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2020 17-A_Globalport 900, Inc.

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Thank you and keep safe.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**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 **PW-225**   3. BIR Tax Identification No. **000-477-902**

4. Exact name of issuer as specified in its charter **GLOBALPORT 900, INC.**

5. **Metro Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
   Industry Classification Code:

7. **Unit 2701 One Corporate Centre, Meralco Ave. cor. Julia Vargas Ave. Ortigas Center, Pasig City**
   Address of principal office
   1605
   Postal Code

8. **(632) 86378851**
   Issuer's telephone number, including area code

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 Securities Regulation Code, or Section 4 and 8 of the Revised Securities Act.

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Shares	2,334,798,500

11. Are any or all of these securities listed on the Philippine Stock Exchange
    Yes [X]   No [ ]

12. Check whether the registrant:

    a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and paragraph (2)(a) Rule17, 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 90 days.
       Yes [X] No [ ]

13. Aggregate market value of voting stock held by non-affiliates.

    The aggregate market value of Globalport 900, Inc. voting stocks held by non-affiliates is ₱1,702,211,810.00 at a market price ₱7.30 per share on 16 May 2014.

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Business Development.

(i) GLOBALPORT 900, INC. (The "Company" or "G900")

The Company was incorporated and registered with the Securities and Exchange Commission (SEC) on May 1, 1933 as Metropolitan Insurance Company. The Company is a public company whose shares are listed in Philippine Stock Exchange (PSE) since June 9, 1948. On December 7, 2011, the SEC approved the change in corporate name of the Parent to Globalport 900, Inc. and the amendments to its primary purpose after the acquisition of its Ultra Parent Company, Sultan 900, Inc from Ventcap, Inc. in 2011. Its primary purpose, as amended, is to own, invest, manage, operate, maintain and develop port facilities, including other maritime activities supportive of port operations and shipping, and to establish or acquire subsidiaries and affiliates within or outside the Philippines for the same purposes herein set forth including those incidentals thereto.

Sultan 900 Capital, Inc. is a domestic holding company with investments in ports and shipping industries and other infrastructure developments in the Philippines, it owns about 90% of the Company while the remaining shares are held by the public.

G900 has a 96.32% equity interest in Harbour Centre Port Holdings, Inc. (HCPHI), a domestic corporation registered with the SEC on September 12, 2007 as a holding company whose interests are in ports and logistics operations and management.

(ii) Subsidiary

As of December 31, 2020, the Company controls the following direct subsidiary:

- **Harbour Centre Port Holdings Inc. ("HCPHI")**, is a stock corporation incorporated in the Philippines and registered with the SEC on 12 September 2007. It is engaged primarily in port business operations. It is primarily to, purchase, subscribe for or otherwise, own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or dispose of real and/or personal properties of every kind and description, including shares of stock, whether listed in the stock exchange or not, voting trust certificates, certificates of participation, share warrants, option warrants and other securities and to pay therefore, in whole or in part, cash, property, or stocks, bonds or securities issued by them or another corporation.

Business of Issuer. As a consequence of the change in the corporate name and primary purpose of the Company and as of 31 December 2020, it has explored possibilities of investing in companies and or projects engaged in the ports and shipping industry and in other infrastructure projects.

The Company and its subsidiaries continue to look for other business ventures in port operations and management, port development and in infrastructure projects.

Production. As it is primarily engaged in port management and operations, the Company is mainly a services-oriented company on port related operations, which provides service as its main product, such as but not limited to port management and cargo handling.

Products/Sales/Competition. The plans for production and/or sales are being prepared and programmed. Moreover, the Company has minimal competition, as there only a few major players in the industry in ports and shipping.

Transactions with and/or dependence on related parties. The information required is disclosed in the notes of the Company's Audited Financial Statements.

Patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements. The Company does not possess any patents, trademarks, copyrights, franchises, concessions, and royalty agreements.

Governmental regulations. The Company currently complies with the governmental regulations and is seeking approval from government agencies. The effect of existing governmental regulations is mainly the corresponding costs of compliance to the Company, which can be taken up as expense or capital asset under generally accepted accounting principles.

Research and Development. As of the date of this report, the Company continuously studies the possibilities of expansion of its investments in other ports and in infrastructures and its related businesses within the country.

Employees. The Company intends to hire the required manpower to support the operations of the Company as the business improves.

Major Risk/s. While the Company is still in the process of evaluating viable port management/operation opportunities, the management has started to scan the events and trends in the ports industry in order to identify and assess risks that may affect the Company in the future. It also tries to access possible internal risks and weaknesses in its future operations and develop the necessary management strategies to combat these risks or minimize its possible effect to the Company. The major risks the company anticipates are as follows:

a. **Economic and Political Considerations.** The Company will be influenced by the general political and economic situation of the Philippines. Any political and/or economic instability in the future may have a negative effect on the ports and shipping industry.

b. **Development Risk.** Future investment in port management, operation and infrastructure shall be based on the results of a pre-feasibility study to be conducted by the Company. The study shall use estimates of expected or anticipated projected economic returns based on assumptions such as volume of each potential port acquisition, anticipated capital expenditures and cash operating costs.

   Actual cash operating costs, production and economic returns may differ significantly from the Company's projections due to numerous uncertainties inherent to any development and construction of projects. To address this particular risk, the Company will hire consultants in the industry to do a due diligence and feasibility study.

c. **Liquidity and Capital Resource Requirements.** Any future project shall entail capital expenditures and funding requirement which shall be sourced prior to any acquisition. The Company shall undertake measures to raise funds through internally generated funds, debt and/or from private placements.

Item 2. Properties

The Company's properties and equipment include those of the subsidiaries to the extent of its equity therein amounting to ₱10,536 and ₱23,160 as of 31 December 2020 and 31 December 2019, respectively. See Note 7 of the Audited Consolidated Financial Statements for more details.

Item 3. Legal Proceedings

There are no pending legal proceedings involving the Company.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of security holders during the period covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information. Prior to the acquisition by Sultan 900 of 90% of the total issued and outstanding capital stock of the Company, the shares of the Company have not been actively trading since 31 December 1995, and its last trading was on 27 November 1998 where the trading price was One Hundred Three Pesos (₱103.00) per share. Sultan 900 bought Five Hundred Sixteen Thousand Two Hundred Seventeen (516,217) shares from Ventcap, Inc. at the price of Three Hundred Thirty-Nine Pesos (₱339.00) per share. After the acquisition in 2011, the shares were again actively traded in 2012 and until May 2014.

The closing price of the Company's common shares on 16 May 2014, the last trading date is Seven and 30/100 Pesos (P7.30).

The Company's public float is Ten Percent (10%) as of 31 December 2020.

Holders. The Company's capital stock consists of unclassified common shares. As of 31 December 2020, Ninety-Four and 15/100 Percent (94.15%) is owned by Filipinos while Five and 85/100 Percent (5.85%) is owned by foreign nationalities.

There are sixty-one (61) stockholders as of 31 December 2020 and the common shares outstanding is Two Billion Three Hundred Twenty-Four Million Seven Hundred Ninety-Eight Thousand Five Hundred (2,334,798,500) (net of Two Hundred One Thousand Five Hundred (201,500) treasury shares) while the listed shares are Fifty-Four Million Two Hundred Twelve Thousand Two Hundred (54,212,200)

The top twenty Stockholders as of 31 December 2020 are as follows:

Shareholder's Name	Nationality	No. of Shares	Percentage
Sultan 900 Capital, Inc	FIL	2,101,617,900	90%
Aspac Logistics & Trading Pty Ltd	BVI/Foreign	126,000,000	5%
Sherwin Mendiola	Fil	35,700,000	1%
Emilio Tiu	Fil	34,755,000	1%
Chris Ryan Cruz	Fil	20,580,000	1%
Fausto Tiu	Fil	13,755,000	1%
PCD Nominee Corporation	Fil	1,876,700	0%
Antonio T. Deblois	Fil	211,800	0%
Juanita E. De Cacho	Fil	49,400	0%
Nieves C. Santos Reyes	Fil	43,300	0%
Paz G. Vda De Cacho	Fil	36,300	0%
Jose Luis Abad	Fil	34,700	0%
Juanita / Isabela Garcia	Fil	22,900	0%
Roman R. Oblena Jr	Fil	22,900	0%
Josefina Coromina	Fil	17,500	0%
Leon Ma. Guerrero	Fil	17,500	0%
Federico Elizalde	Fil	7,300	0%
Lorenzo M. Tañada	Fil	6,400	0%
PCD Nominee Corporation	Foreign	4,900	0%
Pacifico De Ocampo	Fil	4,500	0%

Dividends. The Company has not declared any cash or stock dividend of its common equity for the past three (3) years. Other than the requirement of unrestricted retained earnings, there are no restrictions that would limit the Company's ability to pay dividends on common equity or that which would be unlikely for it to do in the future.

Item 6. Management's Discussion and Analysis or Plan of Operation.

Plan of Operation. The Group actively participates in different ports and infrastructure projects to attain financial sustainability and strengthen its financial position.

Analysis of Financial Condition and Results of Operations

The following table shows the consolidated financial highlights of the Company for the current year ended 31 December 2020 with comparative figures of the previous years and as of end of year for 2019 and 2018.

	December 31, 2018	December 31, 2019 *(As Restated)*	December 31, 2020
Income Statement Data			
Total Revenue	–	–	–
Gross Profit	–	–	–
Earnings Before Interest and Tax (EBIT)	(119,240,074)	(14,116,404)	(10,145,238)
Net Income (Loss)	(119,240,074)	(14,116,404)	(10,145,238)
Depreciation	2,105	12,634	12,624
Taxes	–	–	–
Interest expense	–	–	–
Balance Sheet Data			
Total Current Assets	40,716,871	7,525,123	7,446,139
Advances to Related Parties – Current Portion	–	–	195,000,000
Advances to Related Parties – Non-Current Portion	195,000,000	195,000,000	–
Prepayments	–	25,703,267	19,636,627
Property and Equipment - net	35,794	23,160	10,536
Investment in Stocks	–	6,249,900	6,249,900
Total Assets	235,752,665	234,501,450	228,343,202
Current Liabilities	250,378,965	80,549,367	84,536,357
Total Liabilities	250,378,965	80,549,367	84,536,357
Stockholders' Equity	(14,626,300)	153,952,083	143,806,845
Total Liabilities & Stockholders' Equity	235,752,665	234,501,450	228,343,202
Current Ratio	0.163	0.093	2.394
Solvency Ratio	1.064	0.343	0.370
Debt to Equity Ratio	(17.118)	0.523	0.588
Interest rate coverage ratio	–	–	–
Gross Profit Margin	0.00%	0.00%	0.00%
Net Profit Margin	0.00%	0.00%	0.00%

Based on the above table the following are key performance indicators of the Company for 2020, 2019, and 2018:

(a) ***Working Capital Ratio or Current Ratio*** – This will measure how liquid the Company is and its ability to meet its current obligations. It is computed by dividing total current assets with the total current liabilities.

