	**(88,156,634)**	₱	(2,012,712,052)	₱	(42,345,634)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000		280,000,000,000
Basic EPS	₱	**(0.0003)**	₱	(0.0072)	₱	(0.0002)

The Group has no dilutive potential common shares outstanding in 2021, 2020 and 2019. Thus, basic and diluted EPS are stated at the same amount.

23. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

23.01 Provision

23.01.01 Beijing Perfect World Software, Inc.
On May 9, 2011, the Group was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Group was again notified of a resolution ordering the Company to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 17, 2021 and December 31, 2020, the parties are still in the course of pleadings and other evidence in support of their respective claims. Management and legal counsel continue to monitor developments related to the case. A provision for probable losses amounting to ₱2,905,661 had been previously recognized and continues to be presented as "provision for contingencies" in the separate statements of financial position. Management and legal counsel believe that no additional material losses are expected beyond the amount already provided

23.02 Contingencies

22.02.01 Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City)
A criminal case for qualified theft filed on 07 June 2010 before the Office of the City Prosecutor (OCP) of Makati City by the Group erring former employees (respondents herein). The Group seeks to recover in the form of civil liability in the amount of ₱2,625,500, which was lost from the concerted acts of the accused in unlawfully inserting imbalanced items in the Cabal Games.

Accused Milongo was arrested but the rest of the accused remains at large. The criminal case proceeded against Milongo. The contending parties have completed the presentation of their respective evidence and have submitted their respective memorandum prior to the promulgation by the court of the decision with respect to accused Milongo.

23.02.02 George Tan
The Group and its Board of Directors received a civil complaint for the brokering sale of Digital Paradise Inc. to the Group in 2010.

The trial court in its decision dated 08 December 2015 dismissed the case against the individual members of the Board of Directors, but held the Group liable for ₱4.03 million. The case is presently pending appeal before the Court of Appeals.

Other than the case of Beijing Perfect World Software, Inc., it is believed that the pendency of the foregoing cases will not have material adverse effect on the operations and financial position of the Group. Accordingly, no provision has been made in the consolidated financial statements for the period January 1, 2021 to December 17, 2021, years ended December 31, 2020 and 2019.

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the reconciliation analysis of liabilities arising from financing activities for the period January 1, 2021 to December 17, 2021, years ended December 31, 2020 and 2019:

	2020	**Cash inflows**	**Cash outflows**	**Non-cash changes**	**2021**
Advances from related parties	**26,106,401**	**4,750,468**	**–**	**(25,867,177)**	**4,989,692**

	2019	Cash inflows	Cash outflows	Non-cash changes	2020
Advances from related parties	25,867,177	239,224	–	–	26,106,401

	2018	Cash inflows	Cash outflows	Non-cash changes	2019
Advances from related parties	25,867,177	–	–	–	25,867,177

25. EVENTS AFTER THE END OF THE REPORTING PERIOD

No other events after the end of the reporting date were identified in these separate financial statements that provide evidence of conditions that existed at the reporting date (adjusting events after reporting date), and that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

26. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issue by the Board of Directors and Management on May 18, 2026.

Alas Oplas & Co., CPAs

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Legazpi La Union Laguna

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") as of December 31, 2021 and 2020, and for the period January 1, 2021 to December 17, 2021 and years ended December 31, 2020 and 2019, included in this Form 17-A and have issued our report thereon dated May 18, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements are the responsibility of the Group's management. These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and are not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2026, issued on February 6, 2026; effective until February 5, 2029
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period (Extended until Audit Period 2025)
TIN 232-158-286-000
PTR No. 10767236, issued on January 5, 2026, Makati City

May 18, 2026
Makati City, Philippines

BKR INTERNATIONAL | INDEPENDENT MEMBER

IP E-GAME VENTURES INC. AND SUBSIDIARY

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

Schedule	Contents
A	Financial assets
B	Amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties)
C	Amounts receivable from related parties which are eliminated during the consolidation of financial assets
D	Long term debt
E	Indebtedness to related parties (long-term loans and related companies)
F	Guarantees of securities of other issuers
G	Capital Stock

Other schedules:

Reconciliation of Retained Earnings Available for Dividend Declaration

Map showing the relationships between and among the Group and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates

SCHEDULE A

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON FINANCIAL ASSETS

AS OF DECEMBER 17, 2021

NAME OF ISSUING ENTITY AND ASSOCIATION OF EACH ISSUE	NUMBER OF SHARES OR PRINCIPAL AMOUNT OF BONDS AND NOTES	AMOUNT IN THE BALANCE SHEET	INCOME RECEIVED & ACCRUED
ADVANCES TO RELATED PARTIES			
IPE Global Holdings Corp.	81,357,960	–	nil
Y-Fi Business Solutions, Inc.	62,928,454	–	nil
IP Ventures, Inc.	22,518,475	–	nil
IPE Global Pte Ltd.	16,409,794	–	nil
GRCO Isulan Mining Corporation	9,929,910	–	nil
X-Play Online Games, Incorporated	7,141,369	–	nil
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,072,645	–	nil
I-Pay Commerce Ventures, Inc.	217,476	–	nil
TOTAL	**201,576,083**	–	

SCHEDULE B

IP E-GAME VENTURES INC AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES AND RELATED PARTIES
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

NAME	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
IPE Global Holdings Corp.	81,357,960	–	–	–	81,357,960	–	81,357,960
Y-FI Business Solutions, Inc.	62,928,454	–	–	–	62,928,454	–	62,928,454
IP Ventures, Inc.	22,518,475	–	–	–	22,518,475	–	22,518,475
IPE Global Pte Ltd.*	22,041,667	–	(5,631,873)	–	16,409,794	–	16,409,794
GRCO Isulan Mining Corporation	9,929,910	–	–	–	9,929,910	–	9,929,910
X-Play Online Games Incorporated	7,141,369	–	–	–	7,141,369	–	7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,072,645	–	–	–	1,072,645	–	1,072,645
I-Pay Commerce Ventures, Inc.	217,476	–	–	–	217,476	–	217,476

**The Group has advances from related parties amounting to ₱5,631,873, which were offset against advances to related parties.*

SCHEDULE C

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION PERIOD

FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

NAME (Debtor)	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
NONE TO REPORT							

SCHEDULE D

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON LONG-TERM DEBT

FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT PORTION OF LONG-TERM DEBT	LONG-TERM DEBT (NET OF CURRENT PORTION)	INTEREST RATE	NO. OF PERIODIC INSTALLMENT	MATURITY DATE
NONE TO REPORT						

SCHEDULE E

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON INDEBTEDNESS TO RELATED PARTIES
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

NAME OF RELATED PARTY (CREDITOR)	BALANCE AT BEGINNING OF PERIOD	BALANCE AT END OF PERIOD
NONE TO REPORT		

The Grouo does not have indebtedness related to parties that are above 5% of its total assets as of December 17, 2021.

SCHEDULE F

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON GUARANTEES OF SECURITIES OF OTHER ISSUERS
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE GROUP FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENTS FILED	NATURE OF GUARANTEE
NONE TO REPORT				

The Group does not have guarantees of securities of other issuers as of December 17, 2021.

SCHEDULE G

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON CAPITAL STOCK

FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING AND SHOWN UNDER RELATED BALANCE SHEET CAPTION				Number of shares reserved for options, warrants conversion	Number of shares held by related parties	Directors, officers, and employees	Others
		ISSUED	SUBSCRIBED	TREASURY SHARES	TOTAL				
Ordinary shares	280,000,000,000	280,000,000,000	–	–	280,000,000,000	–	250,000,000,000	401	29,999,999,599

IP E-GAME VENTURES INC. AND SUBSIDIARY
Reconciliation of Retained Earnings Available for Dividend Declaration
As of DECEMBER 17, 2021

Unappropriated Retained Earnings, beginning of reporting period		**(2,452,421,138)**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation	–	
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	–	
Reclassification adjustment of cumulative unrealized loss on financial assets through other comprehensive income	–	–
Unappropriated Retained Earnings, as adjusted		**(2,452,421,138)**
Add/Less: Net Income (loss) for the current year		**(88,156,634)**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (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	–	
Reversal of retirement benefit obligation	–	
Gain on reversal of liabilities	–	
Sub-total		–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalent	–	
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 (describe nature	–	
Sub-total		–

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 (describe nature)	–	
Sub-total		–
Adjusted Net Income/Loss		**(88,156,634)**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Unrealized foreign exchange loss	–	
Sub-total		–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others (describe nature)	–	
Sub-total		–
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 setup of service concession asset and concession payable	–	
Adjustment due to deviation from PFRS/GAAP -gain (loss)	–	
Others	–	
Sub-total		–
Total Retained Earnings, end of the reporting period available for dividend		**(2,540,577,772)**

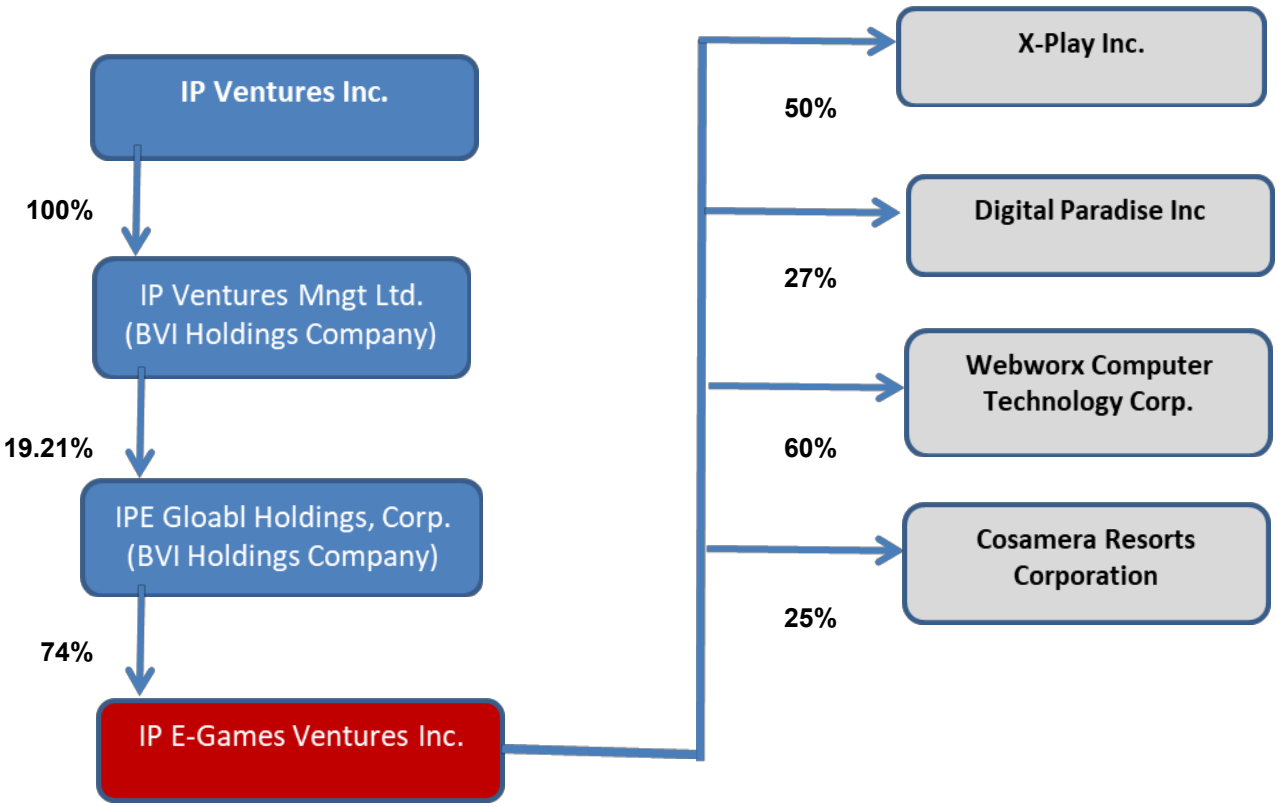
FOOTNOTES:

1. The amount of retained earnings of a company should be based on its separate ("stand-alone") audited separate financial statements.
2. Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.
3. Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the Parent Company and must be adjusted in the reconciliation to reflect the actual distributable amount.
4. This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of Its distributable income should be in accordance with the REIT Act and its Implementing Rules and Regulations.

IP E-GAME VENTURES INC. AND SUBSIDIARY

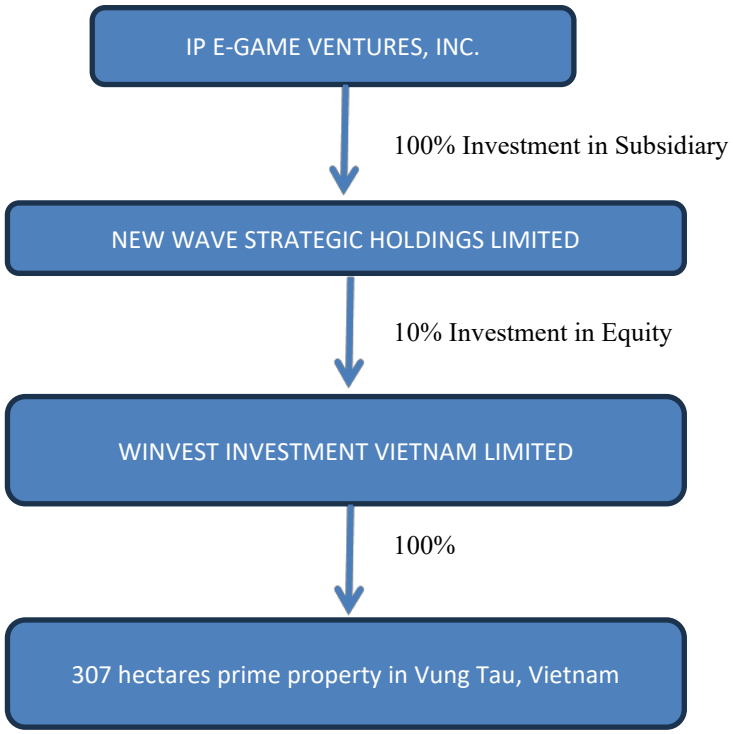
MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE GROUP AND ITS ULTIMATE PARENT, MIDDLE PARENT, SUBSIDIARIES AND CO-SUBSIDIARIES, AND ASSOCIATES
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021

CORPORATE STRUCTURE



IP E-GAME VENTURES INC. AND SUBSIDIARY

MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE GROUP AND ITS ULTIMATE PARENT, MIDDLE PARENT, SUBSIDIARIES AND CO-SUBSIDIARIES, AND ASSOCIATES
FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 17, 2021



Alas Oplas & Co., CPAs

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Makati Alabang Ortigas Paranaque Cavite
Bulacan Isabela Nueva Ecija Bacolod Iloilo
Legazpi La Union Laguna

INDEPENDENT AUDITORS' REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** as of December 31, 2021 and 2020, and for the period January 1, 2021 to December 17, 2021 and years ended December 31, 2020 and 2019, and have issued our report thereon dated May 18, 2026. 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 are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the period January 1, 2021 to December 17, 2021 and year ended December 31, 2020, and no material exceptions were noted.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
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TIN 232-158-286-000
PTR No. 10767236, issued on January 5, 2026, Makati City

May 18, 2026
Makati City, Philippines

BKR INTERNATIONAL INDEPENDENT MEMBER

ANNEX 68-E

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

IP E-GAME VENTURES INC. AND SUBSIDIARY
As of December 17, 2021

Ratio	Formula	Current Year	Prior Year
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.02%	116.62%
Acid test ratio	$\frac{\text{Quick Assets}}{\text{Current Liabilities}}$	0.02%	113.47%
Solvency ratio	$\frac{\text{Net Income + Depreciation and Amortization}}{\text{Total Liabilities}}$	-124.56%	-1922.97%
Debt-to-equity ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	13.74%	17.35%
Asset-to-equity ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	113.74%	117.35%
Interest rate coverage ratio	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$	N/A	N/A
Return on equity	$\frac{\text{Net Income}}{\text{Average Total Equity}}$	-15.77%	-125.05%
Return on assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	-13.63%	-117.40%
Net profit margin	$\frac{\text{Net Income}}{\text{Revenue}}$	N/A	N/A

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

Annex "E"

The following document has been received:

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Receipt Date and Time: January 14, 2026 12:26:51 PM

Company Information

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Company Name: IP E-GAME VENTURES INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST10114202683876018
Document Type: Financial Statement
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Submission Type: Consolidated
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Acceptance of this document is subject to review of forms and contents

IP E-GAME VENTURES INC. AND SUBSIDIARY
MAKATI CITY – PHILIPPINES

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") is responsible for the preparation and fair presentation of consolidated financial statements including the schedules attached therein, for the years ended December 31, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders of the Group.

Alas, Oplas & Co., CPAs, the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group 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.

Juan Kevin G. Belmonte
Chairman of the Board

Jaime Enrique Y. Gonzalez
Deputy Chairman/President

Mary Jehelle Palma
Chief Financial Officer/Treasurer

Signed this 10th day of February, 2025.