(b) ***Debt Management Ratio or Solvency Ratio*** – This is computed by dividing the total liabilities by the total assets.

(c) ***Debt Equity Ratio*** – This will explain the relationship between how the assets were financed by the Company's creditors and its stockholders. This is computed by dividing the total liabilities over the stockholders' equity.

(d) ***Interest Rate Coverage Ratio*** – A ratio used to determine how easily a company can pay interest on outstanding debt. The interest rate coverage ratio is calculated by dividing the Company's earnings before interest and taxes (EBIT) of one period by the Company's interest expenses of the same period.

(e) ***Gross Profit Margin*** – Gross profit margin (gross margin) is the ratio of gross profit (gross sales less cost of sales) to sales revenue. It is the percentage by which gross profit exceeds production costs. Gross margins reveal how much a company earns taking into consideration the costs that it incurs for producing its products or services.

(f) ***Net Profit Margin*** – Net profit margin (or profit margin, net margin) is a ratio of profitability calculated as after-tax net income (net profits) divided by sales (revenue). Net profit margin is displayed as a percentage. It shows the amount of each sale left over after all expenses have been paid.

Changes in Financial Condition and Operating Results

The Company and its subsidiaries have no commercial operations as at 31 December 2020. Nevertheless, during the same period, the Company and its subsidiary looked for other business opportunities in line with its primary purpose and expertise in the field of port management and operations. The Company participated in various competitive biddings related to operations of air and sea ports and other investment opportunities.

Material Events and Uncertainties. For both years, the Company has nothing to report on the following, other than the disclosures mentioned in the notes to the financial statements and the matters discussed above.

Item 7. Financial Statements

The 2020 Audited Financial Statements of the Company and its subsidiaries are incorporated herein by reference. The schedules listed in the accompanying index to supplementary schedules are filed as part of this SEC Form 17-A.

The schedules showing the financial soundness indicators in two comparative periods are found in the Item 6 of this report.

Item 8. Information on Independent Accountant and other Related Matters.

Information on Independent Accountant. The Company appointed Roxas, Cruz, Tagle and Co. as the Company's independent external auditor for the year 2020. The appointment of the external auditors was ratified by the Stockholders at the Special Stockholders' meeting held on 12 January 2022.

External Audit Fee for the year 2020:

a) **Audit and Audit-Related Fees**	**2020**
1) For the audit of the Company's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years	985,600
2) For other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.	–
b) **Tax Fees**	

For services for tax accounting compliance, advice, planning and any other form of tax services.	–
c) All other Fees	
For products and services rendered by the external auditor, other than the services reported under items (a) & (b) above.	–

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure. There were no changes in and disagreements with accountants on accounting and financial disclosure.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Directors and Executive Officers. The names of the directors and officers of the Company and their respective ages, position held, citizenship and periods of service as of 31 December 2020, are as follows:

Name	Age	Positions and Offices	Citizenship	Period Served
Edwin Joseph G. Galvez	53	Member, Chairman of the Board of Directors ("BOD")	Filipino	29 Sept 2017 – 12 Jan 2022
Marvee M. Espejo	47	Member, BOD, President	Filipino	29 Sept 2017 – 12 Jan 2022
Agnes H. Maranan	60	Member, BOD, Corporate Secretary	Filipino	29 Sept 2017 – 12 Jan 2022
Frederick M. Arejola	39	Member, BOD, Treasurer	Filipino	29 Sept 2017 – 12 Jan 2022
E. Hans S. Santos	57	Member, BOD, Compliance Office	Filipino	29 Sept 2017 – 12 Jan 2022
Leonardo M. Galang	38	Member, BOD	Filipino	29 Sept 2017 – 12 Jan 2022
Dorothy S. Cajayon (Independent Director)	71	Member, BOD	Filipino	29 Sept 2017 – 12 Jan 2022

The Directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until each respective successor have been elected and qualified. The term of the office of the directors is one (1) year. All of the above members of the Board of Directors as of 31 December 2020 were elected during the Annual Stockholders' meeting on 29 September 2017.

On 12 January 2022, a Special Stockholders' Meeting was held where new directors were elected. Only Mr. Edwin Joseph G. Galvez and Mr. Marvee M. Espejo were re-elected as directors.

Officers are appointed or elected annually by the Board of Directors during its organizational meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors for the next year or until a successor shall have been elected, appointed or shall have qualified. The Officers as of the reporting period, 31 December 2020, were first appointed/elected during the Organizational meeting held on 29 September 2017.

The business experiences for the last five (5) years and other directorships in other reporting companies of the aforementioned directors and officers, as of 31 December 2020, are as follows:

EDWIN JOSEPH G. GALVEZ (Fifty-Three (53) years old, Filipino) has more than Thirty (30) years of experience in the field of finance and banking operations, more than Twenty (20) years in management, corporate and project finance, investment banking, and treasury functions in the ports and shipping, construction, real estate, waste management, and in power and energy industries. He is the Chairman and President of Sultan 900, and a member of the Board of Directors of Harbour Centre Port Holdings and ZC Integrated Port Services, Inc. He served as a member of the Board of Directors and was the Chief Finance Officer of HCPTI, a member of the Board of Directors of Manila North Harbour Port, Inc. ("MNHPI"), Pacifica, Inc., and worked in various financial institutions like Security Bank, Far East Bank & Trust Co. and Philbank. He is a candidate of Asian Institute of Management in Business Management and finished BSC – Business Management from the De La Salle University, Manila.

MARVEE M. ESPEJO (Forty-Seven (47) years old, Filipino) is currently the President of Mikro-Tech Capital Inc., President of Z.C. Integrated Port Services Inc. (ZCIPSI). Prior to joining the foregoing companies, Mr. Espejo served as the Vice President and Treasurer of Pacifica Inc, President of One Source Port Support Services, Inc., the Information and Communications Technology Director of HCPTI, Finance Manager of Investment Analyst at Enviroventures, Inc., Finance Manager at Sunglow Land, Inc., Financial Analyst at Rubicon Holdings Corporation and Marketing Analyst and Personal Assistant at the AFP-Retirement and Separation Benefits System. He finished his academic units for his MBA from De La Salle University Manila and his Bachelor of Arts in Management Major in Human Resource from the same university.

AGNES H. MARANAN (Sixty (60) years old, Filipino) is a Senior and Name Partner at Rivera Santos & Maranan Law Offices. She obtained her Bachelor of Laws from the University of the Philippines – Diliman and her Bachelor of Arts in Psychology graduating *cum laude* from the same university. She was admitted to the bar in 1990 and is a registered patent attorney since 1995. She is a lecturer for the Mandatory Continuing Legal Education (MCLE) Series, Corporate Secretary of BancNet, Inc., Legal Counsel & Corporate Secretary of the Asia South Pacific Association for Basic and Adult Education, Legal Counsel/Corporate Secretary for various entertainment corporation such as Flagship, Inc., and Realty Entertainment to name a few. She likewise was a Professor and Lecturer in the field of law for the University of the Philippines and worked in various legal organizations and institutions.

FREDERICK M. AREJOLA, (Thirty-Nine (39) years old, Filipino), is presently the Head for Ground Operations of the Philippines Air Asia and the PBA Board Governor and a Director for Sultan 900 Capital, Inc. He served as the PBA Vice Chairman and PBA Treasurer, Assistant Vice President for Corporate Promotions and Special Activities, Account Manager, Sales and Marketing Department of HCPTI, Basketball Coach at the De La Salle Santiago Zobel School. He also played as Point Guard for the LBC Batangas Blades at the PBL.

E. HANS S. SANTOS (Fifty-Seven (57) years old, Filipino) is the Managing/Senior Partner at the Rivera Santos & Maranan Law Offices specializing in litigation and taxation law. He obtained his Bachelor Laws and A.B. Economics from the Ateneo de Manila University. Prior to this, he was an Associate Lawyer at the Bautista Picazo Buyco Tan & Fider Law Office and was also a Legal researcher for the Q.C. Regional Trial Court. He is a member of the Order of Demolay and the Aquila Legis Fraternity and was a member of the Ateneo Law School Debating Team and the International Jessup Moot Court Competition Team.

LEONARDO M. GALANG (Thirty-Eight (38) years old, Filipino) is the Executive Vice President of GlobalCity Mandaue Corporation and Board of Director of Z.C. Integrated Port Services, Inc. He worked as Research and Business Development Officer at HCPTI and as Sports Marketing Liaison for the Globalport Batang Pier PBA Basketball Team. He finished his Bachelor of Business Majors in Marketing and Management from the Griffith University – Gold Coast in Australia and his Business Administration – Marketing (Diploma) from Thames International Business School.

DOROTHY M.S. CAJAYON (Seventy-One (71) years old, Filipino) graduated Bachelor of Arts Major in Political Science from Silliman University and Bachelor of Laws from Ateneo de Manila University. She passed the Bar Examination in 1975. She is a partner at Cajayon and Montemayor Law Office and a Board Member of the Foundation for the Development of Children, Inc., was a Zamboanga City Electric Cooperative, Rotary Club of Zamboanga City Central, and Zamboanga City La Bella Lions Club. She served as the first and only lady government prosecutor in Zamboanga City from 1987-2001, Project

Officer of the Human Settlements Commission, Project Officer of the Development Academy of the Philippines.

At the Organizational Meeting of the Board Directors held on 12 January 2022 right after the Special Stockholders' Meeting, Ms. Sheila Marie B. Romero was elected Chairperson and President, replacing Mr. Edwin Joseph G. Galvez, while Mr. Walter Enriquez R. Ramos was elected/appointed Treasurer, replacing Mr. Frederick M. Arejola, effective 12 January 2022. Ms, Agnes H. Maranan was re-appointed as Corporate Secretary of the Company.

Family Relationships. Directors Edwin Joseph G. Galvez and Leonardo M. Galang are related within the sixth degree of consanguinity.

Involvement of Directors and Officers in Certain Legal Proceedings. To the best knowledge and information of the Company, none of its incumbent directors and officers/nominee has been involved during the past five (5) years up to the time this Information Statement is submitted to the Securities and Exchange Commission and the Philippine Stock Exchange, in any legal proceedings, which are material to the evaluation of the ability or integrity of any director, executive officer or nominee of the Company. They are not directly or indirectly involved in such legal proceedings to wit:

a) There is no bankruptcy petition filed by or against any business which any of the incumbent directors/officers was a general partner or executive officer at any time within five (5) years or more;

b) The incumbent directors/officers had no conviction by final judgment for any offense, in criminal proceedings, domestic or foreign nor is any of them the subject of a pending criminal proceedings, not even for a minor offense.

c) Not one of the incumbent directors/officers has been the subject of 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/her involvement in any type of business, securities, commodities or banking activities;

d) The incumbent directors are not found by a domestic or foreign court of competent jurisdiction, the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market of self-regulatory organization, to have violated a securities or commodities law or regulation and said judgment has not been reversed, suspended or vacated.

Item 10. Executive Compensation.

Total short-term benefits provided to the Company and its subsidiaries' (the "Group") key management personnel amounted to nil in 2020.

The Group does not have any standard arrangement pursuant to which officers are compensated, directly or indirectly, for services provided as such, including any additional amounts payable for committee participation or special assignments for the last completed calendar year.

Name of Employee	Position	2020	2019	2018
–	N/A	–	–	–
Total		–	–	–
Bonus and other compensation		–	–	–
Directors		–	–	–
All Officers & Directors as a Group		–	–	–

Below is the summary of the total compensation for the Group:

Name of Company	Position	2020	2019	2018
Globalport 900, Inc	N/A	–	–	–
Harbour Centre Port Holdings, Inc.	N/A	–	–	–
Total		–	–	–
Bonus and other compensation		–	–	–
Directors		–	–	–
All Officers & Directors as a Group		–	–	–

Item 11. Security Ownership of Certain Beneficial Owners and Management.

Security Ownership, Certain Record and Beneficial Owners. As of 31 December 2020, the persons known to the Company to be directly or indirectly the record or beneficial owner of more than 5% of the registrant's voting securities are as follows:

Title of Class	Name, Address of Record Owner and Relationship with issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Amount & Nature of Shares held at ₱1.00 par value per share	Ownership
Common Shares	Sultan 900 Capital, Inc. Manila Harbour Centre, Road 10 Vitas, Tondo, Manila (Stockholder)	N/A	Filipino	2,101,617,900	90%
Common Shares	Aspac Logistics & Trdg. Pty Ltd, PO Box 2234 IFS Chambers, Rd Town, BVI (Stockholder)	N/A	Foreign	126,000,000	5%
Notes: (1)	Sultan 900 Capital Inc, is a holding company with investments in various companies.				

Security Ownership of Management. The following are the number of shares comprising the Company's capital stock (all of which are voting shares) owned of record by the directors, Chief Executive Officer, and key officers of the Company as of 31 December 2020.

(1) Title of Class	(2) Name of Beneficial Owner	(3) Amount and nature of Beneficial Ownership at ₱1.00 par value per share	(4) Citizenship	(5) Percent of Class
Common Shares	Edwin Joseph G. Galvez	100	Filipino	0.00%
	Marvee M. Espejo	100	Filipino	0.00%
	Agnes H. Maranan	100	Filipino	0.00%
	Leonardo M. Galang	100	Filipino	0.00%
	E Hans S. Santos	100	Filipino	0.00%
	Anthony Rolando R. Golez, Jr.	100	Filipino	0.00%
	Frederick M. Arejola	100	Filipino	0.00%

	Jose Marie E. Fabella	100	Filipino	0.00%
	Dorothy S. Cajayon	100	Filipino	0.00%
Directors and Executive Officers as a Group Common Shares		900	Filipino	0.00%

**At the Organizational Meeting of the Board Directors held on 12 January 2022 right after the Special Stockholders' Meeting, Ms. Sheila Marie B. Romero was elected Chairperson and President, replacing Mr. Edwin Joseph G. Galvez, while Mr. Walter Enriquez R. Ramos was elected Treasurer, replacing Mr. Frederick M. Arejola, effective 12 January 2022. Ms, Agnes H. Maranan was re-appointed as Corporate Secretary of the Company. Mr. Edwin Joseph G. Galvez and Mr. Marvee M. Espejo were re-elected as directors.*

Voting Trust Holders of 5% or More. There are no holders of voting trust agreements of 5% or more.

Changes in Control. The Company did not have change in control since its acquisition of Sultan 900 Capital, Inc. from Ventcap, Inc. in 2011.

Item 12. Certain Relationships and Related Transactions

See Note 13 (Related Party Transaction) of the Notes to the financial statements.

Parent of the Company. Sultan 900 Capital Inc. owning 90% of the Company is considered the Company's parent company.

Transaction with Promoters. There are no transactions with promoters within the past five (5) years.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

In compliance with SEC Memorandum Circular No. 6 Series of 2009, the Company has filed with the SEC and PSE its Manual on Corporate Governance on 30 July 2014. The Company, on 02 August 2017, submitted its updated Manual on Corporate Governance to the SEC and PSE.

The Company has been monitoring its compliance in its updated Manual on Corporate Governance, as well as in the corporate governance practices and policies recommended by relevant regulatory bodies.

The Company will continue to keep abreast with, and implement all rules and regulations on corporate governance.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits - Exhibits here refers only to the Audited Financial Statements of the Company and its Subsidiaries and Reports on SEC form17-C. There is no management contract or compensatory plan or arrangement required to be filed as exhibit to this form.

(b) Reports on SEC Form 17-C - Reports on SEC form 17-C during the last six months of 2020 follows:

Date	Particulars
09 September 2020	Approval of the Corporation's Consolidated Audited Financial Statements for the year ending 31 December 2016.
07 December 2020	Approval of the Corporation's Consolidated Audited Financial Statements for the year ending 31 December 2017.
07 December 2020	Approval of the Corporation's Consolidated Audited Financial Statements for the year ending 31 December 2018.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

SEC FORM 17-A

CONSOLIDATED FINANCIAL STATEMENTS	
Statement of Management's Responsibility for Consolidated Financial Statements	Attached
Report of Independent Auditors	Attached
Consolidated Statements of Financial Position as of December 31, 2020 and 2019	Attached
Consolidated Statements of Comprehensive Income for the Years ended December 31, 2020, 2019 and 2018	Attached
Consolidated Statements of Changes in Equity for the Years ended December 31, 2020, 2019 and 2018	Attached
Consolidated Statements of Cash Flows for the Years ended December 31, 2020, 2019 and 2018	Attached
Notes to the Consolidated Financial Statements	Attached
SUPPLEMENTARY SCHEDULES	
Report of Independent Auditors on Supplementary Schedules	Attached
List of Applicable Standards and Interpretations	Attached
Financial Soundness Indicators	Attached
Schedule A. Marketable Securities - (Current Marketable Equity Securities and Other Short-term cash Investment)	NA
Schedule B. Amounts Receivables from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Affiliates)	Attached
Schedule C. Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statement	NA
Schedule D. Intangible assets – Other assets	NA
Schedule E. Long-Term Debt	NA
Schedule F. Indebtedness to Related Parties	Attached
Schedule G. Guarantees of Securities and Other Issuers	NA
Schedule H. Capital Stock	Attached

SCHEDULE B – Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than Affiliates)

Name of Related Party (1)	Balance at Beginning of Period	Balance at End of Period (2)
Ultimate Parent Company	195,000,000	195,000,000

Notes:

1. See Note 13 of the Notes to Consolidated Financial Statements.
2. The P195M represents the receivable of HCPHI from Sultan 900 as concurred in an Intercompany Agreement to carry on its business development activities and investment diversification strategy. This receivable is non-interest bearing and will be repayable within five (5) years from the date of agreement and Sultan 900 has the option to repay all or any portion of the amount prior to its term. As of the reporting date, the Ultimate Parent returned the full amount to HCPHI for its participation on ports bidding projects.

SCHEDULE F- Indebtedness to Related Parties

Name of Related Party (1)	Balance at Beginning of Period	Balance at End of Period (2)
Ultimate Parent Company	–	1,064,180
Stockholders	73,930,569	74,705,071
Total	73,930,569	75,769,251

Notes:

1. See Note 13 of the Notes to Consolidated Financial Statements
2. Advances during 2020 from the Ultimate Parent Company represents the acquisition of computer application for the use of the Group in the ordinary course of its business.
3. The advances from stockholders will be settled in cash although no guarantees have been given since these are unsecured, non-interest bearing and payable on demand.

SCHEDULE J – Capital Stock

Please refer to Note 10 of the Notes to Consolidated Financial Statements for updated disclosure/information on the capital stock of the issuer.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report signed on behalf of the issuer by the undersigned, thereunto duly authorized in the City of Pasig on 05 APR 2022, 2022.

Issuer: **GLOBALPORT 900, INC.**

SHEILA MARIE B. ROMERO
Chairman of the Board/ President

WALTER ENRIQUE R. RAMOS
Treasurer

AGNES H. MARANAN
Corporate Secretary

SUBSCRIBED AND SWORN to before this 05 APR 2022 day of __________, affiant(s). Exhibiting to me their valid identification, as follows:

NAMES	TAX IDENTIFICATION NUMBER
SHEILA MARIE B. ROMERO	159-497-849-000
WALTER ENRIQUE R. RAMOS	102-094-959-000
AGNES H. MARANAN	131-974-647-000

Doc. No.: 241
Page No.: 50
Book No.: II
Series of 2022

JONELYN JAN B. ATON
NOTARY PUBLIC
PASIG CITY
SAN JUAN
&
PATEROS
ROLL NO. 68295

JONELYN JAN B. ATON
Appointment No. 62 (2021-2022)
Notary Public for Pasig, San Juan and Pateros
Until December 31, 2022
PTR No. 8131883/01-10-2022/Pasig City
IBP Lifetime No. 016267/05-08/2017/RSM
Roll No. 68295
MCLE Compliance No. VI-0022242/04-14-2022
3109 One Corporate Center, Julia Vargas cor. Meralco Ave.
Ortigas Center, Pasig City

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

PW00000025

COMPANY NAME

GLOBALPORT900, INC. AND SUBSIDIARY
(formerly MIC HoldiNgs, Inc.)

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

UNIT 2701 CORPORATE CENTRE
JULIA VARGAS AVE. COR. MERALCO AVE.
ORTIGAS CENTER, PASIG CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@globalport.com.ph	8637-8851	-

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
61	Any day in June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Edwin Joseph G. Galvez	egalvez@globalport.com.ph	(632) 637 8851	9178625232

CONTACT PERSON'S ADDRESS

Unit 2701 One Corporate Centre Julia Vargas, Ortigas Center, Pasig City, 1605 Metro Manila

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

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

GLOBALPORT900, INC. AND SUBSIDIARY

(Formerly MIC Holdings, Inc.)

INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2020

Financial Statements

Supplementary Schedule

**These schedules, which are required by Revised SRC Rule 68, have been omitted because they are either not required, not applicable or the information required to be presented is included/shown in the related financial statements or in the notes thereto.*

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The management of Globalport 900, Inc. and Subsidiary (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at and for the calendar year ended December 31, 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of 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 members.

Roxas Cruz Tagle and Co., the independent auditors, appointed by the members, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Sheila Marie B. Romero
Chairman of the Board/President

Walter Enrique R. Ramos
Treasurer

SUBSCRIBED AND SWORN to me before at PASIG CITY this 17 MAR 2022 day of ________, affiants exhibited to me their ____________________.

Doc. No. 181;
Page No. 36;
Book No. II;
Series of 2022

JONELYN JAN B. ATON
NOTARY PUBLIC
PASIG CITY
SAN JUAN
&
PATEROS
ROLL NO. 68295

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Roll No. 68295
MCLE Compliance No. VI-0022242/04-14-2022
2409 One Corporate Center, Julia Vargas cor. Meralco Ave
Ortigas Center, Pasig City

BOA/PRC Reg. No. 0005,
August 1, 2021, valid until March 17, 2024
SEC Accreditation No. 0005-SEC,
April 13, 2021, valid until April 12, 2024

2nd Floor Multinational Bancorporation Centre
6805 Ayala Avenue, Makati City 1226 Philippines
www.bdo-roxascruztagle.ph
Tel: + (632) 8844 2016
Fax: + (632) 8844 2045

INDEPENDENT AUDITOR'S REPORT

The Shareholders and the Board of Directors
Globalport900, Inc. *(Formerly MIC Holdings, Inc.)* and Subsidiary
Unit 2701 One Corporate Centre
Julia Vargas Ave., cor. Meralco Ave.,
Ortigas Center, Pasig City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Globalport900, Inc. *(Formerly MIC Holdings, Inc.)* and Subsidiary, ("the Group") which comprise the consolidated statement of financial position as at December 31, 2020, 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 notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Group as at and for the year ended December 31, 2019 were audited by another auditor whose report dated June 25, 2021, expressed an unmodified opinion on those statements.

Emphasis of matters

Without qualifying our opinion, we draw your attention on the Group's trading suspension as disclosed in Note 16 to the consolidated financial statements. On May 9, 2014, the trading of the Group's securities was suspended by the Philippine Stock Exchange (PSE) until further notice. As at reporting date, the trading of the Group's securities is still suspended.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide an opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of Advances to Sultan 900 Capital, Inc. (the "Ultimate Parent")

As at December 31, 2020, the Group has outstanding advances to related party amounting to ₱25,703,263. This is significant to our audit because of the materiality of the and the assessment of recoverability requires high level of management judgment and estimation of future cash repayments. The Management disclosure about the transaction and recoverability of the amount is included in Note 13 of the consolidated financial statement.

Audit Response

Our audit procedures focused on the evaluation of management's assessment on the recoverability of the advances to related party. We obtained the memorandum of agreement between the two Companies covering the repayment agreement which is through offsetting of marketing expenses charged by Sultan 900 to the Group. We also obtained confirmation from the Ultimate Parent for the acknowledgement of the liability to the Group.

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, and for such internal controls 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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on the Supplementary Information Required by the Bureau of Internal Revenue (BIR)

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as whole. The supplementary information as disclosed in Note 20 to the financial statements is presented for the purposes of filing with the BIR and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ROXAS CRUZ TAGLE AND CO.

Christian S. Felismino

Christian Francis S. Felismino
Partner
CPA Certificate No. 0111361
Tax Identification No. 237-332-255
SEC Accreditation No. 111361-SEC, Group A, issued on February 4, 2020,
effective until February 3, 2023
BIR Accreditation No. 08-001682-016-2019, issued on November 5, 2019,
effective until November 4, 2022
PTR No. 8531375, issued on January 5, 2021, Makati City

February 14, 2022
Makati City

GLOBALPORT 900, INC. AND SUBSIDIARY
(Formerly MIC Holdings, Inc.)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(WITH COMPARATIVE FIGURES AS AT DECEMBER 31, 2019)

	Note	2020	2019 (as restated - Note 19)
ASSETS			
Current Assets			
Cash	5	**₱273,649**	₱537,963
Prepayments	6	**7,172,490**	6,987,160
Other current assets	13	**195,000,000**	-
Total Current Assets		**202,446,139**	7,525,123
Noncurrent Assets			
Prepayments, net of current portion	6	**19,636,627**	25,703,267
Office equipment - net	7	**10,536**	23,160
Investment in stock	8	**6,249,900**	6,249,900
Advances to related parties	13	-	195,000,000
Total Noncurrent Assets		**25,897,063**	226,976,327
		₱228,343,202	₱234,501,450

	Note	2020	2019 (as restated - Note 19)
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	9	**₱8,767,106**	₱6,618,798
Advances from related parties	13	**75,769,251**	73,930,569
Total Liabilities		**84,536,357**	80,549,367
Equity			
Share Capital	10	**2,266,250,900**	2,266,250,900
Additional paid-in capital	10	**268,309**	268,309
Treasury shares	10	**(595,111)**	(595,111)
Deficit		**(2,122,117,253)**	(2,111,972,015)
Equity attributable to equity holder of the Parent		**143,806,845**	153,952,083
Non-controlling interest	2	-	-
Total Equity		**143,806,845**	153,952,083
		₱228,343,202	₱234,501,450

See Notes to the Consolidated Financial Statements.

GLOBALPORT 900, INC. AND SUBSIDIARY
(Formerly MIC Holdings, Inc.)

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE FIGURES FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018)

	Note	2020	2019 (as restated - Note 19)	2018
Revenues		**₱-**	₱-	₱-
Cost of service		**-**	-	-
Gross profit		**-**	-	-
General and administrative expenses	11	**(10,145,363)**	(14,116,855)	(119,242,883)
Interest income	5	**125**	451	2,809
Loss before income tax		**(10,145,238)**	(14,116,404)	(119,240,074)
Provision for income tax	12	**-**	-	-
Net loss for the year		**(10,145,238)**	(14,116,404)	(119,240,074)
Other comprehensive income		**-**	-	-
Total comprehensive loss		**(₱10,145,238)**	(₱14,116,404)	(₱119,240,074)
Total comprehensive loss attributable to:				
Equity holders of the Parent	2	**(₱10,145,238)**	(₱14,116,404)	(₱118,901,989)
Non-controlling interest	2	**-**	-	(338,085)
Basic/diluted loss per share		**-**	-	(0.006)

See Notes to the Consolidated Financial Statements.

GLOBALPORT 900, INC. AND SUBSIDIARY
(Formerly MIC Holdings, Inc.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE FIGURES FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018)

	Attributable to Equity Holders of the Parent						
	Share capital *(Note 10)*	Additional paid in capital *(Note 10)*	Treasury shares *(Note 10)*	Deficit	Total	Non-controlling interest	Total Equity
Balances at December 31, 2017	₱2,156,250,900	₱268,309	(₱595,111)	(₱2,056,484,213)	₱99,439,885	₱5,173,889	₱104,613,774
Net loss for the year	-	-	-	(118,901,989)	(118,901,989)	(338,085)	(119,240,074)
Balances at December 31, 2018, *as previously presented*	2,156,250,900	268,309	(595,111)	(2,175,386,202)	(19,462,104)	4,835,804	(14,626,300)
Conversion of advances into capital stock	110,000,000	-	-	-	110,000,000	-	110,000,000
Net loss for the year	-	-	-	(14,116,404)	(14,116,404)	-	(14,116,404)
Derecognition of subsidiary (Note 2)	-	-	-	72,725,670	72,725,670	-	72,725,670
Prior period adjustment - derecognition of non-controlling interest (Note 19)	-	-	-	4,835,804	4,835,804	(4,835,804)	-
Prior period adjustment (Note 19)	-	-	-	(30,883)	(30,883)	-	(30,883)
Balances at December 31, 2019, *as restated*	2,266,250,900	268,309	(595,111)	(2,111,972,015)	153,952,083	-	153,952,083
Net loss for the year	-	-	-	(10,145,238)	(10,145,238)	-	(10,145,238)
Balances at December 31, 2020	**₱2,266,250,900**	**₱268,309**	**(₱595,111)**	**(₱2,122,117,253)**	**₱143,806,845**	**₱-**	**₱143,806,845**

See Notes to the Consolidated Financial Statements.

GLOBALPORT 900, INC. AND SUBSIDIARY
(Formerly MIC Holdings, Inc.)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE FIGURES FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018)

	Note	2020	2019 *(as restated - Note 19)*	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**(₱10,145,238)**	(₱14,116,404)	(₱119,240,074)
Adjustments for:				
Advertising and promotion	*6*	**6,066,636**	6,066,631	6,066,631
Adjustment in Deficit	*19*	**(30,883)**	-	-
Depreciation expense	*7*	**12,624**	12,634	2,105
Interest income	*5*	**(125)**	(451)	(2,809
Impairment loss		**-**	942,371	-
Operating loss before working capital changes		**(4,096,986)**	(7,095,219)	(113,174,147)
Decrease (increase) in:				
Other current assets		**(36,006)**	(265,243)	-
Input tax		**(149,320)**	-	-
Increase (decrease) in:				
Trade and other payables		**2,179,191**	16,946,933	(2,113,853)
Cash provided by (used in) operations		**(2,103,121)**	9,586,471	(115,288,000)
Interest received	5	**125**	451	2,809
Net cash flows provided by (used in) operating activities		**(2,102,996)**	9,586,922	(115,285,191)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property and equipment		**-**	-	(37,899)
Acquisition of share of stock		**-**	(6,249,900)	-
Advances made to related parties		**(177,000)**	(4,081,744)	(6,906,866)
Net cash flows used in investing activities		**(177,000)**	(10,331,644)	(6,944,765)
CASH FLOW FROM FINANCING ACTIVITY				
Receipts of advances from related parties		**2,015,682**	-	122,263,197
Net cash flow provided by financing activity		**2,015,682**	-	122,263,197
NET INCREASE (DECREASE) IN CASH		**(264,314)**	(744,722)	33,241
CASH AT BEGINNING OF YEAR	5	**537,963**	1,282,685	1,249,444
CASH AT END OF YEAR		**₱273,649**	₱537,963	₱1,282,685

See Notes to the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. Corporate Information

General

Globalport900, Inc. *(Formerly MIC Holdings, Inc.)* ("the Parent Company") was incorporated and registered with the Securities and Exchange Commission (SEC) on May 1, 1933. The Parent Company's shares are publicly listed with the Philippine Stock Exchange (PSE).