Alas Oplas & Co., CPAs

Alas Oplas & Co., CPAs
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Independent Member of
BKR International

INDEPENDENT AUDITOR'S REPORT TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have examined the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") for the years ended December 31, 2020 and 2019 on which we have rendered the attached report dated February 10, 2025.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the said Group has a total number of thirty-nine (39) stockholders owning one hundred (100) or more shares each.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2023, issued on February 9, 2023; effective until February 8, 2026
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TIN 232-158-286-000
PTR No. 10466283, issued on January 2, 2025, Makati City

February 10, 2025
Makati City, Philippines

Alas Oplas & Co., CPAs

INDEPENDENT AUDITORS' REPORT

Alas Oplas & Co., CPAs
7/F Philippine AXA Life Centre
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To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

Opinion

We have audited the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") which comprise the consolidated statement of financial position as of December 31, 2020 and 2019, and the consolidated statement of comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 consolidated opinion on these matters. For the matters below, our description of how our audit addressed the matter is provided in that context.

Valuation of Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

As disclosed in Note 14 to the consolidated financial statements, the Group has financial assets at FVOCI. In assessing the fair value of financial assets, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where observable market data is not available, in particular for Level 3 equity instruments, estimates were developed based on the most appropriate source data and are subject to significant judgement. Changes in assumptions about these factors could affect the fair value of such financial assets.

The valuation of the Group's financial assets at fair value was considered a key area of audit focus due to the complexity involved in the valuation process.

Audit Response

We ascertained that the valuation techniques used are appropriate and consistent with prior years.

We performed audit procedures over the valuation and accounting of such financial assets. We ensure the financial assets are being classified, accounted and disclosed in line with PFRS 9.

We also tested that the valuation techniques adopted reflect the best appropriate basis for valuation of the investments. We checked the reasonableness of inputs to the valuation techniques used.

We reviewed and discussed with management and those charged with governance the Group's assessment of whether there is objective evidence that a financial asset is impaired and the identification and completeness of impaired assets.

Based on our procedures, we found that management's assessments regarding the impairment of the investment in fair value through other comprehensive income amounting to ₱1,914,282,281 were reasonable and adequately disclosed in the consolidated financial statements.

Provisions and Contingencies

As disclosed in Note 22 to the consolidated financial statements, the Group is currently involved in legal proceedings. These matters are significant to our audit because the recognition and estimate of provision related to these legal proceedings require significant judgment by management.

Audit response

We discussed the status of the legal proceedings with the management and the Group's external legal counsel for the status of the legal proceedings and obtained opinion of their external legal counsel.

We reviewed management's assessment on the possible outcome of the legal proceedings and assessed whether there is a need to recognize additional provision based on the status of the case and considering relevant local rules and regulations.

Consolidation Process

The Group's consolidated financial statements comprise the financial statements of IP E-Game Ventures Inc. and its subsidiariy after the elimination of material intercompany transactions. The Group's consolidation process is significant to our audit because of the complexity of the process. It involves identifying and eliminating various intercompany transactions and balances to properly reflect the consolidated financial position of the Group, its consolidated financial performance and its consolidated cash flows in accordance with PFRSs.

Audit response

We obtained an understanding of the Group structure and its consolidated policy and process, including the procedures for identifying intercompany transactions and reconciling intercompany transactions and reconciling intercompany balances.

We verified the accuracy and appropriateness of intercompany elimination entries, such as but not limited to, elimination of investments in subsidiary, elimination of intercompany transactions and balances, and other significant consolidation adjustments.

We reviewed the sufficiency and adequacy of disclosures in the Group's consolidated financial statements in accordance with PFRSs.

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 and Annual Report for the year ended December 31, 2019. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2019 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 audits 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 audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with Philippine Financial Reporting Standards, 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 Group'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 Group or to cease operations, 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- 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.
- Obtain sufficient audit evidence regarding the financial information of the entities of 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 audit. We are solely responsible for our audit opinion.

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, related safeguards.

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 2020 audit resulting in this independent auditor's report is Ryan A. Sabug.

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By:

RYAN A. SABUG
Partner
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February 10, 2025
Makati City, Philippines

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Notes	**2020**	2019
ASSETS			
Current Assets			
Cash	11	**52,198**	52,198
Trade and other receivables – net	12	**–**	–
Advances to related parties	9	**118,708,627**	208,975,849
Prepayments and other current assets	13	**3,303,121**	3,395,521
Total Current Assets		**122,063,946**	212,423,568
Non-current Asset			
Financial assets at fair value through other comprehensive income	14	**585,717,719**	2,508,491,720
TOTAL ASSETS		**707,781,665**	2,720,915,288
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Trade and other payables	15	**65,871,105**	66,531,900
Advances from related parties	9	**26,106,401**	25,867,177
Due to stockholders	9	**9,783,783**	9,783,783
Provision for contingencies	22	**2,905,661**	2,905,661
Total Liabilities		**104,666,950**	105,088,521
EQUITY			
Share capital	16	**2,800,000,000**	2,800,000,000
Share premium	16	**255,535,853**	255,535,853
Deficit		**(2,452,421,138)**	(396,731,549)
Other comprehensive loss	14	**–**	(42,977,537)
Total Equity		**603,114,715**	2,615,826,767
TOTAL LIABILITIES AND EQUITY		**707,781,665**	2,720,915,288

See Notes to the Consolidated Financial Statements.

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Notes	2020	2019
Other income	17	**–**	2,500,000
Operating expenses	18	**(1,438,722)**	(3,507,766)
Impairment loss	14	**(1,914,282,281)**	–
Loss on asset written off	19	**(8,491,720)**	(41,256,400)
Provision for expected credit losses	9,12	**(88,499,329)**	(31,468)
Loss before tax		**(2,012,712,052)**	(42,295,634)
Income tax expense	20	**–**	(50,000)
LOSS		**(2,012,712,052)**	(42,345,634)
Other comprehensive loss	14	**–**	(1,235,282)
TOTAL COMPREHENSIVE LOSS		**(2,012,712,052)**	(43,580,916)
LOSS PER SHARE			
Basic and diluted	21	**(0.0072)**	(0.0002)

See Notes to the Consolidated Financial Statements.

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Share capital (Note 16)	Share premium (Note 16)	Deficit	Other comprehensive loss (Note 14)	Total
Balance at December 31, 2018	2,800,000,000	255,535,853	(354,385,915)	(41,742,255)	2,659,407,683
Comprehensive income:					
Loss for the year	–	–	(42,345,634)	–	(42,345,634)
Unrealized loss on financial assets at FVOCI	–	–	–	(1,235,282)	(1,235,282)
Total comprehensive loss	–	–	(42,345,634)	(1,235,282)	(43,580,916)
Balance at December 31, 2019	2,800,000,000	255,535,853	(396,731,549)	(42,977,537)	2,615,826,767
Comprehensive income:					
Loss for the year	–	–	(2,012,712,052)	–	(2,012,712,052)
Unrealized loss on financial assets at FVOCI – reclassification adjustment	–	–	(42,977,537)	42,977,537	–
Total comprehensive loss	–	–	(2,055,689,589)	42,977,537	(2,012,712,052)
Balance at December 31, 2020	**2,800,000,000**	**255,535,853**	**(2,452,421,138)**	–	**603,114,715**

See Notes to the Consolidated Financial Statements

IP E-GAME VENTURES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
In Philippine Peso

	Notes	**2020**	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(2,012,712,052)**	(42,295,634)
Adjustments for:			
Impairment loss		**1,914,282,281**	–
Provision for expected credit losses	9,12	**88,499,329**	31,468
Loss on asset written off	19	**8,491,720**	41,256,400
Operating cash flows before working capital changes		**(1,438,722)**	(1,007,766)
Increase in prepayments and other current assets		**92,400**	(50,400)
Increase in trade and other payables		**(660,795)**	(2,323,500)
Net cash used in operating activities		**(2,007,117)**	(3,381,666)
CASH FLOWS FROM INVESTING ACTIVITY			
Collection of advances to related parties	9	**1,767,893**	3,381,666
CASH FLOW FROM FINANCING ACTIVITY			
Proceeds from advances from related parties	9	**239,224**	–
NET INCREASE IN CASH		**–**	–
CASH AT BEGINNING OF YEAR		**52,198**	52,198
CASH AT END OF YEAR	11	**52,198**	52,198

See Notes to the Consolidated Financial Statements.

1. CORPORATE INFORMATION

1.01 IP E-Game Ventures Inc. (the "Parent Company")

The Parent Company was incorporated and registered with the SEC on November 22, 2005. The principal activities of the Parent Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish thru joint venture or otherwise, internet shops; provide internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management, technical and maintenance support and services; and as a consequence and as may be necessarily useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Parent Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Parent Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Group's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Parent Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Parent Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City. On May 22, 2015, the Parent Company's Board of Directors has approved the change of principal office address from 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City to 1003 10th Floor, Centerpoint Condominium, Garnet Road corner Julia Vargas Avenue, Ortigas Center, Pasig City. The Parent Company is domiciled in the Philippines.

1.02 New Wave Strategic Holdings Ltd. (the "Subsidiary")

The Subsidiary was registered and incorporated in the British Virgin Islands on May 19, 2017, under the BVI Business Companies Act 2004 (as amended). The Subsidiary is established to exercise its powers to do the following:

1. Grant options over unissued shares in the Company and treasury shares;
2. Issue securities that are convertible into shares;
3. Give financial assistance to any person in connection with the acquisition of the Company's owns shares
4. Issue debt obligations of any kind and grant options, warrants and rights to acquire debt obligations;
5. Guarantee a liability or obligation of any person and secure any of its obligations by mortgage, pledge or other charge, of any of its assets for that purpose; and
6. Protect the assets of the Company for the benefit of the Company, its creditors and its members and, at the discretion of the directors, for any person having a direct or indirect interest in the Company.

On January 1, 2019, the Parent Company acquired 50,000,000 shares of the Subsidiary at US$1.00 per share, representing 100% of the Subsidiary's outstanding capital stock.

The Parent Company and the Subsidiary are collectively known as the "Group".

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The consolidated financial statements are prepared on a going concern basis under the historical cost convention, except for financial assets at fair value through other comprehensive income.

2.03 Presentation and Functional Currency

The consolidated financial statements are presented in Philippine Peso, which is the functional and presentation currency of the Parent Company. Each entity determines its own functional currency, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity, and items included in the financial statements of each entity are measured using that functional currency.

All financial information expressed in Philippine Peso has been rounded off to the nearest Peso, unless when otherwise indicated.

2.04 Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its Subsidiary, which it controls as at December 31, 2019. Control is achieved when the Parent is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent controls an investee if and only if the Parent has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
b. Exposure, or rights, to variable returns from its involvement with the investee, and
c. The ability to use its power over the investee to affect its returns

When the Parent has less than a majority of the voting or similar rights of an investee, the Parent considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee
b. Rights arising from other contractual arrangements
c. The Parent's voting rights and potential voting rights

The Parent re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent obtains control over the subsidiary and ceases when the Parent loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Parent gains control or until the date the Group ceases to control the Subsidiary.

The financial statements of the Subsidiary are prepared for the same reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions including inter-group unrealized profits and losses are eliminated in preparing the consolidated financial statements.

The financial statements of the Subsidiary are included in the consolidated financial statements from the date when the Parent Company obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the Subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

2.05 Use of Judgments and Estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Group's consolidated financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.06 Going Concern Assumption

The Group is not aware of any significant uncertainties that may cast doubts upon the Group's ability to continue as a going concern.

3. ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

3.01 New and Amended Standards and Interpretations Effective on January 1, 2024

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024, unless otherwise stated:

- Classification of Liabilities as Current or Non-current (Amendments to PAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to PFRS 16) – not applicable
- Supplier Finance Arrangements (Amendments to PAS 7 and PFRS 7) – not applicable
- Non-current Liabilities with Covenants (Amendments to PAS 1) – not applicable

These amendments do not have a significant impact on these consolidated financial statements.

3.02 Standards Issued but Not Yet Effective (Effective Beginning on or After January 1, 2025)

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Lack of Exchangeability (Amendments to PAS 21)

  In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Company does not expect these amendments to have a material impact on its operations or financial statements.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 and 7)

  On 30 May 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

  The Company does not expect these amendments to have a material impact on its operations or separate financial statements.

- PFRS 18 'Presentation and Disclosure in Financial Statements'

  PFRS 18 will replace PAS 1, *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

  Management is currently assessing the detailed implications of applying the new standard on the Company's separate financial statements. The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with PFRS 18.

- PFRS 19 'Subsidiaries without Public Accountability: Disclosures'

  Issued in May 2024, PFRS 19 allows for certain eligible subsidiaries of parent entities that report under PFRSs to apply reduced disclosure requirements. The Company does not expect this standard to have an impact on its operations or separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Group recognizes financial assets when the entity becomes party to the contractual provision of the financial instruments.

4.01.01 Classification and Impairment of Financial Assets (PFRS 9)

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Group's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell. The Group may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Group had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in consolidated statement of comprehensive income.

As of December 31, 2020 and 2019, the Group has not designated any financial assets at FVPL.
Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Group may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation.* This option is available and made on an instrument by instrument basis.
Dividends from equity instruments held at FVOCI are recognized in consolidated statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the consolidated statement of financial position. These fair value changes are recognized in equity and are not reclassified to consolidated statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost

As part of its classification process, the financial assets of the Group are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using effective interest method, less in impairment in value.

The Group's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment

The Group recognizes an allowance for ECL for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

The Group considers a financial asset in default when contractual payments are 30 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the consolidated statement of financial position as current asset when they are expected to be expensed within one year or the entity's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Impairment of Non-Financial Assets

At each reporting date, the Group assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.04 Financial Liabilities and Equity Instruments

4.04.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements

4.04.02 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Group's consolidated statement of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by the Group since its inception. Deficit is reduced by profits.

Unappropriated retained earnings are accumulated earnings of the Group available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.04.03 Financial Liabilities
Financial liabilities are classified as either financial liabilities 'at FVPL' or 'other financial liabilities'.

The Group's financial liabilities as presented in the consolidated statement of financial position comprise of trade and other payables excluding government payables, due to stockholder and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.04.04 Derecognition of Financial Liabilities
The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.05 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.06 Provisions, Contingent Liabilities and Contingent Assets

4.06.01 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.06.02 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.07 Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent.

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

Interest income
Interest income is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Income
Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.08 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.09 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.10 Related Parties and Related Party Transactions

4.10.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Group, post-employment benefit plans for the benefit of Group's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Group that gives them significant influence in the financial and operating policy decisions of the Group are also considered to be related parties.

4.10.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Group when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Group.

4.11 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.11.01 Current Income Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.11.02 Deferred Income Tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.12 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.13 Events After the Reporting Date

The Group identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Group's financial position at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when the consolidated financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

5.01.01 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Group takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.02 Classification of Financial Assets
The Group follows the guidance of PFRS 9 in classifying financial assets at initial recognition whether it will be subsequently measured at fair value through other comprehensive income, at amortized cost, or at fair value through profit or loss. The Group determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. The Group determines whether the contractual cash flows associated with the financial asset are solely payments of principal and interest (the "SPPI"). If the instrument fails the SPPI test, it will be measured at fair value through statement of comprehensive income.

5.01.03 Classification of Costs and Expenses
The Group determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Group. All other costs and expenses are classified as administrative expenses.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Assessment for ECL on Trade Receivables
The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Group has recognized provision for ECL on trade and other receivables amounting to nil and ₱31,468 in 2020 and 2019, respectively. The carrying amount of trade and other receivables is nil, net of allowance for ECL amounting to ₱3,772,468, as of December 31, 2020 and 2019, as disclosed in Note 12.

5.02.02 Assessment for ECL on Other Financial Assets at Amortized Cost
The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:
- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and,
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Group has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and companies with good credit standing and relatively low risk of defaults. Provision for ECL recognized on other financial assets at amortized cost amounted to ₱88,499,329 and nil in 2020 and 2019, respectively. The carrying amounts of other financial assets at amortized cost are as follows:

	Notes		2020		2019
Cash	11	₱	**52,198**	₱	52,198
Advances to related parties	9		**118,708,627**		208,975,849
		₱	**118,762,845**	₱	209,028,047

5.02.03 Realization of Deferred Tax Assets
The Group reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

No deferred tax assets relating to NOLCO, MCIT, and allowance for expected credit losses were recognized for the years ended December 31, 2020, since management believes that the Group will not generate future taxable income that may allow the deferred tax assets to be utilized. As of December 31, 2020 and 2019, deferred tax assets not recognized amounted to ₱21,804,587 and ₱1,507,570, respectively, as disclosed in Note 20.

5.02.04 Provision and Contingencies
The Group is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 22. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Group's defense in these matters and is based on an analysis of potential results. The Group's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Group's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 22.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Group's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, financial assets at FVOCI and trade and other payables. The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2020		2019
Financial assets					
Cash	11	₱	**52,198**	₱	52,198
Trade and other receivables – net	12		**–**		–
Advances to related parties	9		**118,708,627**		208,975,849
Financial assets at FVOCI	14		**585,717,719**		2,508,491,720
		₱	**704,478,544**	₱	2,717,519,767
Financial liabilities					
Trade and other payables*	15	₱	**41,603,520**	₱	42,124,155
Advances from related parties	9		**26,106,401**		25,867,177
Due to stockholders	9		**9,783,783**		9,783,783
		₱	**77,493,704**	₱	77,775,115

**excluding statutory and other payables to government agencies amounting to ₱24,267,585 and ₱24,407,745 as of December 31, 2020 and 2019, respectively*

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group principally transacts with its related party.