The Parent Company was originally incorporated as Metropolitan Insurance Company to engage in the insurance business and was listed in the Philippine Stock Exchange on June 9, 1948. On July 7, 1999, the SEC approved the Parent Company's change in its corporate name to MIC Holdings Inc. (MIC Holdings) and the change in primary purpose from insurance to that of a holding company. On August 4, 2011, Sultan 900 Capital, Inc. ("the Ultimate Parent Group") acquired 516,217 shares representing 95.22% of the total issued and outstanding capital stock of the Parent Company. On December 7, 2011, the Securities and Exchange Commission approved the change of its corporate name to Globalport 900, Inc. and the change in primary purpose of a holding company engaged in the ports and logistics industry.

The Parent Company's primary purpose, as amended, is to own, invest, manage, operate, maintain and develop port facilities, including other maritime activities supportive of port operations and shipping, and to establish or acquire subsidiaries and affiliates within or outside the Philippines for the same purposes herein set forth including those incidental thereto.

Sultan 900 Capital, Inc., ("the Ultimate Parent Group"), owns about 90% of the Parent Company while the remaining shares are held by the public.

As at December 31, 2020, the Parent Company's market capitalization registered in the Philippine Stock Exchange is ₱15,739,160,620.

The registered office address of the Parent Company is at Unit 2701 One Corporate Centre, Julia Vargas Ave., cor. Meralco Ave., Ortigas Center, Pasig City.

The consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on February 14, 2022.

Subsidiary

The Parent Company has 100% equity interest in Harbour Centre Port Holdings, Inc. (HCPHI), a domestic holding company which engaged in the operations and management of ports and port related businesses.

The registered business address of HCPHI is at Unit 2701 One Corporate Centre, Julia Vargas Ave., Pasig City.

2. Basis for the Preparation and Consolidation

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

Basis of Measurement
The separate 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 separate financial statements.

Functional and Presentation Currency
The financial statements are presented in Philippine peso, which is the functional currency of the Company. All values are rounded off to the nearest peso, except when otherwise indicated.

Basis of Consolidation
The Group's consolidated financial statements comprise the separate financial statements of the Parent and its subsidiaries as of December 31, 2020 and 2019.

Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit and loss and each component of Other Comprehensive Income (OCI) are attributable to the equity holders of the Parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The reporting dates of the Parent and the subsidiary are identical and the latter's accounting policies conform to those used by the Parent like transactions and events in similar circumstances.

Non-controlling interests represent the portion of comprehensive loss and net assets not held by the Parent and are presented separately in the consolidated statement of comprehensive loss and within equity in the consolidated statements of financial position, separately from equity attributable to equity holders of the Parent.

The consolidated financial statements include the accounts of the Parent and its subsidiary:

Name of Subsidiary	Place of Incorporation	Principal Activities	Ownership Interest
Harbour Centre Port Holdings Inc. (HCPHI)	Quezon City	Holding Group	100%

During 2019, Platinum Dredging Inc. (PDI) was declared insolvent and dissolved through the liquidation order issued by the court and was eventually derecognized by the Parent Company.

HCPHI is considered a subsidiary because the Parent has a dominant voting interest and it would take a number of vote holders to outvote the Parent, therefore it has control over the Subsidiary.

Harbour Centre Port Holdings Inc. (HCPHI)
HCPHI is a stock corporation incorporate in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 12, 2007, primarily to purchase, subscribe for or otherwise, own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or dispose or real and/or personal properties of every kind and description, including shares of stock, whether listed in the stock exchange or not, voting trust certificates, certificates of participation, share warrants, option warrants and other securities and to pay therefore, in whole or in part, cash, property, or stocks, bonds or securities issued by them or another corporation.

The separate financial statements of HCPHI for the year ended December 31, 2020 and 2019 was audited by another independent auditors (other than BDO Roxas Cruz Tagle and Co.) whose report dated June 25, 2021 and expressed an unqualified opinion on those financial statements.

Material Non-controlling Interest
Financial information of subsidiary that have material non-controlling interests is provided below:

Proportion of Equity Interest Held by Non-Controlling Interests

Company	Place of Incorporation	2020	2019 *(As restated)*
Harbour Centre Port Holdings Inc. (HCPHI)	Quezon City	**100%**	100%

Accumulated Losses for Material Non-Controlling Interests

	2020	2019
Harbour Centre Port Holdings Inc. (HCPHI)	**(₱58,109,164)**	(₱57,755,237)

Net Loss Attributable to Material Non-controlling Interests

	2020	2019 *(As restated)*	2018
Harbour Centre Port Holdings Inc. (HCPHI)	**₱-**	₱-	(₱338,085)

The summarized financial information of HCPHI are provided in the succeeding section. This information is based on amounts before intercompany eliminations and after fair value adjustments.

Summarized Statements of Financial Position

	2020	2019
Cash	**₱150,125**	₱258,956
Receivable from related party	-	195,000,000
Investment stocks	**6,249,000**	6,249,000
Prepayments and other current assets	**196,058,378**	1,022,371
Total liabilities	**70,986,638**	70,674,653

Summarized Statements of Comprehensive Loss

	2020	2019	2018
Revenue	₱-	₱-	₱-
Cost of service	-	-	-
Gross profit	-	-	-
General and administrative expense	(353,927)	(1,181,560)	(9,537,097)
Loss before income tax	(353,927)	(1,181,560)	(9,537,097)
Provision for income tax	-	-	-
Net loss for the year	(353,927)	(1,181,560)	(9,537,097)
Other comprehensive income	-	-	-
Total comprehensive loss	(₱353,927)	(₱1,181,560)	(₱9,537,097)

Summarized Statements of Cash Flows

	2020	2019	2018
Operating	(₱468,333)	(₱1,290,843)	(₱9,477,097)
Investing	-	(6,249,900)	-
Financing	359,502	7,348,443	9,563,197
	(₱108,831)	(₱192,300)	₱86,100

Platinum Dredging Inc. (PDI)
PDI is a stock corporation incorporation in the Philippines and registered with the Securities and Exchange Commission (SEC) on August 15, 2007, primarily to engage in general construction and general building, such as dredging and reclamation works as general contractor for port harbour and road, highway pavement, railway, airport horizontal structure and bridges, dam reservoir and tunnelling, water supply, irrigation and flood control, building and industrial plant, sewerage and sewage treatment/disposal plant, water treatment plant and system, park, playground, recreation works and foundation work and other structure.

In 2019, PDI was declared insolvent and dissolved through the liquidation order issued by the court. This led to the derecognition of the Parent Company's investment in PDI. The result of derecognition amounted to ₱72,725,670:

	Amount
Total assets	-
Total liabilities	72,725,670
Net liabilities derecognized	(₱72,725,670)

Accordingly, the consolidated financial statements of the Group as at December 31, 2019 do not include PDI.

The financial statements of Platinum Dredging Inc. (PDI) for the year ended December 31, 2019 were audited by other independent auditors (other than BDO Roxas Cruz Tagle and Co.) whose report dated June 11, 2020 and expressed an unqualified opinion on those financial statements.

3. Significant Accounting Policies

Adoption of New and Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Group adopted effective for annual periods beginning on or after January 1, 2020:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*. The amendments address the definition of material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. These amendments had no impact on the financial statements of the Group.

- Amendments to PFRS 3, *Business Combinations, Definition of Business*. The amendments to PFRS 3 clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The clarification stated that a business can exist without including all of the inputs and processes needed to create outputs. These amendments will apply on future business combinations of the Group.

- Conceptual Framework for Financial Reporting (Revised). The IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), a comprehensive set of concepts for financial reporting, in March 2018.

  It sets out:
  - the objective of financial reporting
  - the qualitative characteristics of useful financial information
  - a description of the reporting entity and its boundary
  - definitions of an asset, a liability, equity, income and expenses
  - criteria for including assets and liabilities in financial statements (recognition) and guidance on when to remove them (derecognition)
  - measurement bases and guidance on when to use them
  - concepts and guidance on presentation and disclosure

  The purpose of the Conceptual Framework is to assist the IASB to develop financial reporting standards (Standards) based on consistent concepts, resulting in financial information that is useful to investors, lenders and other creditors. It also assists preparers to develop consistent accounting policies for transactions or other events when no Standard applies, or a Standard allows a choice of accounting policies. The Conceptual Framework is not a Standard and does not override any Standard or any requirement in a Standard.

- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*. The amendments to PFRS 9 and PAS 39 *Financial Instruments: Recognition and Measurement* and PAS 7 *Financial Instruments: Disclosures* include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The mandatory reliefs provided in the Standard are as follows:

- The assessment of whether a forecast transaction (or component thereof) is highly probable.
- Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss.
- The assessment of the economic relationship between the hedged item and the hedging instrument.
- For a benchmark component of interest rate risk that is affected by IBOR reform, the requirement that the risk component is separately identifiable need be met only at the inception of the hedging relationship.

  These amendments had no impact on the financial statements of the Group as it does not have any interest rate hedge relationships.

New and Amended PFRS Issued But Not Yet Effective
Relevant new and amended PFRS which are not yet effective for the year ended December 31, 2020 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2021:

- Annual Improvements to PFRS: 2018-2020 Cycle
  - PFRS 1, *First-time Adoption of PFRS - Subsidiary as a first-time adopter*. The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

  - PFRS 9, *Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities*. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of PFRS 9 in assessing whether to derecognise 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.

- Amendments to PFRS 3, *Business Combinations - Reference to the Conceptual Framework* - The amendments add an exception to the recognition principle of PFRS 3 to avoid the issue of potential "day 2" gains or losses arising from liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets or* IFRIC 21, *Levies*, if incurred separately. It also clarifies that contingent assets do not qualify recognition at the acquisition date. The amendments are effective for annual periods beginning on or after January 1, 2022.

- Amendments to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Costs of Fulfilling a Contract* - The amendments specify the costs a Group includes when assessing whether a contract will be loss-making and is therefore recognized as an onerous contract. The amendments apply a "directly related approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities.

- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use* - The amendments prohibit the entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Instead, the entity recognizes such sales proceeds and any related costs in the profit or loss.

- Amendments to PAS 1, *Presentation of Financial Statements* - The amendments to PAS 1 specify the requirements for classifying current and noncurrent liabilities. The amendments will clarify that a right to defer must exist at the end of reporting period and the classification is unaffected by the likelihood that an entity will exercise its deferral right. The issuance of amendments was deferred until January 1, 2023 as a result of COVID-19 pandemic.

  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 a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Group.

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within 12 months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when it is: (a) expected to be settled in the normal operating cycle; (b) held primarily for trading; (c) due to be settled within 12 months after the reporting period; or (d) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent.