The Group does not have significant credit risk exposure to any single counterparty.

Also, the Group manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the consolidated financial statements represents the Group's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Group as of December 31, 2020 and 2019, without considering the effects of credit risk mitigation techniques.

	Notes		2020		2019
Cash in banks	11	₱	**52,198**	₱	52,198
Trade and other receivables – gross	12		**3,772,468**		3,772,468
Advances to related parties	9		**207,207,956**		208,975,849
Financial assets at FVOCI	14		**585,717,719**		2,508,491,720
		₱	**796,750,341**	₱	2,721,292,235

The Group does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subject to 12-month ECL (Stage 1) or lifetime ECL (Stage 2 and Stage 3).

2020	**12-month ECL (Stage 1)**	**Lifetime ECL – not credit impaired (Stage 2)**	**Lifetime ECL – credit impaired (Stage 3)**	**Measured at fair value**	**Total**
Cash in banks	52,198	–	–	–	52,198
Trade and other receivables	–	–	3,772,468	–	3,772,468
Advances to related parties	207,207,956	–	–	–	207,207,956
Financial assets at FVOCI	–	–	–	585,717,719	585,717,719
	207,260,154	**–**	**3,772,468**	**585,717,719**	**796,750,341**

2019	12-month ECL (Stage 1)	Lifetime ECL – not credit impaired (Stage 2)	Lifetime ECL – credit impaired (Stage 3)	Measured at fair value	Total
Cash in banks	52,198	–	–	–	52,198
Trade and other receivables	–	–	3,772,468	–	3,772,468
Advances to related parties	208,975,849	–	–	–	208,975,849
Financial assets at FVOCI	–	–	–	2,508,491,720	2,508,491,720
	209,028,047	–	3,772,468	2,508,491,720	2,721,292,235

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment

The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

Trade and other receivables
The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed per customer type, credit terms, offsetting arrangements. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking information.

The aging analysis of trade and other receivables is presented in Note 12.

Other financial assets at amortized cost
The Group's other financial assets at amortized cost pertain to cash in banks and advances to related parties. The Group limits its exposure to credit risk by investing its cash only with banks with good credit standing and reputation in the local and international banking industry. Also, the Group transacts only with parties with good credit rating, thus risk of default is low.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2020	**On Demand**	**Within 1 Year**	**Over 1 Year**	**Total**
Cash	₱ 52,198	₱ –	₱ –	₱ 52,198
Trade and other receivables	3,772,468	–	–	3,772,468
Advances to related parties	207,207,956	–	–	207,207,956
Financial assets at FVOCI	585,717,719	–	–	585,717,719
	₱ 796,750,341	**₱ –**	**₱ –**	**₱ 796,750,341**

2019	On Demand	Within 1 Year	Over 1 Year	Total
Cash	₱ 52,198	₱ –	₱ –	₱ 52,198
Trade and other receivables	3,772,468	–	–	3,772,468
Advances to related parties	208,975,849	–	–	208,975,849
Financial assets at FVOCI	2,508,491,720	–	–	2,508,491,720
	₱ 2,721,292,235	₱ –	₱ –	₱ 2,721,292,235

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2020	**On Demand**	**Within 1 Year**	**Over 1 Year**	**Total**
Trade and other payables*	₱ 41,603,520	₱ –	₱ –	₱ 41,603,520
Advances from related parties	26,106,401	–	–	26,106,401
Due to stockholder	9,783,783	–	–	9,783,783
	₱ 77,493,704	**₱ –**	**₱ –**	**₱ 77,493,704**

**Excluding statutory and other payables to government agencies amounting to ₱24,267,585.*

2019	On Demand	Within 1 Year	Over 1 Year	Total
Trade and other payables*	₱ 42,124,155	₱ –	₱ –	₱ 42,124,155
Advances from related parties	25,867,177	–	–	25,867,177
Due to stockholder	9,783,783	–	–	9,783,783
	₱ 77,775,115	₱ –	₱ –	₱ 77,775,115

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

7. FAIR VALUE MEASUREMENTS

The following table summarizes the carrying amounts and the fair values by level of the fair value hierarchy of the Group's financial assets that are carried at fair value as at December 31, 2020 and 2019.

2020	**Carrying Amount**	**Fair Value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements:					
Financial assets at FVOCI	585,717,179	–	–	585,717,179	585,717,179

2019	**Carrying Amount**	**Fair Value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements:					
Financial assets at FVOCI	2,508,491,720	–	–	2,508,491,720	2,508,491,720

7.01 Fair Value Hierarchy

The Group uses the following hierarchy as guide for determining fair value of financial instruments:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchange;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability that are not based on observable market data (observable inputs). This level includes equity investment (if any,) and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

As of December 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

7.02 Fair Value Determination

Basis or assumptions in determining the fair value of financial instruments are disclosed below:

7.02.01 Cash in Banks
The estimated fair value of fixed interest-bearing deposits is made based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

7.02.02 Trade and Other Receivables and Advances to Related Parties
Trade and other receivables are net of allowance for doubtful accounts. The estimated fair value of trades and other receivables advances to related parties represents the discounted amount of estimated future cash flows expected to be received.

7.02.03 Financial Assets at FVOCI
Financial assets at FVOCI pertain to investments in shares of stocks not traded in an active market. Since alternative reliable measurements of fair value are not available, management deemed that the investee's net assets multiplied by the Group's percentage share is the best estimate of the fair value of the investment.

7.02.04 Trade and Other Payables and Other Financial Liabilities
Due to their short duration, the carrying amounts of trade and other payables and other financial liabilities in the statement of financial position are considered to be reasonable approximations of their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and equity of the Group (comprising issued capital, share premium, and retained earnings).

The Group is not subject to any externally imposed capital requirements. The Group's Board of Directors reviews the capital structure of the Group on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2020		2019
Debt	₱	**104,666,950**	₱	105,088,521
Cash		**(52,198)**		(52,198)
Net Debt	₱	**104,614,752**	₱	105,036,323
Equity		**603,114,715**		2,615,826,767
Net debt to equity ratio		**0.17:1**		0.04:1

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Group that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

The Group's related parties are as follows:

Company	Relationship
IP Ventures, Inc.	Ultimate Parent
IPE Global Holdings Corp.	Parent
IPVG Employees, Inc.	Entity Under Common Control
GRCO Mining Isulan Corporation	Entity Under Common Control
Highlands Coffee Philippines Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
I-Pay Commerce Ventures, Inc.	Entity Under Common Control
Level Up, Inc.	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control
X-Play Online Games Incorporated	Entity Under Common Control
Y-Fi Business Solutions, Inc.	Entity Under Common Control

Entities under common control refer to entities that are ultimately controlled by the same parties.

9.02 Related Party Transactions and Balances

Related party transactions and balances consists of the following:

9.02.01 Advances to Related Parties:

		2020		2019
IPE Global Holdings Corp.	₱	**81,357,960**	₱	81,357,960
Y-Fi Business Solutions, Inc.		**62,928,454**		62,928,454
IP Ventures, Inc.		**22,518,475**		24,286,368
IPE Global Pte Ltd.		**22,041,667**		22,041,667
GRCO Isulan Mining Corporation		**9,929,910**		9,929,910
X-Play Online Games Incorporated		**7,141,369**		7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**		1,072,645
I-PAY Commerce Ventures, Inc.		**217,476**		217,476
		207,207,956		208,975,849
Allowance for expected credit losses		**(88,499,329)**		–
	₱	**118,708,627**	₱	208,975,849

Movement of allowance for ECL on advances to related parties is disclosed below:

		2020		2019
Balance, January 1	₱	**–**	₱	–
Provision		**88,499,329**		–
Balance at December 31	₱	**88,499,329**	₱	–

9.02.02 Advances from Related Parties:

		2020		2019
Webworx Computer Technology Corporation	₱	**19,000,000**	₱	19,000,000
IPE Global Pte Ltd.		**5,631,873**		5,631,873
Level-Up Inc.		**873,992**		873,992
Highlands Coffee Philippines, Inc.		**361,312**		361,312
IPVG Employees, Inc.		**239,224**		–
	₱	**26,106,401**	₱	25,867,177

9.02.03 Due to Stockholder

		2020		2019
Due to stockholder	₱	**9,783,783**	₱	9,783,783

During 2020 and 2019, the Group entered into the following transactions with related parties:

Transactions and Advances to and from Related Parties for the year 2020 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
a. Advances to	₱ (1,767,893)	₱ 22,518,475	On demand; non-interest bearing	Unsecured, no impairment
Parent:				
IPE Global Holdings Corporation				
a. Advances to	–	81,357,960	On demand; non-interest bearing	Unsecured, no impairment
Entities under common control:				
IPVG Employees, Inc.				
a. Advances from	239,224	239,224	On demand; non-interest bearing	Unsecured, no impairment
X-Play Online Incorporated				
a. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, no impairment
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	–	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
Ipay Commerce Ventures				
a. Advances to	–	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworx Computer Technology Corporation				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc.				
a. Advances from	–	361,312	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Stockholder:				
a. Due to	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ (1,767,893)**	**₱ 207,207,956**		
Total advances from	**₱ 239,224**	**₱ 26,106,401**		
Total due to	**₱ –**	**₱ 9,783,783**		

Transactions and Advances to and from Related Parties for the year 2019 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
IP Ventures, Inc.				
b. Advances to	₱ (3,324,506)	₱ 24,286,368	On demand; non-interest bearing	Unsecured, no impairment
Parent:				
IPE Global Holdings Corporation				
b. Advances to	–	81,357,960	On demand; non-interest bearing	Unsecured, no impairment
Entities under common control:				
X-Play Online Incorporated				
b. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, no impairment
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
b. Advances to	(57,160)	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
Ipay Commerce Ventures				
a. Advances to	–	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworx Computer Technology Corporation				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc.				
a. Advances from	–	361,312	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Stockholder:				
a. Due to	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	₱ (3,381,666)	₱ 208,975,849		
Total advances from	₱ –	₱ 25,867,177		
Total due to	₱ –	₱ 9,783,783		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for 2020 and 2019.

10. BUSINESS COMBINATION

On January 1, 2019, the Parent Company acquired 50,000,000 shares of the Subsidiary, representing 100% ownership, for US$1.00 a share, or a total consideration of US$50,000,000, equivalent to ₱2.5 billion.

The fair values of the identified assets and liabilities of the Subsidiary at the time of acquisition and the purchase price was allocated as follows:

		Amount
Investment in equity securities	₱	2,500,000,000
Percentage share of net assets acquired		100%
Net assets acquired	₱	2,500,000,000

11. CASH

Cash represents cash in bank, amounting to ₱52,198 as of December 31, 2020 and 2019.

Interest income generated from cash in banks and cash equivalent amounted to nil for 2020 and 2019.

12. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables consist of:

		2020		2019
Trade receivables	₱	**3,741,000**	₱	3,741,000
Advances to officers and employees		**31,468**		31,468
		3,772,468		3,772,468
Allowance for doubtful accounts		**(3,772,468)**		(3,772,468)
	₱	**–**	₱	–

The average credit period on sales of goods is 15 to 30 days. No interest is charged on trade receivables.

Aging of trade and other receivables are as follows:

		2020		2019
Current:				
1 – 30 days outstanding	₱	**–**	₱	–
Past due:				
31 – 60 days outstanding		**–**		–
61 – 90 days outstanding		**–**		–
over 90 days outstanding		**3,772,468**		3,772,468
Balance at December 31	₱	**3,772,468**	₱	3,772,468

Movement of allowance for ECL on trade and other receivables is disclosed below:

		2020		2019
Balance, January 1	₱	**3,772,468**	₱	3,741,000
Provision		**–**		31,468
Balance at December 31	₱	**3,772,468**	₱	3,772,468

13. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Group's prepayments and other current assets are shown below:

		2020		2019
Prepaid taxes	₱	**1,929,281**	₱	1,929,281
Advances to suppliers		**887,429**		887,429
Deposit		**486,411**		486,411
Deferred input VAT		**–**		50,400
Input VAT		**–**		42,000
	₱	**3,303,121**	₱	3,395,521

Prepaid taxes consist of tax credit carried over for the next period.

Deposit pertains to advance rental paid by the Group to its previous lessor, which is still to be collected.

Deferred input VAT pertains to input VAT related to the accrual of professional fee for 2019.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The account consists of investment in shares of stocks of the following entities:

		2020		2019
Winvest Vietnam Investments Ltd.	₱	**2,500,000,000**	₱	2,500,000,000
Digital Paradise, Inc.		**–**		51,469,257
Total cost		**2,500,000,000**		2,551,469,257
Unrealized fair value loss – recognized in OCI		**–**		(42,977,537)
Impairment loss		**(1,914,282,281)**		–
At December 31	₱	**585,717,719**	₱	2,508,491,720

Such investments were presented as financial assets at FVOCI since it is not held for trading.

In 2020, a revaluation of the investment in Winvest Vietnam Investments Ltd. has been performed due to an indication of potential impairment of land lease value. A development of a five-star hotel was planned at the proposed site, with an assumption that the surrounding areas will see a sharp increase in recreational economic activities. However, with the onset of COVID-19, the development of the hotel could not be achieved in due time and the commercial development of the whole area has been postponed indefinitely.

Due to the above conditions, the Group recognized an impairment loss on its investment in Winvest Vietnam Investments Ltd. amounting to ₱1,914,282,281 in 2020.

Movements in the account are disclosed below:

		2020		2019
At January 1	₱	**2,508,491,720**	₱	2,509,727,002
Unrealized fair value loss – recognized in OCI		**–**		(1,235,282)
Write-off (Note 19)		**(8,491,720)**		–
Impairment loss		**(1,914,282,281)**		–
At December 31	₱	**585,717,719**	₱	2,508,491,720

No dividends were received from this investment for the year ended December 31, 2020.

15. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

		2020		2019
Trade payables	₱	**25,475,002**	₱	25,475,002
Output VAT		**12,817,156**		13,001,371
Accrued expenses		**11,788,254**		12,308,889
Withholding taxes		**11,450,429**		11,406,374
Subscription payable		**–**		–
Other non-trade payables		**4,340,264**		4,340,264
	₱	**65,871,105**	₱	66,531,900

Trade payables are payables which are related directly to the Group's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Subscriptions payable pertain to subscription of IPVG Employees, Inc. (IEI) to Cosamera Resorts Corporation (CRC) assigned to the Group.

IEI subscribed to 500,000 shares of CRC at a par value of ₱10 per share, or a total of ₱5,000,000. Out of the total amount, ₱2,500,000 was already paid by IEI. On March 2, 2012, IEI executed a deed of assignment wherein IEI assigns its subscription of CRC's shares of stocks to the Group, and the Group will assume the payment of the unpaid subscription equivalent to ₱2,500,000. In 2019, the payable was reversed to other income, as disclosed in Note 17.

Other non-trade payables pertain to payables not directly related to the Group's core operating business.

16. EQUITY

16.01 Share Capital and Premium

The share capital and premium of the Group is as follows:

		2020		2019
Share capital	₱	**2,800,000,000**	₱	2,800,000,000
Share premium		**255,535,853**		255,535,853
	₱	**3,055,535,853**	₱	3,055,535,853

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2020		2019	
	Shares	**Amount**	Shares	Amount
Authorized share capital				
₱0.01 par value	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000
Issued and fully paid,				
December 31	**280,000,000,000**	**₱ 2,800,000,000**	280,000,000,000	₱ 2,800,000,000

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

As of reporting date, the Group has a total number of 25 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

17. OTHER INCOME

Other income of the Group amounting to nil and ₱2,500,000 for the years ended December 31, 2020 and 2019, respectively, pertains to the reversal of subscriptions payable, as disclosed in Note 15.

18. OTHER EXPENSES

The account is composed of the following operating expenses:

	2020	2019
Professional fees	**₱ 1,148,461**	₱ 2,524,912
Listing fees	**261,000**	567,840
Fines and penalties	**–**	155,000
Taxes and licenses	**–**	500
Others	**29,261**	259,514
	₱ 1,438,722	₱ 3,507,766

Others pertain to meals, company meetings, and miscellaneous expenses.

19. LOSS ON ASSET WRITTEN OFF

Loss on assets written off consists of the following:

	Note	**2020**	2019
Loss on write-off of:			
Financial assets at FVOCI	14	**₱ 8,491,720**	₱ –
Other non-current assets		**–**	41,256,400
		₱ 8,491,720	₱ 41,256,400

20. INCOME TAXES

20.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

	2020	2019
Current tax expense	**₱ –**	₱ 50,000
Deferred tax expense	**–**	–
	₱ –	₱ 50,000

A numerical reconciliation between tax expense and the product of accounting loss multiplied by the tax rate in 2020 follows:

	2020	2019
Accounting loss	**₱ (2,012,712,052)**	₱ (42,295,634)
Tax benefit at 25%/30%	**(503,178,013)**	(12,688,690)
Additions to income tax resulting from:		
Unrecognized DTA on provision for ECL	**22,124,832**	9,440
Unrecognized DTA on NOLCO	**359,681**	255,830
Non-deductible expenses	**480,693,500**	12,423,420
Excess MCIT over RCIT	**–**	50,000
	₱ –	₱ 50,000

20.02 Net Operating Loss Carry-over (NOLCO)

Under Section 24 of NIRC, the net operating loss of the Group for any taxable year immediately preceding the current taxable year which had not been previously offset as deduction from gross income, shall be carried over as a deduction from gross income for the next three consecutive taxable years immediately following the year of such loss.