Financial Liabilities

Date of Recognition. The Group recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.
Financial Assets and Liabilities at FVPL. Financial assets and liabilities at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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

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

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

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

As at December 31, 2020 and 2019, the Group does not have financial assets and liabilities at FVPL.

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

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2020 and 2019, the Group's cash in banks and advances to related parties are included under this category (see Notes 5 and 13).

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

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

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at December 31, 2020 and 2019, the Group does not have financial assets and liabilities at FVOCI.

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

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

As at December 31, 2020 and 2019, the Group's liabilities arising from its trade and other payables, excluding statutory liabilities and advances from related parties, are included under this category (see Notes 9 and 13).

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

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

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

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

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

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

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

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

For debt instruments 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 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 and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition of Financial Assets and Liabilities

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

- the right to receive cash flows from the asset has expired;
- the 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.

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

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

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

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

Offsetting of Financial Assets and Liabilities
Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;

- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

<u>Cash</u>
Cash in banks earn interest at the respective bank deposit rates.

<u>Prepayments and Other Current Assets</u>
Prepayments. Prepayments are expenses paid in advance and recorded as asset before these are utilized. Prepaid expenses are apportioned over the period covered by the payment and charged to appropriate expense accounts in profit or loss when incurred. Prepaid expenses that are expected to be realized for no more than 12 months after the financial reporting year are classified as current assets. Otherwise, these are classified as noncurrent assets.

<u>Office Equipment</u>
Office equipment are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the office equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of office equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of office equipment only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably.

Depreciation is computed using the straight-line method of depreciation based on the estimated useful lives of the office equipment which is three (3) to five (5) years.

The remaining useful lives, residual values and depreciation method are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of office equipment.

The carrying amounts of office equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use.

An item of office equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of office equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statements of comprehensive income in the period of retirement and disposal.

Investment in Stock

Investment in shares of stock is initially measured at transaction price (including transaction costs). After initial recognition, investment in shares of stock shall be carried at cost less impairment, unless the investment in shares of stock are traded in an active market, which shall be measured at the lower of cost or fair value, with changes in fair value recognized in profit or loss. For shares traded in an active market, the best evidence of fair value is the quoted price for those shares in that active market.

Investment in shares of stocks is derecognized upon its disposal. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

At the end of each reporting period, an entity shall assess whether there is objective evidence of impairment of any financial assets that are measured at cost or amortized cost. If there is objective evidence of impairment, the entity shall recognize an impairment loss in profit or loss immediately.

Impairment of Non-financial Assets

The carrying amounts of non-financial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of the asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Trade and Other Payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classified as current liabilities if payment is due within one year or less (or within the normal operating cycle of the business if longer); otherwise, these are presented as noncurrent liabilities.

Accrued expenses are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with supplier, including amounts due to employees. It is necessary to estimate the amount or timing of accruals, however, the uncertainty is generally much less than for provision.

Government liabilities include withholding income taxes which represent taxes retained by the Group for an item of income required to be remitted to the BIR the following month. The obligation of the Group to deduct and withhold the taxes arises at the time an income payment is paid or payable, or the income payment is accrued or recorded as an expense or asset, whichever comes first. The term "payable" refers to the date the obligation becomes due, demandable or legally enforceable.

Provisions

Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Share Capital and Additional Paid-in Capital

Share Capital

Share capital are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Additional Paid-in Capital

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares are measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Deficit

Deficit represents the accumulated net income or losses, net of any dividend distributions and other capital adjustments.

Treasury Shares

Own equity instruments which are reacquired are carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, reissuance or cancellation of the Group's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

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 perform 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 is in the business of investing, managing, operating, maintaining and developing port facilities, including other maritime activities supportive of port operations and shipping, and to establish or acquire subsidiaries and affiliates within or outside the Philippines for the same purposes. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has no revenue arrangements and is not engaged to revenue generating activities for the years 2020 and 2019.

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

Dividend. Revenue is recognized when the Group's right to receive the payment is established.

Interest. Revenue is recognized as the interest accrues, taking into account the effective yield on the asset. Interest income of the Group comes from bank deposits and is recorded when earned and presented net of applicable tax

Other income. Revenue is recognized when there is an incidental economic benefit, other than from the usual business operations that will flow to the Group and it can be measured reliably. Other income includes foreign exchange gains and miscellaneous income.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Cost of Service

Cost of service is incurred in the normal course of business and is recognized when incurred. These comprise mainly of inventory usage, direct labour and factory overhead which are incurred in the period goods are sold.

General and administrative expenses
General and administrative expenses are incurred in the direction and general administration of day-to-day operation of the Group. These are generally recognized when the services are rendered, or the expenses are incurred.

Expenses are classified as to function, whether distribution cost, administrative expense, or other expenses and losses.

Foreign Exchange Transactions
Transactions in foreign currencies are recorded in Philippine peso based on the exchange rates prevailing at the date in which the transaction took place. Foreign currency denominated monetary assets and liabilities of the Group are translated using the prevailing exchange rate as of financial reporting date. Gains or losses arising from these transactions and translation are credited or charged to profit or loss.

Related Parties
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control and significant influence. Related parties may be individuals or corporate entities.

Taxes
Current Tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax relating to items recognized directly in equity is recognized in equity and not in the statements of comprehensive income. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred Tax. Deferred tax is recognized using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized using the liability method for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to taxable temporary differences associated with investments in shares of stock of subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - Minimum Corporate Income Tax (MCIT) and unused tax losses - Net Operating Loss Carry Over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference 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, affects neither the accounting profit nor taxable profit or loss; and

- with respect to deductible temporary differences associated with investments in shares of stock of subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

The measurement of deferred tax reflects the tax consequences that would follow 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 measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax are recognized in the statements of comprehensive income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

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

Value-added Tax (VAT). Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the 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 tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of "Prepayments" or "Accounts payable" accounts in the statements of financial position.

Contingencies

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

Events after the Reporting Date

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

4. Use of Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

<u>Judgments</u>
In the process of applying the accounting policies, the Group has made the following judgments, apart from those involving estimations, which have an effect on the amounts recognized in the financial statements:

Determination of control over the investee. The determination of control over the investee, other than the rebuttable presumption of ownership over fifty percent (50%), requires significant judgment. In making judgment, the Group evaluates whether the investor controls an investee and identified the following factors:

a. power over the investee;
b. exposure, or rights, to variable returns from its involvement with the investee;
c. the ability to use its power over the investee to affect the amount of the investor's returns.

In 2019, Platinum Dredging Inc., (PDI) incurred capital deficiency due to accumulated losses from the past years. The management of PDI decided to cease its operations starting April 2017 and filed for voluntary liquidation. Consequently, the court declared PDI as insolvent through liquidation order received by the Company on September 27, 2019. Thus, despite the Company's 100% ownership of PDI it has no control over the subsidiary.

As of December 31, 2020 and 2019, the Group's investment to Globalcity Mandaue Corporation has a carrying value of ₱6,249,900 as disclosed in Note 8.

Evaluating Deferred Tax. In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

Estimates and Assumptions
The key estimates and assumptions used in the financial statements are based upon the Group's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from such estimates.

Estimated Useful Lives of Office Equipment. The Group estimates the useful lives of office equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of office equipment 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 assets.

In addition, estimation of the useful lives of office equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance 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 office equipment would increase the recorded costs and expenses and decrease noncurrent assets.

As at December 31, 2020 and 2019, the net carrying amount of office equipment amounted to ₱10,536 and ₱23,160 as disclosed in Note 7. An assessment is made at each reporting date whether there is an indication that the asset may be impaired.

Impairment of Non-financial Assets. PFRS requires that an impairment review be performed on non-financial assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining the recoverable amounts of these assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed 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 amounts and any resulting impairment loss could have a material adverse impact on the financial performance.

Management has made significant estimates on the recoverability of the Group's office equipment and investment in subsidiaries, and concluded that as of December 31, 2020 and 2019, no indications of impairment are present that would necessitate the recognition of impairment loss of the Group's assets. The carrying values of office equipment and investment in subsidiaries are disclosed in Notes 7 and 8.

Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of MCIT and NOLCO is based on the projected taxable income in the following periods.

Deferred tax assets amounted to nil as at December 31, 2020 and 2019 (Note 12).

5. Cash

Cash in banks pertain to savings account with local banks which amounted to ₱273,649 and ₱537,963 as of December 31, 2020 and 2019, respectively.

Cash in banks earn interest at the respective bank deposit rates. Interest income earned for the year ended December 31, 2020 and 2019 amounted to ₱125 and ₱451, respectively.

There was no restriction imposed upon cash in bank and on hand by either management, stockholders or outside parties.

The Group's exposure to credit and foreign currency risks related to cash in banks is disclosed in Note 14 to the consolidated financial statements.

6. Prepayments

This account consists of:

	Note	2020	2019
Prepaid marketing fees	13	**₱6,066,636**	₱6,066,631
Input VAT		**1,100,854**	915,529
Advances to related parties		**5,000**	5,000
		₱7,172,490	₱6,987,160

The following is the current and non-current portion of prepaid marketing fees as at December 31:

	Note	2020	2019
Current	13	**₱6,066,636**	₱6,066,631
Non-current	13	**19,636,627**	25,703,267
		₱25,703,263	₱31,769,898

Prepaid marketing fees pertains to the offsetting agreement of the Company with its Ultimate Parent, Sultan 900, Capital, Inc. to offset the advances to related party with the marketing expenses of the Company (Note 11).

Input tax pertains to value-added tax credits on purchases of goods and/or services incurred by the Group amounting to ₱1,100,854 and ₱915,529 as of December 31, 2020 and 2019, respectively, can be applied against output tax. In 2019, the Group reviewed the recoverable amounts of the unused Input taxes of HCPHI, the subsidiary. Input tax amounting to ₱942,371 was written off as it is unlikely to be utilized in the future. Other than that, the management believes that the remaining amount is fully realizable in the future.

7. Office Equipment - Net

The office equipment has the following movement:

	Note	2020	2019
Cost			
At January 1		**₱37,899**	₱37,899
Additions		**-**	-
At December 31		**37,899**	37,899
Accumulated Depreciation			
At January 1		**14,739**	2,105
Depreciation	11	**12,624**	12,634
At December 31		**27,363**	14,739
Carrying amounts		**₱10,536**	₱23,160

The Group has no idle property and equipment and there were no items pledge as security to obtain loan or any form of liability.

Management has assessed at December 31, 2020 that there is no impairment and has not recognized impairment loss related to the office equipment in its books during the year.

As of December 31, 2020 and 2019, the Group has no outstanding contractual commitments to acquire certain property and equipment.