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

Details of Group's NOLCO which can be applied as special deduction against future taxable are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2019	852,766	–	–	–	852,766	2022
2020	1,438,722	–	–	–	1,438,722	2025
	₱ 2,291,488	**₱ –**	**₱ –**	**₱ –**	**2,291,488**	

20.03 Minimum Corporate Income Tax (MCIT)

Section 27(E) of the National Internal Revenue Code of 1997 provides that an MCIT of two percent (2%) of the gross income as of the end of the taxable year is imposed on a taxable corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operation, when the MCIT is greater than RCIT for the taxable year.

Details of Group's MCIT which can be claimed as tax credits against regular income tax are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2019	**₱ 50,000**	**₱ –**	**₱ –**	**₱ –**	**50,000**	**2022**

20.04 Deferred Tax Assets

Details of the Group's unrecognized deferred tax assets are disclosed below:

		2020		2019
Allowance for expected credit losses	₱	**21,181,715**	₱	1,131,740
NOLCO		**572,872**		375,830
MCIT		**50,000**		–
	₱	**21,804,587**	₱	1,507,570

20.05 Republic Act No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Law

On February 03, 2021, the final provisions of Senate Bill No. 1357 and House Bill No. 4157 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Bill, which seeks to reform corporate income taxes and incentives in the country, had been ratified by the Senate and the House of Representatives of the Philippines.

Under the bill, the corporate income tax will be reduced from the current 30% to 20% for domestic corporations with total assets not exceeding ₱100 million, excluding land, and total net taxable income of not more than P5 million. The corporate income tax of all other corporations, meanwhile, will be lowered to 25%. The bill would also lower the MCIT from 2% to 1% effective July 1, 2020 until June 30, 2023.

Other key provisions of the CREATE bill include:

1. One percent tax rate for Proprietary Educational Institutions and Hospitals which are non-Profit effective July 1, 2021 until June 30, 2023
2. Value-added tax (VAT) exemption threshold for socialized and low-cost housing to ₱2.5 million and P4.2 million for house and lot
3. VAT exemption for medicines for cancer, mental illness, tuberculosis, and kidney diseases
4. VAT-free importation and sale of COVID-19 medicines, PPEs beginning until December 31, 2023
5. Reduced preferential tax rates from 10% to 1% for non-profit hospitals and educational institutions effective July 1, 2021 to June 30, 2023.

Also, CREATE bill grants up to 17 years of incentives, including four to seven years of income tax holiday and 10 years of special corporate income tax or enhanced deduction, for exporters and for "critical" domestic market enterprises, which will be defined by the National Economic and Development Authority.

For other domestic market enterprises, the CREATE bill gives up to 12 years of incentives, including four to seven years of income tax holiday and five years of special corporate income tax or enhanced deductions.

As disclosed in Note 30, the CREATE bill is enacted into a law by the President of the Philippines on March 26, 2021.

21. EARNINGS PER SHARE

The Group's basic and diluted earnings per share are presented below:

21.01 Basic Loss per Share

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

		2020		2019
Loss used in the calculation of total basic earnings per share	₱	**(2,012,712,052)**	₱	(42,345,234)
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**		280,000,000,000
Basic EPS	₱	**(0.0072)**	₱	(0.0002)

The Group has no dilutive potential common shares outstanding in 2020 and 2019. Thus, basic and diluted EPS are stated at the same amount.

22. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

22.01 Provision

22.01.01 Beijing Perfect World Software, Inc.
On May 9, 2011, the Group was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Group was again notified of a resolution ordering the Group to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 31, 2020 and 2019, the parties are still in the course of pleadings and other evidence in support of their respective claims. However, the Group's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Group's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to ₱2,905,661 as of December 31, 2020 and 2019, and presented as "provision for contingencies" in the consolidated statement of financial position.

22.02 Contingencies

22.02.01 Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City)
A criminal case for qualified theft filed on 07 June 2010 before the Office of the City Prosecutor (OCP) of Makati City by the Group erring former employees (respondents herein). The Group seeks to recover in the form of civil liability in the amount of ₱2,625,500, which was lost from the concerted acts of the accused in unlawfully inserting imbalanced items in the Cabal Games.

Accused Milongo was arrested but the rest of the accused remains at large. The criminal case proceeded against Milongo. The contending parties have completed the presentation of their respective evidence and have submitted their respective memorandum prior to the promulgation by the court of the decision with respect to accused Milongo.

22.02.02 George Tan
The Group and its Board of Directors received a civil complaint for the brokering sale of Digital Paradise Inc. to the Group in 2010.

The trial court in its decision dated 08 December 2015 dismissed the case against the individual members of the Board of Directors, but held the Group liable for ₱4.03 million. The case is presently pending appeal before the Court of Appeals.

Other than the case of Beijing Perfect World Software, Inc., it is believed that the pendency of the foregoing cases will not have material adverse effect on the operations and financial position of the Group. Accordingly, no provision has been made in the consolidated financial statements for the years ended December 31, 2020 and 2019.

23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the reconciliation analysis of liabilities arising from financing activities for the year ended December 31, 2020:

	2019	**Cash inflows**	**Cash outflows**	**Non-cash changes**	**2020**
Advances from related parties	**25,867,177**	**239,224**	**–**	**–**	**26,106,401**

	2018	Cash inflows	Cash outflows	Non-cash changes	2019
Advances from related parties	25,867,177	–	–	–	25,867,177

24. EVENTS AFTER THE END OF THE REPORTING PERIOD

24.01 CREATE Bill

On March 26, 2021, the CREATE Bill was signed into law by President Rodrigo Duterte. The said law will take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation.

The CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes. Full discussion of the law and its impact to the financial statements are disclosed in Note 20.

24.02 NCR Plus under Enhanced Community Quarantine

As a measure to contain the COVID-19 outbreak, on March 27, 2021, President Rodrigo Duterte placed Metro Manila, Bulacan, Cavite, Laguna and Rizal, also called the “NCR Plus”, under Enhanced Community Quarantine, which is effectively a total lockdown, restricting the movement of the population with exceptions, in response to the growing pandemic of Coronavirus Disease 2019 (COVID-19) in the country. Additional lockdown restrictions mandated the temporary closure of non-essential shops and businesses.

The Company considers the measures taken by the government as a non-adjusting event, which does not impact its financial position and performance as of and for the year ended December 31, 2020. However, it could have a material impact on its 2021 financial results and even periods thereafter. The Company cannot determine at this time the impact of such events to its financial position, performance and cash flows. The Company will continue to monitor the situation.

24.03 Sale of Investment in Subsidiary

On December 17, 2021, the Parent Company and IPE Global Holdings Corp. (the "Buyer") entered into a Share Purchase Agreement, wherein the Parent Company agreed to unconditionally and irrevocably sell, transfer, and convey to the Buyer, all of its rights, title and interests in and to the Parent Company's investment in the Subsidiary (the "Sale Shares"). The Buyer likewise agreed to unconditionally and irrevocably purchase the Sale Shares.

The Company considers the transaction as a non-adjusting event, which does not impact its financial position and performance as of and for the year ended December 31, 2020. However, it could have a material impact on its 2021 financial results and even periods thereafter.

The Group considers the above events as non-adjusting events, which does not impact its financial position and performance as of and for the year ended December 31, 2020. However, it could have a material impact on its 2021 financial results and even periods thereafter. The Group cannot determine at this time the impact of such events to its financial position, performance and cash flows. The Group will continue to monitor the situation.

25. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issue by the Board of Directors and Management on February 10, 2025.

Alas Oplas & Co., CPAs

Alas Oplas & Co., CPAs
7/F Philippine AXA Life Centre
1286 Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Phone: (632) 7116-4366
Email: aocheadoffice@alasoplas.com
Website: www.alasoplascpas.com

Independent Member of
BKR International

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") as at and for the years ended December 31, 2020 and 2019, included in this Form 17-A and have issued our report thereon dated February 10, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements are the responsibility of the Group's management. These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and are not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
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TIN 232-158-286-000
PTR No. 10466283, issued on January 2, 2025, Makati City

February 10, 2025
Makati City, Philippines

IP E-GAME VENTURES INC. AND SUBSIDIARY

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

Schedule	Contents
A	Financial assets
B	Amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties)
C	Amounts receivable from related parties which are eliminated during the consolidation of financial assets
D	Long term debt
E	Indebtedness to related parties (long-term loans and related companies)
F	Guarantees of securities of other issuers
G	Capital Stock

Other schedules:

Reconciliation of Retained Earnings Available for Dividend Declaration

Map showing the relationships between and among the Group and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates

SCHEDULE A

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON FINANCIAL ASSETS

AS OF DECEMBER 31, 2020

NAME OF ISSUING ENTITY AND ASSOCIATION OF EACH ISSUE	NUMBER OF SHARES OR PRINCIPAL AMOUNT OF BONDS AND NOTES	AMOUNT IN THE BALANCE SHEET	INCOME RECEIVED & ACCRUED
ADVANCES TO RELATED PARTIES			
IPE Global Holdings Corp.	81,357,960	–	nil
Y-Fi Business Solutions, Inc.	62,928,454	62,928,454	nil
IP Ventures, Inc.	22,518,475	22,518,475	nil
IPE Global Pte Ltd.	22,041,667	22,041,667	nil
GRCO Isulan Mining Corporation	9,929,910	9,929,910	nil
X-Play Online Games, Incorporated	7,141,369	–	nil
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,072,645	1,072,645	nil
I-PAY Commerce Ventures, Inc.	217,476	217,476	nil
TOTAL	**207,207,956**	**118,708,627**	
FINANCIAL ASSETS AT FAIR VALUE THROIGH OTHER COMPREHENSIVE INCOME (EQUITY)			
Digital Paradise, Inc.	34,629,050	–	nil
Winvest Investment Ltd. Vietnam	50,000,000	585,717,719	nil
TOTAL		**585,717,719**	

SCHEDULE B

IP E-GAME VENTURES INC AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES AND RELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2020

NAME	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
IPE Global Holdings Corp.	81,357,960	–	–	–	81,357,960	–	81,357,960
Y-FI Business Solutions, Inc.	62,928,454	–	–	–	62,928,454	–	62,928,454
IP Ventures, Inc.	24,286,368	–	(1,767,893)	–	22,518,475	–	22,518,475
IPE Global Pte Ltd.	22,041,667	–	–	–	22,041,667	–	22,041,667
GRCO Isulan Mining Corporation	9,929,910	–	–	–	9,929,910	–	9,929,910
X-Play Online Games Incorporated	7,141,369	–	–	–	7,141,369	–	7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,072,645	–	–	–	1,072,645	–	1,072,645
I-PAY Commerce Ventures, Inc.	217,476	–	–	–	217,476	–	217,476

SCHEDULE C

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION PERIOD

FOR THE YEAR ENDED DECEMBER 31, 2020

NAME (Debtor)	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
NONE TO REPORT							

SCHEDULE D

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON LONG-TERM DEBT

FOR THE YEAR ENDED DECEMBER 31, 2020

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT PORTION OF LONG-TERM DEBT	LONG-TERM DEBT (NET OF CURRENT PORTION)	INTEREST RATE	NO. OF PERIODIC INSTALLMENT	MATURITY DATE
NONE TO REPORT						

SCHEDULE E

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON INDEBTEDNESS TO RELATED PARTIES FOR THE YEAR ENDED DECEMBER 31, 2020

NAME OF RELATED PARTY (CREDITOR)	BALANCE AT BEGINNING OF PERIOD	BALANCE AT END OF PERIOD
NONE TO REPORT		

The Company does not have indebtedness related to parties that are above 5% of its total assets as of December 31, 2020.

SCHEDULE F

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON GUARANTEES OF SECURITIES OF OTHER ISSUERS
FOR THE YEAR ENDED DECEMBER 31, 2020

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE GROUP FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENTS FILED	NATURE OF GUARANTEE
NONE TO REPORT				

The Bank does not have guarantees of securities of other issuers as of December 31, 2020.

SCHEDULE G

IP E-GAME VENTURES INC. AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE ON CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2020

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING AND SHOWN UNDER RELATED BALANCE SHEET CAPTION				Number of shares reserved for options, warrants conversion	Number of shares held by related parties	Directors, officers, and employees	Others
		ISSUED	SUBSCRIBED	TREASURY SHARES	TOTAL				
Ordinary shares	280,000,000,000	280,000,000,000	–	–	280,000,000,000	–	197,489,638,425	400	82,510,361,175

IP E-GAME VENTURES INC. AND SUBSIDIARY
Reconciliation of Retained Earnings Available for Dividend Declaration
As of DECEMBER 31, 2020

Unappropriated Retained Earnings, beginning of reporting period		**(396,731,549)**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation	–	
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	–	
Reclassification adjustment of cumulative unrealized loss on financial assets through other comprehensive income	**(42,977,537)**	**(42,977,537)**
Unappropriated Retained Earnings, as adjusted		**(439,709,086)**
Add/Less: Net Income (loss) for the current year		**(2,012,712,052)**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–	
Unrealized fair value adjustment (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	–	
Reversal of retirement benefit obligation	–	
Gain on reversal of liabilities	–	
Sub-total		–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalent	–	
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 (describe nature	–	
Sub-total		–

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 (describe nature)	–	
Sub-total		–
Adjusted Net Income/Loss		**(2,452,421,138)**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Unrealized foreign exchange loss	–	
Sub-total		–
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others (describe nature)	–	
Sub-total		–
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 setup of service concession asset and concession payable	–	
Adjustment due to deviation from PFRS/GAAP -gain (loss)	–	
Others	–	
Sub-total		–
Total Retained Earnings, end of the reporting period available for dividend		**(2,452,421,138)**

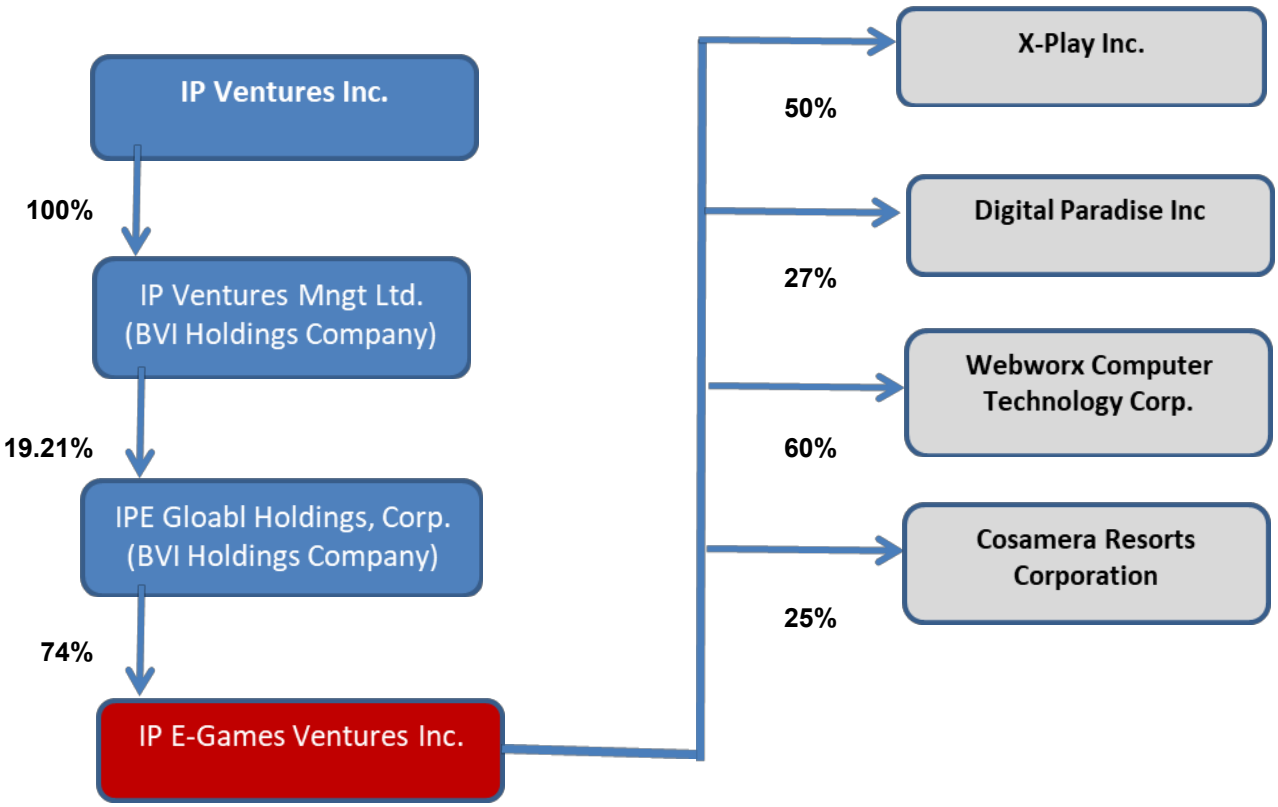
FOOTNOTES:

1. The amount of retained earnings of a company should be based on its separate ("stand-alone") audited separate financial statements.
2. Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.
3. Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the Parent Company and must be adjusted in the reconciliation to reflect the actual distributable amount.
4. This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of Its distributable income should be in accordance with the REIT Act and its Implementing Rules and Regulations.

IP E-GAME VENTURES INC. AND SUBSIDIARY

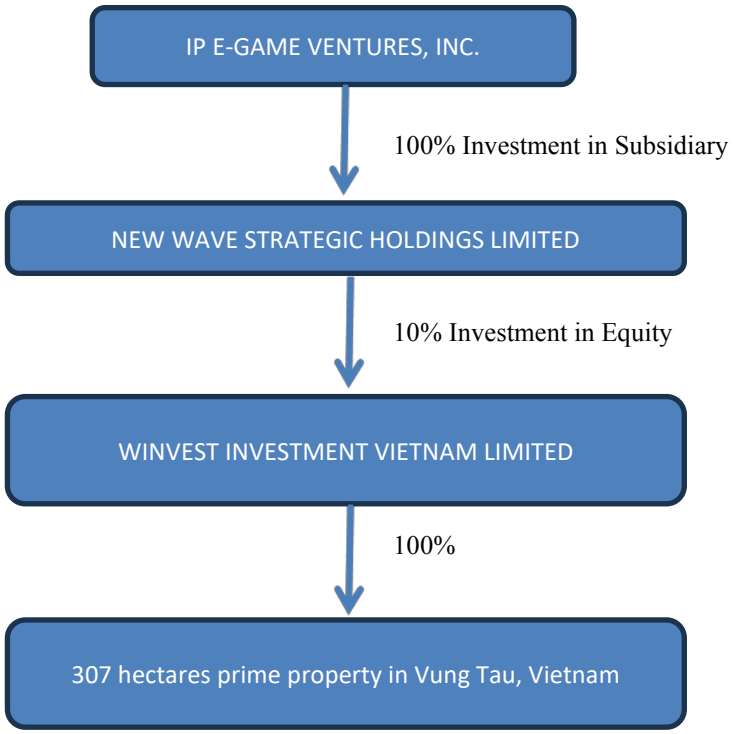
MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE GROUP AND ITS ULTIMATE PARENT, MIDDLE PARENT, SUBSIDIARIES AND CO-SUBSIDIARIES, AND ASSOCIATES
FOR THE YEAR ENDED DECEMBER 31, 2020

CORPORATE STRUCTURE



IP E-GAME VENTURES INC. AND SUBSIDIARY

MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE GROUP AND ITS ULTIMATE PARENT, MIDDLE PARENT, SUBSIDIARIES AND CO-SUBSIDIARIES, AND ASSOCIATES
FOR THE YEAR ENDED DECEMBER 31, 2020



Alas Oplas & Co., CPAs

Alas Oplas & Co., CPAs
7/F Philippine AXA Life Centre
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Website: www.alasoplascpas.com

Independent Member of
BKR International

INDEPENDENT AUDITORS' REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated February 10, 2025. 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 are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2020 and 2019, and no material exceptions were noted.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027
SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period
TIN 002-013-406-000

By:

RYAN A. SABUG
Partner
CPA License No. 0111183
BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028
BIR A.N. 08-001026-004-2023, issued on February 9, 2023; effective until February 8, 2026
SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period
TIN 232-158-286-000
PTR No. 10466283, issued on January 2, 2025, Makati City

February 10, 2025
Makati City, Philippines

ANNEX 68-E

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

IP E-GAME VENTURES INC. AND SUBSIDIARY
As of December 31, 2020

Ratio	Formula	Current Year	Prior Year
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	116.62%	202.14%
Acid test ratio	$\frac{\text{Quick Assets}}{\text{Current Liabilities}}$	113.47%	198.91%
Solvency ratio	$\frac{\text{Net Income + Depreciation and Amortization}}{\text{Total Liabilities}}$	-1922.97%	-40.30%
Debt-to-equity ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	17.35%	4.02%
Asset-to-equity ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	117.35%	104.02%
Interest rate coverage ratio	$\frac{\text{Earnings before Interest and Taxes}}{\text{Interest Expense}}$	N/A	N/A
Return on equity	$\frac{\text{Net Income}}{\text{Average Total Equity}}$	-333.72%	-1.62%
Return on assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	-284.37%	-1.56%
Net profit margin	$\frac{\text{Net Income}}{\text{Revenue}}$	N/A	N/A

Annex "F"

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	5	1	8	7	7	9

COMPANY NAME

IP E-GAME VENTURES INC. AND SUBSIDIARY

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

34TH FLOOR RCBC PLAZA TOWER 2
6819 AYALA AVENUE MAKATI CITY

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	(02) 948-1108	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
25	Last day of September	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
EUGENE EMILIO UROS BALCOS IV		(02) 948-1108	

CONTACT PERSON's ADDRESS

UNIT 1003 CENTERPOINT BLDG. DONA JULIA VARGAS AVE. CORNER GARNET ST. ORTIGAS CENTRE PASIG CITY

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

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

IP E-GAME VENTURES INC. AND SUBSIDIARY
MAKATI CITY – PHILIPPINES

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

C O N T E N T S

STATEMENT OF MANAGEMENT'S RESPONSIBILITY 3

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") is responsible for the preparation and fair presentation of consolidated financial statements including the schedules attached therein, for the year ended December 31, 2019, in accordance with the prescribed financial reporting framework indicated therein, and 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders of the Group.

Alas, Oplas & Co., CPAs, the independent auditor appointed by the stockholders for the year ended December 31, 2019, has audited the consolidated financial statements of the Group 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.

Jaime C. Gonzalez
Chairman of the Board

Jaime Enrique Y. Gonzalez
Chief Executive Officer/President

Eugene Emilio U. Balcos IV
Chief Financial Officer/Treasurer

Signed this 22nd day of June 2020

SUBSCRIBED AND SWORN TO BEFORE ME THIS JUN 25 2020
AT MAKATI CITY AFFIANT EXHIBITED TO ME HIS/HER

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PAGE NO 67
BOOK NO. 4V
SERIES OF 20 20

RUBEN T. RAMIREZ
Notary Public for Makati City
Until December 31,2021
2086 E. Pascua St., Makati City
IBP O.R No. 097071/ December 10,2019
Roll No. 28943/ MCLE No. VI-0020246
PTR No. MKT 8117044/1-02-2020
Appointment No. M-158

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Independent Member of
BKR International

INDEPENDENT AUDITOR'S REPORT TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have examined the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") for the year ended December 31, 2019 on which we have rendered the attached report dated June 22, 2020.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the said Group has a total number of twenty-five (25) stockholders owning one hundred (100) or more shares each.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from September 4, 2019 to October 30, 2022
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By:

GADIOSA R. MARTINEZ
Partner
CPA License No. 0107497
SEC A.N. (Individual) No. 1766-A, issued on August 27, 2019; effective until August 26, 2022
TIN 223-383-235
BIR A.N. 08-006636-001-2020, issued on February 24, 2020; effective until February 23, 2023
PTR No. 8117106, issued on January 2, 2020, Makati City

June 22, 2020
Makati City, Philippines

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INDEPENDENT AUDITORS' REPORT

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

Opinion

We have audited the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** (the "Group") which comprise the consolidated statement of financial position as of December 31, 2019, and the consolidated statement of comprehensive loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 consolidated opinion on these matters. For the matters below, our description of how our audit addressed the matter is provided in that context.

Transactions with Related Parties

As disclosed in Note 9 to the consolidated financial statements, the Group has several transactions and balances with related parties. We considered the related party transactions to be significant to the audit as the risk is that if these transactions are not conducted at arm's length, and/or the accounting treatment of the rights and obligations of these transactions are not correct, it could influence the results of the Group. Furthermore, for financial reporting purposes, PAS 24, *Related Party Disclosures* requires complete and appropriate disclosure of transactions with related parties.

Audit Response

We obtained an understanding of the process for identifying related party transactions, performed a walkthrough and evaluated the design of controls related to the fraud risk identified. We verified that the transactions are approved in accordance with internal procedures including involvement of key personnel at the appropriate level. We evaluated the business rationale of the transactions. We evaluated the rights and obligations per the terms and conditions of the agreements and assessed whether the transactions were recorded appropriately. We determined whether the directors have disclosed relationships and transactions in accordance with PAS 24.

Valuation of Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

As disclosed in Note 14 to the consolidated financial statements, the Group has financial assets at FVOCI. In assessing the fair value of financial assets, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where observable market data is not available, in particular for Level 3 equity instruments, estimates were developed based on the most appropriate source data and are subject to significant judgement. Changes in assumptions about these factors could affect the fair value of such financial assets.

The valuation of the Group's financial assets at fair value was considered a key area of audit focus due to the complexity involved in the valuation process.

Audit Response

We ascertained that the valuation techniques used are appropriate and consistent with prior years. We performed audit procedures over the valuation and accounting of such financial assets. We ensure the financial assets are being classified, accounted and disclosed in line with PFRS 9, *Financial Instruments*. We also tested that the valuation techniques adopted reflect the best appropriate basis for valuation of the investments. We checked the reasonableness of inputs to the valuation techniques used. We reviewed and discussed with management and those charged with governance the Company's assessment of whether there is objective evidence that a financial asset is impaired and the identification and completeness of impaired assets.

Impairment of Other Investments

The Group wrote off other investments amounting to ₱41,256,400 during the year, as disclosed in Note 17 to the consolidated financial statements. The identification of impairment events and the determination of an impairment charge also require the application of significant judgement by management, in particular with respect to the timing, quantity and estimation of future cash flows.

In view of its significance, we consider such investment's impairment to be a significant key audit matter.

Audit Response

We reviewed the valuation methods used and discussed with management regarding the reasonableness of the basis and assumptions used.

Provisions and Contingencies

As disclosed in Note 22 to the consolidated financial statements, the Group is currently involved in legal proceedings. These matters are significant to our audit because the recognition and estimate of provision related to these legal proceedings require significant judgment by management.

Audit response

We discussed the status of the legal proceedings with the management and the Company's external legal counsel for the status of the legal proceedings and obtained opinion of their external legal counsel. We reviewed management's assessment on the possible outcome of the legal proceedings and assessed whether there is a need to recognize additional provision based on the status of the case and considering relevant local rules and regulations.

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 and Annual Report for the year ended December 31, 2019. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2019 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 audits 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 audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with Philippine Financial Reporting Standards, 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 Group'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 Group or to cease operations, 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- 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.
- Obtain sufficient audit evidence regarding the financial information of the entities of 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 audit. We are solely responsible for our audit opinion.

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, related safeguards.

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 2019 audit resulting in this independent auditor's report is Gadiosa R. Martinez.

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June 22, 2020
Makati City, Philippines

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
In Philippine Peso

	Notes	2019
ASSETS		
Current Assets		
Cash	11	**52,198**
Trade and other receivables – net	12	**–**
Advances to related parties	9	**208,975,849**
Prepayments and other current assets	13	**3,395,521**
Total Current Assets		**212,423,568**
Non-current Asset		
Financial assets at fair value through other comprehensive income	14	**2,508,491,720**
TOTAL ASSETS		**2,720,915,288**
LIABILITIES AND EQUITY		
LIABILITIES		
Current Liabilities		
Trade and other payables	15	**66,531,900**
Advances from related parties	9	**25,867,177**
Due to stockholders	9	**9,783,783**
Provision for contingencies	22	**2,905,661**
Total Liabilities		**105,088,521**
EQUITY		
Share capital	16	**2,800,000,000**
Share premium	16	**255,535,853**
Deficit		**(396,731,549)**
Other comprehensive loss	14	**(42,977,537)**
Total Equity		**2,615,826,767**
TOTAL LIABILITIES AND EQUITY		**2,720,915,288**

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2019
In Philippine Peso

	Notes	2019
Other income	17	**2,500,000**
Operating expenses	18	**(3,507,766)**
Loss on asset written off	19	**(41,256,400)**
Provision for expected credit losses	12	**(31,468)**
Loss before tax		**(42,295,634)**
Income tax expense	20	**(50,000)**
LOSS		**(42,345,634)**
Other comprehensive loss	14	**(1,235,282)**
TOTAL COMPREHENSIVE LOSS		**(43,580,916)**
LOSS PER SHARE		
Basic and diluted	21	**(0.0002)**

See Notes to Consolidated Financial Statements.

IP E-GAME VENTURES INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019
In Philippine Peso

	Share capital (Note 16)	Share premium (Note 16)	Deficit	Other comprehensive loss (Note 14)	Total
Balance at December 31, 2018	**2,800,000,000**	**255,535,853**	**(354,385,915)**	**(41,742,255)**	**2,659,407,683**
Comprehensive income:					
Loss for the year	–	–	(42,345,634)	–	(42,345,634)
Unrealized loss on financial assets at FVOCI	–	–	–	(1,235,282)	(1,235,282)
Total comprehensive loss	–	–	(42,345,634)	(1,235,282)	(43,580,916)
Balance at December 31, 2019	**2,800,000,000**	**255,535,853**	**(396,731,549)**	**(42,977,537)**	**2,615,826,767**

See Notes to Consolidated Financial Statements

IP E-GAME VENTURES INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
In Philippine Peso

	Notes	2019
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax		**(42,295,634)**
Adjustments for:		
Impairment loss	19	**41,256,400**
Provision for expected credit losses	12	**31,468**
Operating cash flows before working capital changes		**(1,007,766)**
Increase in prepayments and other current assets		**(50,400)**
Increase in trade and other payables		**(2,323,500)**
Net cash used in operating activities		**(3,381,666)**
CASH FLOW FROM INVESTING ACTIVITY		
Collection of advances to related parties	9	**3,381,666**
NET INCREASE IN CASH		**–**
CASH AT BEGINNING OF YEAR		**52,198**
CASH AT END OF YEAR	11	**52,198**

See Notes to Consolidated Financial Statements.

1. CORPORATE INFORMATION

1.01 IP E-Game Ventures Inc. (the "Parent Company")

The Parent Company was incorporated and registered with the SEC on November 22, 2005. The principal activities of the Parent Company are to engage in the business of interactive gaming and content distribution, catering to the local, regional and global market; establish thru joint venture or otherwise. internet shops; provide internet shops; provide internet, intranet, extranet and other related value-added services to any and all types of information technology users related to interactive computer games and content distribution, including, but not limited to, manufacturing, assembling, processing, producing, inventing, developing, and/or importing programs and equipment and other components thereof, and provide management, technical and maintenance support and services; and as a consequence and as may be necessarily useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

On February 17, 2010, the Parent Company's common shares were listed on the Second Board of the Philippine Stock Exchange, Inc. (PSE) under the symbol "EG".

The Parent Company is a subsidiary of IPE Global Holdings Corporation, a company incorporated in British Virgin Islands. The Group's ultimate parent is IP Ventures, Inc. (IPVI), a company incorporated and registered in the Philippines.

The Parent Company registered with the BOI on October 16, 2007 under the Omnibus Investment Code of 1987 as a New Information Communication and Technology Export Service firm in the field of application/systems development for the on-line computer systems.

The Parent Company's registered address is 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City. On May 22, 2015, the Parent Company's Board of Directors has approved the change of principal office address from 34th Floor, RCBC Plaza, Tower 2, 6819 Ayala Avenue, Makati City to 1003 10th Floor, Centerpoint Condominium, Garnet Road corner Julia Vargas Avenue, Ortigas Center, Pasig City. The Parent Company is domiciled in the Philippines.

1.02 New Wave Strategic Holdings Ltd. (the "Subsidiary")

The Subsidiary was registered and incorporated in the British Virgin Islands on May 19, 2017, under the BVI Business Companies Act 2004 (as amended). The Subsidiary is established to exercise its powers to do the following:

1. Grant options over unissued shares in the Company and treasury shares;
2. Issue securities that are convertible into shares;
3. Give financial assistance to any person in connection with the acquisition of the Company's owns shares
4. Issue debt obligations of any kind and grant options, warrants and rights to acquire debt obligations;
5. Guarantee a liability or obligation of any person and secure any of its obligations by mortgage, pledge or other charge, of any of its assets for that purpose; and
6. Protect the assets of the Company for the benefit of the Company, its creditors and its members and, at the discretion of the directors, for any person having a direct or indirect interest in the Company

On January 1, 2019, the Parent Company acquired 50,000,000 shares of the Subsidiary at US$1.00 per share, representing 100% of the Subsidiary's outstanding capital stock.

The Parent Company and the Subsidiary are collectively known as the "Group".

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). PFRSs include all applicable PFRSs, Philippine Accounting Standards (PASs), and Interpretations issued by the Philippine Financial Reporting Interpretations Committee (PFRIC) as approved by the Financial Reporting Standards Committee (FRSC) and adopted by the SEC.

2.02 Basis of Preparation

The consolidated financial statements are prepared on a going concern basis under the historical cost convention, except for financial assets at fair value through other comprehensive income

2.03 Presentation and Functional Currency

The consolidated financial statements are presented in Philippine Peso, which is the functional and presentation currency of the Parent Company. Each entity determines its own functional currency, which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity, and items included in the financial statements of each entity are measured using that functional currency.

All financial information expressed in Philippine Peso has been rounded off to the nearest Peso, unless when otherwise indicated.

2.04 Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its Subsidiary, which it controls as at December 31, 2019. Control is achieved when the Parent is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent controls an investee if and only if the Parent has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
b. Exposure, or rights, to variable returns from its involvement with the investee, and
c. The ability to use its power over the investee to affect its returns

When the Parent has less than a majority of the voting or similar rights of an investee, the Parent considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee
b. Rights arising from other contractual arrangements
c. The Parent's voting rights and potential voting rights

The Parent re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent obtains control over the subsidiary and ceases when the Parent loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Parent gains control or until the date the Group ceases to control the Subsidiary.