8. Investment In Stock

This represents the five percent (5%) ownership of HCPHI in Globalcity Mandaue Corporation amounting to ₱6,249,900.

No dividends received on this investment during the year 2020.

9. Trade and Other Payables

This account consists of:

	2020	2019 *(As restated)*
Outside parties	**₱238,302**	₱52,694
Accrued expenses	**8,521,304**	6,547,928
Payable to government agencies	**7,500**	18,176
	₱8,767,106	₱6,618,798

Payables to outside parties includes obligations to the suppliers which are related to rendered to the Group such as transfer agent fees and association dues.

Accrued expenses generally include professional fees, penalties and interest incurred for the current period.

10. Share Capital

The subscribed and paid-up capital of the Group as of December 31, 2020 and 2019 are as follows:

	2020	2019
Share capital	**₱2,266,250,900**	₱2,266,250,900
Additional paid-in-capital	**268,309**	268,309
	₱2,266,519,209	₱2,266,519,209

Components of share capital as of December 31, 2020 and 2019 are as follows:

	2020		2019	
	Shares	**Amount**	Shares	Amount
Authorized share capital/ Ordinary shares at ₱1 par	**3,000,000,000**	**₱3,000,000,000**	3,000,000,000	₱3,000,000,000
Subscribed & paid-up				
At the beginning of year	**2,325,000,000**	**2,325,000,000**	2,325,000,000	2,325,000,000
Add: subscription during the year	**10,000,000**	**10,000,000**	10,000,000	10,000,000
Total subscription	**2,335,000,000**	**2,335,000,000**	2,335,000,000	2,335,000,000
Less: subscription receivable	**(68,749,100)**	**(68,749,100)**	(68,749,100)	(68,749,100)
Total subscribed and paid up at the end of the year	**2,266,250,900**	**₱2,266,250,900**	2,266,250,900	₱2,266,250,900

	2020		2019	
	Shares	**Amount**	Shares	Amount
At the beginning of year	**68,749,100**	**₱68,749,100**	168,749,100	₱168,749,100
Add: subscription during the year	-	-	10,000,000	10,000,000
Issuance of shares through conversion of advances	-	-	(110,000,000)	(110,000,000)
	68,749,100	**₱68,749,100**	68,749,100	₱68,749,100

The Parent Company's advances from Sultan 900 Capital, Inc. (the "Ultimate Parent Group") outstanding in 2018 was applied to its unpaid subscription amounting to ₱110,000,000 during the year. It was resolved and approved during the special meeting of the Board of Directors held on December 2, 2019 as disclosed in Note 13.

On November 22, 2019, the Ultimate Parent and the Company entered into an agreement, as amended in July 2020 for the subscription of ₱10,000,000 common shares with par value of ₱10,000,000 from the unissued portion of the authorized capital stock of the Company, for a total subscription price of ₱100,000,000. Upon payment, the excess over par in the amount of ₱90,000,000 shall be treated as additional paid-in capital.

Book Value Per Share
Book value per share amounted to ₱0.036 in 2020 and 2019.

Earnings Per Share
The calculation of earnings per share has been based on the following after tax loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Treasury Shares
This consists of 201,500 common shares, stated at acquisition cost of ₱595,111 as of December 31, 2020 and 2019.

11. General and Administrative Expenses

This account consists of:

	Notes	2020	2019	2018
Advertising and promotion	*6*	**₱6,066,636**	₱6,066,631	₱6,066,631
Professional fees		**2,513,518**	3,024,117	7,346,020
Penalties and interest		**1,060,000**	1,074,950	1,209,650
Accreditation fees		**95,000**	-	-
Taxes and licenses		**79,694**	204,015	31,839
Software and Licenses Expense		**27,111**	-	-
Depreciation expense	*7*	**12,624**	12,634	2,105
Representation expense		**6,000**	-	2,942,474
Miscellaneous		**1,265**	-	-
Bank Charges		**116**	100	-
Project development expense	*16*	**-**	2,444,978	98,300,000
Impairment loss		**-**	942,371	-
Repairs and maintenance		**-**	280,000	-
Office supplies		**-**	30,603	17,876
Transportation and travel		**-**	3,840	4,125
Membership and association dues		**-**	1,120	280,000
Other expenses		**283,399**	31,496	3,042,163
		₱10,145,363	₱14,116,855	₱119,242,883

Project development expense pertains to the costs incurred in acquiring services of local management and consulting firm to assist and provide necessary financial advice, project master plan and engineering design in connection with the Group's plan to bid and/or acquire several domestic projects such as airport terminal project and thermal power plant management. (Note 16)

Penalties pertains to accrual of fees and charges of government regulatory agencies such as Philippine Stock Exchange (PSE) and Philippine Securities of Exchange Commission (SEC) on noncompliance in filing of regulatory reports.

Professional fees include legal fees, consultancy fees, agent and audit fees incurred by the Group for the professional services acquired.

Taxes and licenses refer to expenses for documentary stamp tax, business permit, and other local taxes and fees.

12. Income Taxes

There is no provision for current income tax during 2020 and 2019 since the Group has no taxable income.

The Group is not subject to MCIT also since it does not have any gross profit from which the MCIT can be applied.

The Group has Net Operating Loss Carry-Over (NOLCO), for which deferred income tax assets can be recognized with full offsetting. This deferred tax asset can be used to offset against income tax due.

Year Incurred	Amount	Applied current year	Expired	Unapplied	Balance	Expiry Date
2017	₱7,531,797	₱-	(₱7,531,797)	₱-	₱-	2020
2018	17,279,087	-	-	17,279,087	17,279,087	2021
2019	7,455,761	-	-	7,455,761	24,734,848	2022
2020	9,085,363	-	-	9,085,363	33,820,211	2025

The details of the impact of unrecognized deferred income tax assets arising from NOLCO for the years 2020 and 2019 are as follows:

	2020	2019	2018
Loss before income tax	**(₱10,145,238)**	(₱14,116,404)	(₱119,240,074)
Tax at applicable regular corporate income tax (RCIT) of 30%	**(3,043,571)**	(4,234,921)	(35,772,022)
Add (deduct) tax effect of:			
Interest income subject to final tax	**(38)**	(135)	(1,054)
Penalties and surcharges	**318,000**	336,600	319,500
Bidding cost	-	733,493	29,490,000
Professional fees	-	928,235	-
Representation expense	-	-	882,742
Effect of unrecognized NOLCO	**2,725,609**	2,236,728	5,080,834
	₱-	₱-	₱-

As of December 31, 2020 and 2019, the Group has unrecognized NOLCO that amounted to ₱2,725,609 and ₱2,236,728, respectively, in the consolidated financial statements as the Management determined that the Group will not utilize the deferred income tax assets to future taxable profits for the next five (5) years.

13. Related Party Transactions

Related party relationships

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions.

Such relationship also exists between and/or among the reporting entities, which are under common control or common significant influence with the reporting enterprise, or between, and/or among the reporting entities and its key management personnel, directors, or its shareholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The related parties in these separate financial statements refer to its parent company, an individual stockholder and subsidiaries:

Related parties	Nature of Relationship	Place of Incorporation
Sultan 900 Capital, Inc.	Ultimate Parent Company	Manila
Shareholders	-	-

Related party transactions and balances

There are transactions and arrangements between the Group and members of the group and the effects of these on the basis determined between the parties are reflected in these consolidated financial statements.

The Group's balances with related parties as of December 31, 2020 and 2019 are as follows:

			Outstanding Balance		
Related Party Relationship	Account	Movements	2020	2019	Terms and Conditions
a.) Sultan 900 Capital, Inc.	Prepayments *(Note 6)*	Beginning	**₱31,769,899**	₱37,836,530	Unsecured, non-interest bearing, payable on demand and to be settled through offsetting
		Net Movement	**(6,066,636)**	(6,066,631)	
			₱25,703,263	₱31,769,899	
b.) Sultan 900 Capital, Inc.	Advances to related parties	Beginning	**₱195,000,000**	₱232,836,530	Unsecured, non-interest bearing, payable on demand and to be settled through offsetting
		Net Movement	**(195,000,000)**	(37,836,530)	
			₱-	₱195,000,000	
b.) Sultan 900 Capital, Inc.	Other current assets	Beginning	**₱-**	₱-	Unsecured, non-interest bearing, payable on demand and to be settled through offsetting
		Net Movement	**195,000,000**	-	
			₱195,000,000	₱-	
c.) Sultan 900 Capital, Inc.	Advances from related parties	Beginning	**₱-**	₱110,000,000	Unsecured, non-interest bearing, payable on demand and to be settled through offsetting
		Net Movement	**1,064,180**	(110,000,000)	
			₱1,064,180	-	

(Forward)

Related Party Relationship	Account	Movements	Outstanding Balance 2020	2019	Terms and Conditions
d.) Shareholders	Advances from related parties	Beginning	**₱73,930,569**	₱78,012,313	Unsecured, non-interest bearing, payable on demand and to be settled through offsetting
		Net Movement	**774,502**	(4,081,744)	
			₱74,705,071	₱73,930,569	

a) The Group has entered into an advertising and marketing agreement on January 1, 2019 with its Ultimate Parent Group, Sultan 900 Capital, Inc. which provides that the latter has an existing Philippine Basketball Association (PBA) Franchise and has agreed to carry the franchise under the name of "GLOBALPORT BATANG PIER" for advertising and marketing purposes.

Offsetting
The Group made cash advances to its parent for investment purposes in 2012. As a way of collecting, the Group and the Ultimate Parent Group, agreed to offset the recharges of marketing expenses by the latter to the Group. (see Note 11).

The movement of the Group's prepayments as of December 31, 2020 and 2019 are as follows:

	2020	2019
Balance, beginning of year	**₱31,769,899**	₱-
Advances reclassified as prepayment	**-**	31,769,899
Offsetting, marketing expense	**(6,066,636)**	-
Balance, end of the year	**25,703,263**	31,769,899
Less: current portion	**(6,066,636)**	(6,066,631)
Noncurrent portion	**₱19,636,627**	₱25,703,268

b) Receivable from Related Party
The ₱195,000,000 represents the receivable of HCPHI from the Ultimate Parent Group as concurred in the Intercompany Agreement to carry on its business development activities and investment diversification strategy. This receivable is non-interest bearing and will be repayable within five (5) years from the date of agreement and sultan 900 has the option to repay all or any portion of the amount prior to its term.

In 2019, it was classified as other non-current assets which remains collectible from Sultan 900 at the end of the accounting period and is subject for liquidation. During 2020, there has been progress on the account which makes it collectible within 12 months after the reporting period.