The financial statements of the Subsidiary are prepared for the same reporting year as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions including inter-group unrealized profits and losses are eliminated in preparing the consolidated financial statements.

The financial statements of the Subsidiary are included in the consolidated financial statements from the date when the Parent Company obtains control and continue to be consolidated until the date when such control ceases. The results of operations of the Subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

2.05 Use of Judgments and Estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Group's consolidated financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an ongoing basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.06 Going Concern Assumption

The Group is not aware of any significant uncertainties that may cast doubts upon the Group's ability to continue as a going concern.

2.07 Comparative Information

No comparative information was presented since the Parent Company obtained control of the Subsidiary on January 1, 2019; thus, this is the first consolidated financial statements of the Group.

3. ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

3.01 New and Amended Standards, and Philippine Interpretation Adopted

The Group applied, for the first time, the following applicable new and amended accounting standards.

Unless otherwise indicated, these new and amended accounting standards have no impact to the Group. Except for these new and amended standards which were adopted starting January 1, 2019, the accounting policies adopted are consistent with those of previous financial year.

New Standards Adopted by the Group

PFRS 16, Leases

Lessees will no longer classify their leases as either operating or finance leases in accordance with PAS 17, Leases. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements. The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs.

PFRS 16, 'Leases' effective January 1, 2019. PFRS 16 replaces the guidance of PAS 17 that relate to the accounting by lessees and the recognition of almost all leases in the balance sheet. PFRS 16 removes the current distinction between operating and financing leases and requires recognition of an asset (the right-of-use asset) and a lease liability to pay rentals for virtually all lease contracts. Under PFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has no existing lease agreements as lessee.

Philippine Interpretation IFRIC 23, Uncertainty over Income Tax Treatments

This addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The adoption of the above interpretation did not have a material impact on the financial statements of the Group.

Amendments Adopted by the Group

Amendments to PFRS 9, Financial Instruments – Prepayment Features with Negative Compensation

The amendments to PFRS 9 allow debt instruments with negative compensation prepayment features to be measured at amortized cost or FVOCI. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

Amendments to PAS 28, Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures

The amendments to PAS 28 clarify that entities should account for long-term interests in an associate or joint venture to which the equity method is not applied using PFRS 9. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

Subject to Board of Accountancy's Approval

Amendments to PAS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement

The measurement requires the current service cost and the net interest for the period after the remeasurement be determined using the assumptions used for the remeasurement if a plan amendment, curtailment or settlement occurs.

Annual Improvements to PFRS 2015 to 2017 Cycle

PFRS 3, Business Combinations and PFRS 11, Joint Arrangements – Previously Held Interest in a Joint Operation

The amendments clarify when an entity remeasures previously held interests in a business that is classified as a joint operation. If the entity obtains control, it remeasures previously held interests in that business. If the entity only obtains joint control, it does not remeasure previously held interests in that business.

PAS 12, Income Taxes - Income Tax Consequence of Payments on Financial Instruments classified as Equity

The amendments clarify that the requirements to recognize the income tax consequence of dividends where the transactions or events that generate distributable profits are recognized apply to all income tax consequences of dividends.

PAS 23, Borrowing Costs - Borrowing Costs Eligible for Capitalization

The amendments clarify that a specific borrowing that remains outstanding after the related asset is ready for its intended use becomes part of the general borrowings when calculating the capitalization rate on general borrowings.

All the amendments above have no significant impact on the Group's financial statements.

3.02 New Standards and Amendments Issued but not yet Effective

The list below consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have significant impact on its financial statements.

Effective beginning on or after January 1, 2020 (subject to Board of Accountancy's Approval)

Amendments to PAS 1, Presentation of Financial Statements, and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements. An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Amendments to PFRS 3 – Definition of a Business

The amendments to PFRS 3 were issued to help entities determine whether an acquired set of activities and assets is a business or not. The amendments clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments add guidance to assess whether an acquired process is substantive and add illustrative examples. The amendments introduce an optional concentration test to permit a simplified assessment. The amendments are effective for annual reporting periods beginning on or after January 1, 2020 and apply prospectively. Earlier application is permitted.

PFRS 17, Insurance Contracts (effective for annual periods beginning on or after January 1, 2022)

PFRS 17 was issued in May 2017 as replacement for PFRS 4, Insurance Contracts. PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period. The standard allows a choice between recognizing changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

The Insurance Commission, in coordination with Philippine Insurers and Reinsurers Association, is currently reviewing the impact of PFRS 17 across the entire industry and has established a project team to manage the implementation approach.

Deferred Effectivity

Amendments to PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

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

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the consolidated financial statements of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

The Group recognizes financial assets when the entity becomes party to the contractual provision of the financial instruments.

4.01.01 Classification and Impairment of Financial Assets (PFRS 9)

Classification and measurement
Under PFRS 9, the classification and measurement of financial assets is driven by the Group's contractual cash flow characteristics of the financial assets and business model for managing financial assets.

Financial Assets at FVPL
Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell. The Group may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Group had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in consolidated statement of comprehensive income.

As of December 31, 2019 and 2018, the Group has not designated any financial assets at FVTPL.

Equity Instruments at FVOCI
For equity instruments that are not held for trading, the Group may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation*. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in consolidated statement of comprehensive income when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the consolidated statement of financial position. These fair value changes are recognized in equity and are not reclassified to consolidated statement of comprehensive income in subsequent periods, instead, these are transferred directly to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Financial Assets at Amortized Cost

As part of its classification process, the financial assets of the Group are measured at amortized cost if both the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs and are subsequently measured at amortized cost using effective interest method, less in impairment in value.

The Group's financial assets at amortized cost comprise cash, trade and other receivables, advances to related parties and deposits under prepayments and other current assets.

Impairment

The Group recognizes an allowance for ECL for all debt instruments not held at FVTPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

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

Derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

The Group considers a financial asset in default when contractual payments are 30 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.02 Prepayments and Other Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are expensed to profit or loss as they are consumed in the operations or expire with the passage of time.

Prepayments are classified in the consolidated statement of financial position as current asset when they are expected to be expensed withir one year or the entity's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current.

4.03 Impairment of Non-Financial Assets

At each reporting date, the Group assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

4.04 Financial Liabilities and Equity Instruments

4.04.01 Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.04.02 Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Share capital or an equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium account includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from share premium, net of tax. The share premium account is recorded on the Group's consolidated statement of financial position as part of equity and cannot be returned to shareholders as dividends.

Deficit is the sum of all losses generated by the Group since its inception. Deficit is reduced by profits.

Unappropriated are accumulated earnings of the Group available for dividend distribution, while, the appropriated retained earnings are retained earnings that have been set aside by action of the board of directors for a specific use. An appropriation of retained earnings may be for purposes such as future plant acquisitions or expansion, reserve against expected losses, restriction imposed by a loan covenant and treasury shares.

Dividends on equity are recognized when they are declared.

4.04.03 Financial Liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Group's financial liabilities as presented in the consolidated statement of financial position comprise of trade and other payables excluding government payables, due to stockholder and advances from related parties.

Financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.04.04 Derecognition of Financial Liabilities
The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.05 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal and the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges. (For example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.);
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market prices in its valuations where possible.

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

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

4.06 Provisions, Contingent Liabilities and Contingent Assets

4.06.01 Provisions

Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.06.02 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

4.07 Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent.

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

Interest income

Interest income is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Income

Other income is recognized when the earning process is complete and the flow of economic benefit is reasonably assured.

4.08 Cost and Expense Recognition

Cost and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss in the following manner:

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

4.09 Foreign Currency Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

4.10 Related Parties and Related Party Transactions

4.10.01 Related Parties
Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Group, post-employment benefit plans for the benefit of Group's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Group that gives them significant influence in the financial and operating policy decisions of the Group are also considered to be related parties.

4.10.02 Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Group when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Group.

4.11 Income Taxes

The tax expense for the period is comprised of current and deferred tax. Tax is recognized in the profit or loss, 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.

4.11.01 Current Income Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.11.02 Deferred Income Tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

4.12 Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

4.13 Events After the Reporting Date

The Group identifies events after the end of the reporting date as events that occurred after the reporting date but before the date the financial statements were authorized for issue. Any event that provides additional information about the Group's financial position at the reporting date is reflected in the financial statements. Non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis to ensure they incorporate all relevant information available at the date when the consolidated financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

5.01.01 Distinction Between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. In evaluating provisions and contingencies, the Group takes into consideration its present, legal or constructive obligations, if any, in accordance with its policies, management's assessments and its legal counsel.

5.01.02 Classification of Financial Assets

The Group follows the guidance of PFRS 9 in classifying financial assets at initial recognition whether it will be subsequently measured at fair value through other comprehensive income, at amortized cost, or at fair value through profit or loss. The Group determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. The Group determines whether the contractual cash flows associated with the financial asset are solely payments of principal and interest (the "SPPI"). If the instrument fails the SPPI test, it will be measured at fair value through statement of comprehensive income.

5.01.03 Classification of Costs and Expenses

The Group determines the classification of costs and expenses as either cost of services or administrative expenses. Classification for cost of services is determined on the basis of direct association with the items of income of the Group. All other costs and expenses are classified as administrative expenses.

5.01.04 Determining Whether Significant Influence Does Not Exist for Purposes of Not Applying PAS 28

The Group evaluates various factors in determining whether significant influence does not exist. Under PAS 28, there is a presumption that if ownership is 20% or more of the voting power of the investee, significant influence exists unless it is clearly demonstrated that this is not the case. Among the factors being considered by management in the assessment are, degree of representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and investee, interchange of managerial personnel, and provision of essential technical information. Under the exercise of this judgment, the Group designated its 26.62% investment in Digital Paradise, Inc., as financial asset at fair value through other comprehensive income, as disclosed in Note 14.

5.02 Key Sources of Estimation Uncertainty

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

5.02.01 Assessment for ECL on Trade Receivables

The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Group has recognized provision for ECL on trade and other receivables amounting to ₱31,468 in 2019. The carrying amount of trade and other receivables is nil, net of allowance for ECL amounting to ₱3,772,468, as of December 31, 2019, as disclosed in Note 12.

5.02.02 Assessment for ECL on Other Financial Assets at Amortized Cost

The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and,
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Group has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2019 and 2018. The carrying amounts of other financial assets at amortized cost are as follows:

	Notes		2019
Cash	11	₱	**52,198**
Advances to related parties	9		**208,975,849**
		₱	**209,028,047**

5.02.03 Realization of Deferred Tax Assets

The Company reviews the carrying amounts at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

No deferred tax assets relating to NOLCO, MCIT, and allowance for expected credit losses were recognized for the years ended December 31, 2019, since management believes that the Company will not generate future taxable income that may allow the deferred tax assets to be utilized. As of December 31, 2019, deferred tax assets not recognized amounted to ₱1,868,535, as disclosed in Note 20.

5.02.04 Provision and Contingencies

The Group is a party to certain lawsuits or claims arising from the ordinary course of the business, as disclosed in Note 22. The estimate of the probable costs for the resolution of possible claim has been developed in consultation with outside counsel handling the Group's defense in these matters and is based on an analysis of potential results. The Group's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Group's financial position and performance, except for the case with Beijing Perfect World Software, Inc., as disclosed in Note 22.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

6.01 General Risk Management Principles

The Group's financial instruments comprise of cash and cash equivalents, trade and other receivables, advances to/from related parties, deposits, financial assets at FVOCI and trade and other payables. The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarized below.

The following table summarizes the carrying amount of financial assets and liabilities recorded by category:

	Notes		2019
Financial assets			
Cash	11	₱	**52,198**
Trade and other receivables – net	12		**–**
Advances to related parties	9		**208,975,849**
Financial assets at FVOCI	14		**2,508,491,720**
		₱	**2,717,519,767**
Financial liabilities			
Trade and other payables*	15	₱	**42,124,155**
Advances from related parties	9		**25,867,177**
Due to stockholders	9		**9,783,783**
		₱	**77,775,115**

**excluding statutory and other payables to government agencies amounting to ₱24,407,745 as of December 31, 2019*

6.02 Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group principally transacts with its related party.

The Group does not have significant credit risk exposure to any single counterparty.

Also, the Group manages its credit risk by depositing its cash with high credit quality banking institutions.

The carrying amount of financial asset recognized in the consolidated financial statements represents the Group's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

6.02.01 Credit Risk Exposure

The table below shows the gross maximum exposure to credit risk of the Group as of December 31, 2019, without considering the effects of credit risk mitigation techniques.

	Notes		2019
Cash in banks	11	₱	**52,198**
Trade and other receivables – gross	12		**3,772,468**
Advances to related parties	9		**208,975,849**
Financial assets at FVOCI	14		**2,508,491,720**
		₱	**2,721,292,235**

The Group does not hold any collateral or other credit enhancements to cover this credit risk.

6.02.02 Credit Quality of Financial Assets

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subject to 12-month ECL (Stage 1) or lifetime ECL (Stage 2 and Stage 3).

2019	12-month ECL (Stage 1)	Lifetime ECL – not credit impaired (Stage 2)	Lifetime ECL – credit impaired (Stage 3)	Measured at fair value	Total
Cash in banks	52,198	–	–	–	52,198
Trade and other receivables	–	–	3,772,468	–	3,772,468
Advances to related parties	208,975,849	–	–	–	208,975,849
Financial assets at FVOCI	–	–	–	2,508,491,720	2,508,491,720
	209,028,047	–	**3,772,468**	**2,508,491,720**	**2,721,292,235**

The credit quality of the financial assets was determined as follows:

(i) Neither past due nor impaired – Financial assets under this category are considered high grade. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

(ii) Past due but not impaired – Late processing and other administrative delays can lead to a financial asset being past due but not impaired. Therefore, loans and other receivables up to 90 days are not usually considered impaired, unless other information is available to indicate the contrary.

(iii) Impaired – Loans and receivable with more than 91 days past due are considered impaired. Also included in this category are those provided with 100% allowance and items in litigation.

6.02.03 Impairment Assessment

The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

Trade and other receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed per customer type, credit terms, offsetting arrangements. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking information.

The aging analysis of trade and other receivables is presented in Note 12.

Other financial assets at amortized cost
The Group's other financial assets at amortized cost pertain to cash in banks and advances to related parties. The Group limits its exposure to credit risk by investing its cash only with banks with good credit standing and reputation in the local and international banking industry. Also, the Group transacts only with parties with good credit rating, thus risk of default is low.

6.03 Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2019	On Demand	Within 1 Year	Over 1 Year	Total
Cash	₱ 52,198	₱ –	₱ –	₱ 52,198
Trade and other receivables	3,772,468	–	–	3,772,468
Advances to related parties	208,975,849	–	–	208,975,849
Financial assets at FVOCI	2,508,491,720	–	–	2,508,491,720
	₱ 2,721,292,235	**₱ –**	**₱ –**	**₱ 2,721,292,235**

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2019	On Demand	Within 1 Year	Over 1 Year	Total
Trade and other payables*	₱ 42,124,155	₱ –	₱ –	₱ 42,124,155
Advances from related parties	25,867,177	–	–	25,867,177
Due to stockholder	9,783,783	–	–	9,783,783
	₱ 77,775,115	**₱ –**	**₱ –**	**₱ 77,775,115**

**Excluding statutory and other payables to government agencies amounting to ₱24,407,745*

7. FAIR VALUE MEASUREMENTS

The following table summarizes the carrying amounts and the fair values by level of the fair value hierarchy of the Group's financial assets that are carried at fair value as at December 31, 2019.

2019	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Recurring fair value measurements:					
Financial assets at FVOCI	2,508,491,720	–	–	2,508,491,720	2,508,491,720

7.01 Fair Value Hierarchy

The Group uses the following hierarchy as guide for determining fair value of financial instruments:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchange;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability that are not based on observable market data (observable inputs). This level includes equity investment (if any,) and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

As of December 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

7.02 Fair Value Determination

Basis or assumptions in determining the fair value of financial instruments are disclosed below:

7.02.01 Cash in Banks
The estimated fair value of fixed interest-bearing deposits is made based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

7.02.02 Trade and Other Receivables and Advances to Related Parties
Trade and other receivables are net of allowance for doubtful accounts. The estimated fair value of trades and other receivables advances to related parties represents the discounted amount of estimated future cash flows expected to be received.

7.02.03 Financial Assets at FVOCI
Financial assets at FVOCI pertain to investments in shares of stocks not traded in an active market. Since alternative reliable measurements of fair value are not available, management believes that the investee's net assets multiplied by the Company's percentage share is the best estimate of the fair value of the investment.

7.02.04 Trade and Other Payables and Other Financial Liabilities
Due to their short duration, the carrying amounts of trade and other payables and other financial liabilities in the statement of financial position are considered to be reasonable approximations of their fair values.

8. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and equity of the Group (comprising issued capital, share premium, and retained earnings).

The Group is not subject to any externally imposed capital requirements. The Group's Board of Directors reviews the capital structure of the Group on an annual basis.

The gearing ratio at end of the reporting period was as follows:

		2019
Debt	₱	105,088,521
Cash		(52,198)
Net Debt	₱	105,036,323
Equity		2,615,826,767
Net debt to equity ratio		0.04:1

Debt is defined as long-term and short-term borrowings, while equity includes all capital and reserves of the Group that are managed as capital.

9. RELATED PARTY TRANSACTIONS

9.01 Related Parties

The Group's related parties are as follows:

Company	Relationship
IP Ventures, Inc.	Ultimate Parent
IPE Global Holdings Corp.	Parent
GRCO Mining Isulan Corporation	Entity Under Common Control
Highlands Coffee Philippines Inc.	Entity Under Common Control
IPE Global Pte Ltd.	Entity Under Common Control
I-PAY Commerce Ventures, Inc.	Entity Under Common Control
Level Up, Inc.	Entity Under Common Control
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	Entity Under Common Control
Webworx Computer Technology Corporation	Entity Under Common Control
X-Play Online Games Incorporated	Entity Under Common Control
Y-Fi Business Solutions, Inc.	Entity Under Common Control

Entities under common control refer to entities that are ultimately controlled by the same parties.

9.02 Related Party Transactions and Balances

Related party transactions and balances consists of the following:

9.02.01 Advances to Related Parties:

		2019
IPE Global Holdings Corp.	₱	**81,357,960**
Y-Fi Business Solutions, Inc.		**62,928,454**
IP Ventures, Inc.		**24,286,368**
IPE Global Pte Ltd.		**22,041,667**
GRCO Isulan Mining Corporation		**9,929,910**
X-Play Online Games Incorporated		**7,141,369**
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)		**1,072,645**
I-PAY Commerce Ventures, Inc.		**217,476**
	₱	**208,975,849**

9.02.02 Advances from Related Parties:

		2019
Webworx Computer Technology Corporation	₱	**19,000,000**
IPE Global Pte Ltd.		**5,631,873**
Level-Up Inc.		**873,992**
Highlands Coffee Philippines, Inc.		**361,312**
	₱	**25,867,177**

9.02.03 Due to Stockholder

		2019
Due to stockholder	₱	**9,783,783**

9.03 Key Management Personnel Compensation

Key management personnel compensation amounted to nil for 2019.

During 2019, the Group entered into the following transactions with related parties:

Sales Transactions and Trade Receivables and Payables to Related Parties for the year 2019 are as follows:

Category	Amount/Volume	Outstanding balance	Terms	Conditions
Ultimate parent:				
iP Ventures, Inc.				
a. Advances to	₱ (3,324,506)	₱ 24,286,368	On demand; non-interest bearing	Unsecured, no impairment
Parent:				
IPE Global Holdings Corporation				
a. Advances to	–	81,357,960	On demand; non-interest bearing	Unsecured, no impairment
Entities under common control:				
X-Play Online Incorporated				
a. Advances to	–	7,141,369	On demand; non-interest bearing	Unsecured, no impairment
Level-Up Inc.				
a. Advances from	–	873,992	On demand; non-interest bearing	Unsecured, no impairment
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)				
a. Advances to	(57,160)	1,072,645	On demand; non-interest bearing	Unsecured, no impairment
Ipay Commerce Ventures				
a. Advances to	–	217,476	On demand; non-interest bearing	Unsecured, no impairment
IPE Global Pte. Ltd				
a. Advances to	–	22,041,667	On demand; non-interest bearing	Unsecured, no impairment
b. Advances from	–	5,631,873	On demand; non-interest bearing	Unsecured, no impairment
Y-Fi Business Solutions, Inc.				
a. Advances to	–	62,928,454	On demand; non-interest bearing	Unsecured, no impairment
Webworx Computer Technology Corporation				
a. Advances from	–	19,000,000	On demand; non-interest bearing	Unsecured, no impairment
Highlands Coffee Philippines, Inc.				
a. Advances from	–	361,312	On demand; non-interest bearing	Unsecured, no impairment
GRCO Isulan Mining Corporation				
a. Advances to	–	9,929,910	On demand; non-interest bearing	Unsecured, no impairment
Stockholder:				
a. Due to	–	9,783,783	On demand; non-interest bearing	Unsecured, no impairment
Total advances to	**₱ (3,381,666)**	**₱ 208,975,849**		
Total advances from	**₱ –**	**₱ 25,867,177**		
Total due to	**₱ –**	**₱ 9,783,783**		

All related party balances will be settled in cash, except in instances where the parties may agree to offset their intercompany balances. No guarantees have been received on these related party balances.

10. BUSINESS COMBINATION

On January 1, 2019, the Parent Company acquired 50,000,000 shares of the Subsidiary, representing 10% ownership, for US$1.00 a share, or a total consideration of US$50,000,000, equivalent to ₱2.5 billion.

The fair values of the identified assets and liabilities of the Subsidiary at the time of acquisition and the purchase price was allocated as follows:

		Amount
Investment in equity securities	₱	2,500,000,000
Percentage share of net assets acquired		100%
Net assets acquired	₱	2,500,000,000

11. CASH

Cash represents cash in bank, amounting to ₱52,198 as of December 31, 2019.

Interest income generated from cash in banks and cash equivalent amounted to nil for 2019.

12. TRADE AND OTHER RECEIVABLES – net

The Group's trade and other receivables consist of:

		2019
Trade receivables	₱	**3,741,000**
Advances to officers and employees		**31,468**
		3,772,468
Allowance for doubtful accounts		**(3,772,468)**
	₱	**–**

The average credit period on sales of goods is 15 to 30 days. No interest is charged on trade receivables.

Aging of trade and other receivables are as follows:

		2019
Current:		
1 – 30 days outstanding	₱	–
Past due:		
31 – 60 days outstanding		–
61 – 90 days outstanding		–
over 90 days outstanding		**3,772,468**
Balance at December 31	₱	**3,772,468**

Movement of allowance for ECL is disclosed below:

		2019
Balance, January 1	₱	3,741,000
Provision		31,468
Balance at December 31	₱	3,772,468

13. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of the Group's prepayments and other current assets are shown below:

		2019
Prepaid taxes	₱	1,929,281
Advances to suppliers		887,429
Deposit		486,411
Deferred input VAT		50,400
Input VAT		42,000
	₱	3,395,521

Prepaid taxes consist of tax credit carried over for the next period.

Deposit pertains to advance rental paid by the Company to its previous lessor, which is still to be collected.

Deferred input VAT pertains to input VAT related to the accrual of professional fee for 2019.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The account consists of investment in shares of stocks of the following entities:

		2019
Winvest Vietnam Investments Ltd.	₱	2,500,000,000
Digital Paradise, Inc.		51,469,257
Total cost		2,551,469,257
Unrealized fair value loss – recognized in OCI		(42,977,537)
At December 31	₱	2,508,491,720

Such investments were presented as financial assets at FVOCI since it is not held for trading.

Movements in the account are disclosed below:

		2019
At January 1	₱	2,509,727,002
Unrealized fair value loss – recognized in OCI		(1,235,282)
At December 31	₱	2,508,491,720

No dividends were received from this investment for the year ended December 31, 2019.

15. TRADE AND OTHER PAYABLES

The components of trade and other payables account are as follows:

		2019
Trade payables	₱	**25,475,002**
Output VAT		**13,001,371**
Accrued expenses		**12,308,889**
Withholding taxes		**11,406,374**
Subscription payable		**–**
Other non-trade payables		**4,340,264**
	₱	**66,531,900**

Trade payables are payables which are related directly to the Group's primary operations.

Accrued expenses include accruals for outside services, professional fees and salaries which are estimated to be settled within one year.

Subscriptions payable pertain to subscription of IPVG Employees, Inc. (IEI) to Cosamera Resorts Corporation (CRC) assigned to the Group.

IEI subscribed to 500,000 shares of CRC at a par value of ₱10 per share, or a total of ₱5,000,000. Out of the total amount, ₱2,500,000 was already paid by IEI. On March 2, 2012, IEI executed a deed of assignment wherein IEI assigns its subscription of CRC's shares of stocks to the Group, and the Group will assume the payment of the unpaid subscription equivalent to ₱2,500,000. In 2019, the payable was reversed to other income, as disclosed in Note 17.

Other non-trade payables pertain to payables not directly related to the Group's core operating business.

16. EQUITY

16.01 Share Capital and Premium

The share capital and premium of the Group is as follows:

		2019
Share capital	₱	**2,800,000,000**
Share premium		**255,535,853**
	₱	**3,055,535,853**

Share capital consists of ordinary shares.

Shown below are the details on the movements of ordinary shares.

	2019	
	Shares	Amount
Authorized share capital ₱0.01 par value	280,000,000,000	₱ 2,800,000,000
Issued and fully paid, December 31	280,000,000,000	₱ 2,800,000,000

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

As of reporting date, the Group has a total number of 25 holders of such securities, with share capital of 280,000,000,000 authorized, issued and outstanding shares.

17. OTHER INCOME

Other income of the Group amounting to ₱2,500,000 pertains to the reversal of subscriptions payable, as disclosed in Note 15.

18. OTHER EXPENSES

The account is composed of the following operating expenses:

		2019
Professional fees	₱	2,524,912
Listing fees		567,840
Fines and penalties		155,000
Taxes and licenses		500
Others		259,514
	₱	3,507,766

Others pertain to meals, company meetings, and miscellaneous expenses.

19. LOSS ON ASSET WRITTEN OFF

In 2019, the Group wrote-off certain assets amounting to ₱41,256,400, recognizing loss on asset written off of same amount for the year ended December 31, 2019.

20. INCOME TAXES

20.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2019
Current tax expense	₱	50,000
Deferred tax expense		-
	₱	50,000

A numerical reconciliation between tax expense and the product of accounting loss multiplied by the tax rate in 2019 follows:

		2019
Accounting loss	₱	(42,295,634)
Tax benefit at 30%		(12,688,690)
Additions to income tax resulting from:		
Non-deductible expenses		12,423,420
Unrecognized DTA on NOLCO		255,830
Excess MCIT over RCIT		50,000
Unrecognized DTA on provision for ECL		9,440
	₱	50,000

20.02 Net Operating Loss Carry-over (NOLCO)

Under Section 24 of NIRC, the net operating loss of the Group for any taxable year immediately preceding the current taxable year which had not been previously offset as deduction from gross income, shall be carried over as a deduction from gross income for the next three consecutive taxable years immediately following the year of such loss.

Details of Group's NOLCO which can be applied as special deduction against taxable income are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2018	₱ 400,000	₱ –	₱ –	₱ –	400,000	2021
2019	852,766	–	–	–	852,766	2022
	₱ 1,252,766	**₱ –**	**₱ –**	**₱ –**	**1,252,766**	

20.03 Minimum Corporate Income Tax (MCIT)

Section 27(E) of the National Internal Revenue Code of 1997 provides that an MCIT of two percent (2%) of the gross income as of the end of the taxable year is imposed on a taxable corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operation, when the MCIT is greater than RCIT for the taxable year.

Details of Group's MCIT which can be claimed as tax credits against regular income tax are as follows:

Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2017	₱ 310,965	₱ –	₱ –	₱ –	310,965	2020
2019	50,000	–	–	–	50,000	2022
	₱ 360,965	**₱ –**	**₱ –**	**₱ –**	**360,965**	

20.04 Deferred Tax Assets

Details of the Group's unrecognized deferred tax assets are disclosed below:

		2019
Allowance for expected credit losses	₱	**1,131,740**
NOLCO		**375,830**
MCIT		**360,965**
	₱	**1,868,535**

21. EARNINGS PER SHARE

The Group's basic and diluted earnings per share are presented below:

21.01 Basic Loss per Share

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

		2019
Loss used in the calculation of total basic earnings per share	₱	**(42,345,234)**
Weighted average number of ordinary share for the purposes of basic earnings per share		**280,000,000,000**
Basic EPS	₱	**(0.0002)**

The Group has no dilutive potential common shares outstanding in 2019. Thus, basic and diluted EPS are stated at the same amount.

22. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

22.01 Provision

22.01.01 Beijing Perfect World Software, Inc.
On May 9, 2011, the Group was notified of the Notice of Arbitration filed by Beijing Perfect World Software, Inc. (PW). Under its statement of claim, PW claims for outstanding obligation and damages resulting from breach of contract.

On November 9, 2012, the Group was again notified of a resolution ordering the Group to pay PW a certain amount for guaranteed royalties, publishing agreement, damages, license fee and interest and for legal costs.

As at December 31, 2019 and 2018, the parties are still in the course of pleadings and other evidence in support of their respective claims. However, the Group's management and legal counsel believe that the eventual liabilities under these lawsuits or claims will not have a material effect on the Group's financial position and performance. Estimated provision for probable losses arising from legal contingencies was recognized in the financial statements amounting to ₱2,905,661 for as of December 31, 2019 and presented as "provision for contingencies" in the consolidated statement of financial position.

22.02 Contingencies

22.02.01 Christopher Martinez, Christopher Milongo, Antonio Paz, Jr. and John Does (Office of the City Prosecutor of Makati City)
A criminal case for qualified theft filed on 07 June 2010 before the Office of the City Prosecutor (OCP) of Makati City by the Group erring former employees (respondents herein). The Group seeks to recover in the form of civil liability in the amount of ₱2,625,500, which was lost from the concerted acts of the accused in unlawfully inserting imbalanced items in the Cabal Games.

Accused Milongo was arrested but the rest of the accused remains at large. The criminal case proceeded against Milongo. The contending parties have completed the presentation of their respective evidence and have submitted their respective memorandum prior to the promulgation by the court of the decision with respect to accused Milongo.

22.02.02 George Tan
The Group and its Board of Directors received a civil complaint for the brokering sale of Digital Paradise Inc. to the Group in 2010.

The trial court in its decision dated 08 December 2015 dismissed the case against the individual members of the Board of Directors, but held the Group liable for ₱4.03 million. The case is presently pending appeal before the Court of Appeals.

Other than the case of Beijing Perfect World Software, Inc., it is believed that the pendency of the foregoing cases will not have material adverse effect on the operations and financial position of the Group. Accordingly, no provision has been made in the financial statements.

23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table shows the reconciliation analysis of liabilities arising from financing activities for the year ended December 31, 2019:

	2018	Cash inflows	Cash outflows	Non-cash changes	2019
Advances from related parties	25,867,177	–	–	–	25,867,177

24. EVENTS AFTER THE END OF THE REPORTING PERIOD

As a measure to contain the COVID-19 outbreak, on March 12, 2020, the Office of the President of the Philippines initially issued a memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. Subsequently on March 16, 2020, President Rodrigo Duterte declared the entire Luzon Island under "enhanced community quarantine" which is effectively a total lockdown, restricting the movement of the population with exceptions, in response to the growing pandemic of Coronavirus Disease 2019 (COVID-19) in the country. Additional lockdown restrictions mandated the temporary closure of non-essential shops and businesses.

The Group considers the measure taken by the government as a non-adjusting event, which does not impact its financial position and performance as of and for the year ended December 31, 2019. However, it could have a material impact on its 2020 financial results and even periods thereafter. Considering the evolving nature of this outbreak, the Group cannot determine at this time the impact to its financial position, performance and cash flows. The Group will continue to monitor the situation.

Except for the above, no events after the end of the reporting date were identified in these consolidated financial statements that provide evidence of conditions that existed at the reporting date (adjusting events after reporting date), and that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

25. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized for issue by the Board of Directors and Management on June 22, 2020.

Alas Oplas & Co., CPAs

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Independent Member of
BKR International

INDEPENDENT AUDITORS' REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** as of and for the year ended December 31, 2019, and have issued our report thereon dated June 22, 2020. 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 are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the year ended December 31, 2019.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from September 4, 2019 to October 30, 2022
SEC A.N. (Firm) 0321-FR-1, issued on February 7, 2019; effective until February 6, 2022
TIN 002-013-406-000
BIR A.N. 08-001026-000-2018, issued on January 25, 2018; effective until January 24, 2021

By:

GADIOSA R. MARTINEZ
Partner
CPA License No. 0107497
SEC A.N. (Individual) No. 1766-A, issued on August 27, 2019; effective until August 26, 2022
TIN 223-383-235
BIR A.N. 08-006636-001-2020, issued on February 24, 2020; effective until February 23, 2023
PTR No. 8117106, issued on January 2, 2020, Makati City

June 22, 2020
Makati City, Philippines

ANNEX 68-E

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

IP E-GAME VENTURES INC. AND SUBSIDIARY
As of December 31, 2019

Ratio	Formula	Current Year	Prior Year
Current ratio	Current Assets / Current Liabilities	202.14%	N/A
Acid test ratio	Quick Assets / Current Liabilities	198.91%	N/A
Solvency ratio	Net Income + Depreciation and Amortization / Total Liabilities	-40.30%	N/A
Debt-to-equity ratio	Total Liabilities / Total Equity	4.02%	N/A
Asset-to-equity ratio	Total Assets / Total Equity	104.02%	N/A
Interest rate coverage ratio	Earnings before Interest and Taxes / Interest Expense	N/A	N/A
Return on equity	Net Income / Average Total Equity	-1.62%	N/A
Return on assets	Net Income / Average Total Assets	-1.56%	N/A
Net profit margin	Net Income / Revenue	N/A	N/A

Alas Oplas & Co., CPAs

8/F Richmonde Plaza, San Miguel Avenue
corner Lourdes Drive, Ortigas Center,
Pasig City Philippines 1605
Phone No.: (02) 8535-5029
Email: aocortigasbranch@alasoplascpas.com

23/F Philippine AXA Life Centre
1286 Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Phone No.: (632) 7759-5090 | (632) 8889-1861
Email: aocheadoffice@alasoplascpas.com
www.alasoplascpas.com

Independent Member of
BKR International

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES

To the Stockholders and the Board of Directors
IP E-GAME VENTURES INC. AND SUBSIDIARY
34th Floor, RCBC Plaza,
Tower 2, 6819 Ayala Avenue,
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **IP E-GAME VENTURES INC. AND SUBSIDIARY** as of and for the year ended December 31, 2019, and have issued our report thereon dated June 22, 2020. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules A to G listed in the Index to Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from September 4, 2019 to October 30, 2022
SEC A.N. (Firm) 0321-FR-1, issued on February 7, 2019; effective until February 6, 2022
TIN 002-013-406-000
BIR A.N. 08-001026-000-2018, issued on January 25, 2018; effective until January 24, 2021

By:

GADIOSA R. MARTINEZ
Partner
CPA License No. 0107497
SEC A.N. (Individual) No. 1766-A, issued on August 27, 2019; effective until August 26, 2022
TIN 223-383-235
BIR A.N. 08-006636-001-2020, issued on February 24, 2020; effective until February 23, 2023
PTR No. 8117106, issued on January 2, 2020, Makati City

June 22, 2020
Makati City, Philippines

ANNEX 68-J OF THE REVISED SECURITIES REGULATION CODE 68

SCHEDULES

Schedule	Contents
A	Financial assets
B	Amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties)
C	Amounts receivable from related parties which are eliminated during the consolidation of financial assets
D	Long term debt
E	Indebtedness to related parties (long-term loans and related companies)
F	Guarantees of securities of other issuers
G	Capital Stock

Other documents:

Map showing the relationships between and among the Company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON FINANCIAL ASSETS

AS OF DECEMBER 31, 2019

NAME OF ISSUING ENTITY AND ASSOCIATION OF EACH ISSUE	NUMBER OF SHARES OR PRINCIPAL AMOUNT OF BONDS AND NOTES	AMOUNT IN THE BALANCE SHEET	INCOME RECEIVED & ACCRUED
ADVANCES TO RELATED PARTIES			
IPE Global Holdings Corp.	81,357,960	81,357,960	nil
Y-Fi Business Solutions, Inc.	62,928,454	62,928,454	nil
IP Ventures, Inc.	24,286,368	24,286,368	nil
IPE Global Pte Ltd.	22,041,667	22,041,667	nil
GRCO Isulan Mining Corporation	9,929,910	9,929,910	
X-Play Online Games, Incorporated	7,141,369	7,141,369	nil
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,072,645	1,072,645	nil
I-PAY Commerce Ventures, Inc.	217,476	217,476	nil
TOTAL	**208,975,849**	**199,045,939**	
FINANCIAL ASSETS AT FAIR VALUE THROIGH OTHER COMPREHENSIVE INCOME (EQUITY)			
Digital Paradise, Inc.	34,629,050	8,491,720	nil
Winvest Investment Ltd. Vietnam		2,500,000,000	nil
TOTAL		**2,508,491,720**	

SCHEDULE B

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES AND RELATED PARTIES

FOR THE YEAR ENDED DECEMBER 31, 2019

NAME	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
IPE Global Holdings Corp.	81,357,960	–	–	–	81,357,960	–	81,357,960
Y-FI Business Solutions, Inc.	62,928,454	–	–	–	62,928,454	–	62,928,454
IP Ventures, Inc.	27,610,874	–	(3,324,506)	–	24,286,368	–	24,286,368
IPE Global Pte Ltd.	22,041,667	–	–	–	22,041,667	–	22,041,667
GRCO Isulan Mining Corporation	9,929,910	–	–	–	9,929,910	–	9,929,910
X-Play Online Games Incorporated	7,141,369	–	–	–	7,141,369	–	7,141,369
Northern Star Gaming and Resort, Inc. (Formerly: RAN Online Inc.)	1,129,805	–	(57,160)	–	1,072,645	–	1,072,645
I-PAY Commerce Ventures, Inc.	217,476	–	–	–	217,476	–	217,476

SCHEDULE C

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION PERIOD

FOR THE YEAR ENDED DECEMBER 31, 2019

NAME (Debtor)	BEGINNING BALANCE	ADDITIONS	COLLECTIONS	WRITE OFFS	ENDING BALANCE		TOTAL
					Current	Noncurrent	
NONE TO REPORT							

SCHEDULE D

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON LONG-TERM DEBT

FOR THE YEAR ENDED DECEMBER 31, 2019

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT PORTION OF LONG-TERM DEBT	LONG-TERM DEBT (NET OF CURRENT PORTION)	INTEREST RATE	NO. OF PERIODIC INSTALLMENT	MATURITY DATE
NONE TO REPORT						

SCHEDULE E

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON INDEBTEDNESS TO RELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2019

NAME OF RELATED PARTY (CREDITOR)	BALANCE AT BEGINNING OF PERIOD	BALANCE AT END OF PERIOD
NONE TO REPORT		

The Company does not have indebtedness related to parties that are above 5% of its total assets as of December 31, 2019.

SCHEDULE F

IP E-GAME VENTURES INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE ON GUARANTEES OF SECURITIES OF OTHER ISSUERS

FOR THE YEAR ENDED DECEMBER 31, 2019

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE GROUP FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENTS FILED	NATURE OF GUARANTEE
NONE TO REPORT				

The Bank does not have guarantees of securities of other issuers as of December 31, 2019.

SCHEDULE G

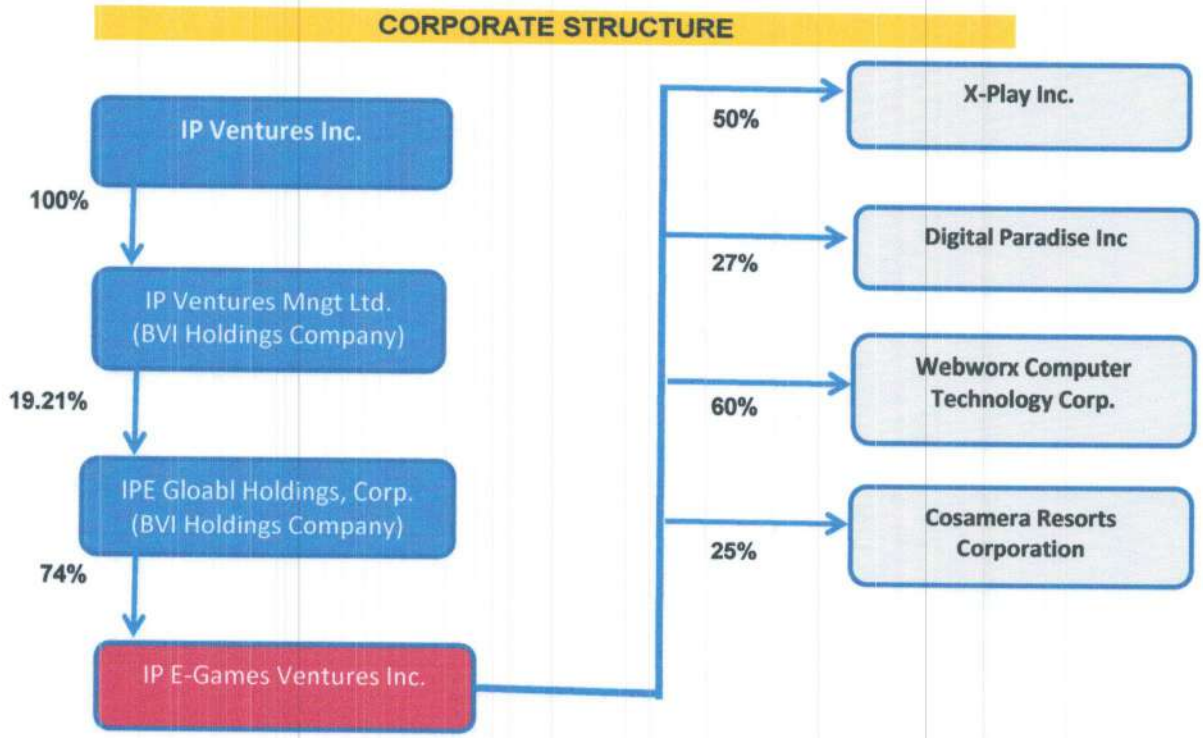
IP E-GAME VENTURES INC. AND SUBSIDIARY AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE ON CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 2019

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING AND SHOWN UNDER RELATED BALANCE SHEET CAPTION				Number of shares reserved for options, warrants conversion	Number of shares held by related parties	Directors, officers, and employees	Others
		ISSUED	SUBSCRIBED	TREASURY SHARES	TOTAL				
Ordinary shares	280,000,000,000	280,000,000,000	-	-	280,000,000,000	-	197,489,638,425	400	82,510,361,175

IP E-GAME VENTURES, INC.

A Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries, Co-Subsidiaries and Associates

As of December 31, 2019



IP E-GAME VENTURES, INC.
100% Investment in Subsidiary
NEW WAVE STRATEGIC HOLDINGS LIMITED
10% Investment in Equity
WINVEST INVESTMENT VIETNAM LIMITED
100%
307 hectares prime property in Vung Tau, Vietnam

Annex "G"

COVER SHEET

C	S	2	0	0	5	1	8	7	7	9

S.E.C. Registration Number

I	P		E	-	G	A	M	E		V	E	N	T	U	R	E	S	,		I	N	C	.						

(Company's Full Name)

8	/	F		A	R	T	H	A	L	A	N	D		C	E	N	T	U	R	Y		P	A	C	I	F	I	C	

T	O	W	E	R	,	5	T	H		A	V	E	.	,	B	O	N	I	F	A	C	I	O						

G	L	O	B	A	L		C	I	T	Y	,		T	A	G	U	I	G		C	I	T	Y	,	1	6	3	4	

(Business Address : No. Street Company / Town / Province)

Atty. Mary Zoelli R. Velasco

Contact Person

(02)976-4784

Company Telephone Number

1	2

Month

3	1

Day

Certification of Independent Director

FORM TYPE

0	2

Month

1	6

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Srinivas Polishetty**, Indian, of legal age, and a resident of Tower I, Arya Residences, Bonifacio Global City, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of IP E-Game Ventures, Inc. and have been its independent director since 2015.

2. I am affiliated with the following companies or organizations (including Government- Owned and Controlled Corporations):

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
IP Ventures Inc.	Director	2011 up to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of IP E-Game Ventures, Inc. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

4. I have no relationship to any director/officer/substantial shareholder of IP E-Game Ventures, Inc. and its subsidiaries and affiliates, other than and including the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of IP E-Game Ventures, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this _____ day of _____, at _____.

Srinivas Polishetty

SUBSCRIBED AND SWORN to before me this 05 OCT 2026 day of _____ at MAKATI CITY. Affiant personally appeared before me and exhibited to me his TIN 201-164-728.

Doc No.: 95;
Page No.: 20;
Book No.: XX;
Series of 2026.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DECEMBER 2027
PTR No. 10765898 ; 1-6-26 ;Makati City
IBP O.R No. 560544 ; 11-24-25 Makati City
Appt. No. M-158 for the City of Makati
SC Roll No. 49491

Annex "H"

COVER SHEET

C	S	2	0	0	5	1	8	7	7	9

S.E.C. Registration Number

I	P		E	-	G	A	M	E		V	E	N	T	U	R	E	S	,		I	N	C	.						

(Company's Full Name)

8	/	F		A	R	T	H	A	L	A	N	D		C	E	N	T	U	R	Y		P	A	C	I	F	I	C	

T	O	W	E	R	,	5	T	H		A	V	E	.	,	B	O	N	I	F	A	C	I	O						

G	L	O	B	A	L		C	I	T	Y	,		T	A	G	U	I	G		C	I	T	Y	,	1	6	3	4	

(Business Address : No. Street Company / Town / Province)

Atty. Mary Zoelli R. Velasco

Contact Person

(02)976-4784

Company Telephone Number

1	2

Month

3	1

Day

Certification of Independent Director

FORM TYPE

0	2

Month

1	6

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MA. JUANITA E. CUETO**, Filipino, of legal age, and with address at 25 Cerrida St. Urdaneta Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of IP E-Game Ventures, Inc. and have been its independent director since 2021.

2. I am affiliated with the following company:

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Securities Investors Protection Fund	Chairperson	2021 up to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of IP E-Game Ventures, Inc. as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

4. I have no relationship to any director/officer/substantial shareholder of IP E-Game Ventures, Inc. and its subsidiaries and affiliates, other than and including the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of IP E-Game Ventures, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done on the date and at the place stated hereinbelow.

MA. JUANITA E. CUETO

SUBSCRIBED AND SWORN to before me this _____ day of 05 OCT 2026 at MAKATI CITY. Affiant personally appeared before me and exhibited to me his/her TIN 102-081-781 issued at MAKATI CITY on 05 OCT 2026.

Doc No.: 96;
Page No.: 21;
Book No.: XX;
Series of 2026.

Atty. Jose Voltaire A. Bautista
Notary Public
Until 31 DECEMBER 2027
PTR No. 10765898; 1-6-26; Makati City
IBP O.R No. 560544; 11-24-25 Makati City
Appt. No. M-158 for the City of Makati
SC Roll No. 49491

Annex "I"

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

SECRETARY'S CERTIFICATE

I, **MARY ZOELLI R. VELASCO**, of legal age, and with office address at 8th Floor, Pacific Star Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City, after having been duly sworn in accordance with law, do hereby depose and say that:

1. I am the duly elected and qualified Corporate Secretary of IP E-GAME VENTURES, INC. the "Corporation") with principal office address at: 8/F Arthaland Century Pacific Toower, 5th Ave., Bonifacio Global City, Taguig City, 1634.

2. That as such Corporate Secretary, I am the custodian of the corporate records of the Corporation including the minutes of the meetings of its Stockholders and Board of Directors;

3. That on 24 September 2026, a majority of the members of the Board of Directors of the Corporation approved the following resolutions:

"WHEREAS, IP E-Game Ventures, Inc.'s ("Company") Audit Committee approved the recommendation to change its external auditor, ALAS OPLAS & CO., CPAs as the Company desires to engage R.G. MANABAT & CO. (formerly, MANABAT, SANAGUSTIN & CO., CPAs) considering that the latter is affiliated with the globally renowned, KPMG INTERNATIONAL LIMITED, to perform the Company's 2022-2025 audit;

WHEREAS, the Board of Directors ("Board") subsequently ratified the Audit Committee's recommendation to change the Company's external auditor and engage R.G. MANABAT & CO. to perform the audit for 2022 onwards;

NOW, THEREFORE, BE IT RESOLVED, that in compliance with legal requirements, the Board has decided to call for a special stockholders' meeting ("SSM") for the purpose of appointing a new external auditor; and

RESOLVED, FURTHER, that the Board hereby approves that the SSM shall be held on 4 December 2026, at 1:00 pm with record date on 4 November 2026 and shall be conducted via remote communication or in absentia, and confirms the authority of the stockholders to vote by proxy."

IN WITNESS WHEREOF, I have hereunto set my hand this 6 October 2026 at Makati City, Philippines.

MARY ZOELLI R. VELASCO
Corporate Secretary

SUBSCRIBED AND SWORN to before me, this 6 October 2026 at Makati City. Affiant personally appeared before me and exhibited to me her TIN 343-696-863.

Doc No. 130;
Page No. 27;
Book No. I;
Series of 2026.

KARA C. RAMOS
NOTARY PUBLIC FOR MAKATI CITY
Appointment No. M-457
Until 31 December 2027
Roll of Attorneys No. 88683
IBP No. 584218 / 02 January 2026 / Makati City
PTR No. 10768270 / 05 January 2026 / Makati City
MCLE Compliance No. VIII-0023232 / 26 February 2025
8 th Floor, Pacific Star Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City

Annex "J"

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

SECRETARY'S CERTIFICATE

I, **MARY ZOELLI R. VELASCO**, of legal age, and with office address at 8th Floor, Pacific Star Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City, after having been duly sworn in accordance with law, do hereby depose and say that:

1. I am the duly elected and qualified Corporate Secretary of IP E-GAME VENTURES, INC. the "Corporation") with principal office address at: 8/F Arthaland Century Pacific Toower, 5th Ave., Bonifacio Global City, Taguig City, 1634.

2. Based on the records of the Corporation, to the best of my knowledge,and as disclosed by Management, the information contained in this document as well as the attached reports are true and correct as of the time that these were filed.

IN WITNESS WHEREOF, I have hereunto set my hand this 6 October 2026 at Makati City, Philippines.

MARY ZOELLI R. VELASCO
Corporate Secretary

SUBSCRIBED AND SWORN to before me, this 6 October 2026 at Makati City. Affiant personally appeared before me and exhibited to me her TIN 343-696-863.

Doc No. 138;
Page No. 29;
Book No. I;
Series of 2026.

KARA C. RAMOS
NOTARY PUBLIC FOR MAKATI CITY
Appointment No. M-457
Until 31 December 2027
Roll of Attorneys No. 88683
IBP No. 584218 / 02 January 2026 / Makati City
PTR No. 10768270 / 05 January 2026 / Makati City
MCLE Compliance No. VIII-0023232 / 26 February 2025
8 th Floor, Pacific Star Building, Sen. Gil Puyat
Avenue corner Makati Avenue, Makati City