The movement of the Group's advances to Sultan as of December 31, 2020 and 2019 are as follows:

	2020	2019
Balance, beginning of year	**₱195,000,000**	₱232,836,530
Offsetting, marketing expense	**-**	(6,066,631)
Reclassified (to) from prepayment	**-**	(31,769,899)
Balance, end of the year	**195,000,000**	195,000,000
Less: current portion	**(195,000,000)**	-
Noncurrent portion	**-**	₱195,000,000

c) Advances from Ultimate Parent Group
During the special meeting of the Board of Directors held on December 2, 2019, it was resolved that the offer of Sultan 900 Capital, Inc. to apply the latter's advances amounting to ₱110,000,000 to its unpaid subscriptions was considered and approved. (Note 10)

The amount was used to finance the Group's initiative to participate in bid activities and potential acquisition of domestic ports. The Group incurred project development expenses of nil and ₱2,444,978 for 2020 and 2019, respectively as disclosed in Note 11.

Further, advances during 2020 amounting to ₱1,064,180, represent the acquisition of computer application paid by Sultan 900 Capital, Inc. on behalf of the Group used in the ordinary course of its business. The amounts outstanding are non-interest bearing, unsecured, payable in demand, as they have no specific maturity and will be settled in cash.

The movement of the Group's advances from Sultan as of December 31, 2020 and 2019 are as follows:

	2020	2019
Balance, beginning of year	**₱-**	₱110,000,000
Payment of advances	**-**	(110,000,000)
Receipt of advances	**1,064,180**	-
	₱1,064,180	₱-

d) Advances represent Group expenses paid by an individual stockholder on behalf of the Group, including professional fees, penalties, membership and association dues and other general and administrative expenses.

The movements in the advances from stockholder as of December 31, 2020 and 2019 are as follows:

	2020	2019
Balance, beginning of year	**₱73,930,569**	₱78,012,313
Advances from stockholder during the year	**774,502**	-
Payments made during the year	**-**	(4,081,744)
	₱74,705,071	₱73,930,569

The amounts outstanding are non-interest bearing, unsecured, payable in demand, as they have no specific maturity and will be settled in cash.

No provisions have been made for any impaired amount owed by the Group.

Trading Transactions
There were no trading transactions occurred between related parties for the year ended December 31, 2020 and 2019.

Key management compensation
The Group considers as key management personnel directors and all employees holding managerial position up to the president having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. There was no compensation paid to key management personnel in 2020 and 2019.

No member of the Board of Directors has received per diem or any compensation for any service provided as director for the year. The Group has no other arrangements in material terms, including consulting contracts, pursuant to which any director was compensated, or is to be compensated directly or indirectly for the year, for any service provided as director.

14. Financial Instruments Risk Management Objectives and Policies

The Group's principal financial liabilities comprise trade and other payables and loans payable. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include cash in banks and advances to related parties.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

The Group's financial instruments consist of:

	Note	**2020**	2019
Financial Assets:			
Debt instrument at amortized cost			
Cash	*5*	**₱273,649**	₱537,963
Advances to related parties	*13*	**195,000,000**	195,000,000
		195,273,649	195,537,963
Financial Liabilities:			
Measured at cost/amortized cost			
Trade and other payable*	*9*	**238,302**	52,694
Advances from related parties	*13*	**75,769,251**	73,930,569
		76,007,553	73,983,263
		₱119,266,096	₱121,554,700

**Accounts payable exclude due to government agencies.*

Credit Risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is managed by the Group subject to the established policy, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

With respect to credit risk arising from the financial assets of the Group, which consists of cash in banks, the Group's exposure arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Below are the credit qualities of the Group's financial assets as of December 31, 2020 and 2019:

2020	**Neither past due nor impaired**	**Not past due but impaired**	**Past due but not impaired**	**Past due and impaired**	**Total**
Cash	**₱273,649**	**₱-**	**₱-**	**₱-**	**₱273,649**
Advances to related party	**195,000,000**	**-**	**-**	**-**	**195,000,000**
	₱195,273,649	**₱-**	**₱-**	**₱-**	**₱195,273,649**

2019	Neither past due nor impaired	Not past due but impaired	Past due but not impaired	Past due and impaired	Total
Cash	₱537,963	₱-	₱-	₱-	₱537,963
Advances to related party	195,000,000	-	-	-	195,000,000
	₱195,537,963	₱-	₱-	₱-	₱195,537,963

Neither past due nor impaired accounts are accounts considered to be high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

Not past due but impaired accounts are active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues.

Past due but not impaired are accounts typically not impaired as the counter parties generally respond to credit actions and update their payments accordingly.

Past due and impaired are accounts which have a probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up and extended payment terms.

Impairment Assessment
The Group's financial assets are subject to credit risk. Credit risk from balances with banks and financial institutions is managed by the Group's treasurer in accordance with the Group 's policy. The Group manages its credit risk by depositing its cash with high credit quality banking institutions. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each party. Counterparty credit limits are reviewed by the Group's management on an annual basis and may be updated throughout the year subject to approval of the Group's Board of Directors. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Advances to related party in 2018 is not subject to the impairment requirements of PFRS 9 since this account is highly probable to be collected through offsetting of marketing expenses by the Group.

Liquidity Risk
Liquidity risk is the risk that the Group will not be able to meet is financial obligations as they fall due at a reasonable cost. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligations; or inability to generate cash inflows as anticipated.

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations in accordance with internal policies. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities through adequate credit limit and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the contractual cash maturities of financial liabilities:

2020	Carrying amount	Contractual cash flows	6 months or less	6-12 months	Over 1 year
Accounts payable*	₱238,302	₱238,302	₱238,302	₱-	₱-
Advances from related parties	74,705,071	74,705,071	-	74,705,071	-
	₱76,007,553	₱76,007,553	₱238,302	₱74,705,071	₱-

**Accounts payable exclude payable to government agencies*

2019	Carrying amount	Contractual cash flows	6 months or less	6-12 months	Over 1 year
Accounts payable*	₱52,694	₱52,694	₱52,694	₱-	₱-
Advances from related parties	73,930,569	73,930,569	73,930,569	-	-
	₱73,983,263	₱73,983,263	₱73,983,263	₱-	₱-

**Accounts payable exclude payable to government agencies*

It is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

Market Risk
Market risk is the risk that changes in market prices, such as foreign currency exchange rates that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group doesn't have any market risk exposure.

15. Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group sets strategies with the objective of establishing a sound capital structure. The Group defines capital as capital stock and deficit.

Management has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business, operation and industry.

The Group's debt to equity ratio as of December 31, 2020 and 2019 are as follows:

	2020	2019
Total liabilities	**₱84,536,357**	₱80,549,367
Total equity	**143,806,845**	153,952,083
Debt to equity ratio	**0.59:1**	0.52:1

The Group is not subject to externally imposed capital requirements.

16. Provision and Contingencies

On May 9, 2014, the trading of the Group's securities was suspended by the Philippine Stock Exchange (PSE). As of December 31, 2020 and 2019, the Group's market capitalization is ₱15,739,160,620.

In 2020 and 2019, the Group has recognized provisions for the accrual of penalties, interest and surcharges for the unfiled PSE and SEC reportorial requirements.

The Group is not aware of any pending or threatened litigation, other claims or assessments or unasserted claims of assessments that are required under PAS 37 of full PFRSs, to be accrued or disclosed in the consolidated financial statements except for the above mentioned.

The Group has complied with all aspects of contractual agreements that could have a material effect on the accounts in the event of non-compliance.

17. Non-Cash Transactions

Noncash is defined as information about all investing and financing activities of an enterprise during a period that affect recognized assets or liabilities but that do not result in cash receipts or cash payments in the period.

The non-cash transaction for the year 2020 and 2019 pertains advertising and promotions amounting to ₱6,066,636 and ₱6,066,631, respectively, as disclosed in Note 6.

18. Events after the Reporting Date

Corporate Recovery and Tax Incentives for Enterprises or "CREATE" Act

On February 1, 2021, the Bicameral Conference Committee, under the 18th Congress of the Philippines, ratified the Corporate Recovery and Tax Incentives for Enterprises (the CREATE bill). The CREATE bill seeks to reform corporate income taxes and rationalize fiscal incentives in the country by implementing certain changes to the current tax regulations. Under the bill, some changes will be implemented for periods beginning July 1, 2020.

On February 24, 2021, the final version of the CREATE bill was transmitted to the Office of the President for signing or approval into law. On March 26, 2021, the Office of the President approved the bill, now called Republic Act No. 11534 or CREATE Act. The CREATE Act will become effective 15 days after complete publication in the Official Gazette or any newspaper of general circulation in the Philippines.

Once applied, the CREATE Act will result in the reduction of the tax rate from 30% to 25%. Estimated impact on the Group's deferred taxes is nil as the management does not expect to realize benefit of its deferred tax assets in the near future.

Continuing Effects of COVID-19 Pandemic

On March 11, 2020, the World Health Organization assessed that the novel coronavirus of 2019 (COVID-19) has become a pandemic. In an effort to contain the spread of COVID-19 in the Philippines, the Government issued Presidential Proclamation No. 929 on March 16, 2020. The Proclamation declared a State of Calamity throughout the Philippines for a period of six months and imposed enhanced community quarantine (ECQ), among others. Subsequently, as measure to limit the spread of COVID-19 in the Philippines, community quarantines of varying strictness were imposed in numerous parts of the country.

In March 2021, following spike in the number of new COVID-19 cases, the Philippine Government has placed Metro Manila and other risk areas back to ECQ from March 29 to April 4, 2021 which was later extended to April 11, 2021.

These measures affected economic activities and business operations of the Group.

The scale and duration of these developments remain uncertain as of the report date. Considering the evolving nature of the pandemic, the Group will continue to monitor the situation.

Receivable from Related Party

On June 7, 2021, the ₱195,000,000 representing the receivable of Harbour Centre Port Holdings, Inc. from Sultan 900 Capital, Inc. as concurred in the Intercompany Agreement to carry on its business development activities and investment diversification strategy has been fully paid.

19. Prior Period Adjustment

The 2019 financial statements have been restated to reflect the following prior period adjustments:

a. Adjustment on accrued expenses to reflect additional professional fees for the month of December 2019.
b. Adjustment on the change of the proportion of the equity held by non-controlling interests.

	2020 *(As previously reported)*	Adjustment	January 1, 2020 *(As restated)*
Accrued expenses	(₱6,517,045)	(₱30,883)	(₱6,547,928)
Non-controlling interest	4,835,804	(4,835,804)	-

Accordingly, the financial statements and the related notes thereto impacted by the adjustments have been restated.

20. Supplementary Information Required by the Bureau of Internal Revenue (BIR)

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

RR NO. 15-2010

In compliance with the requirements of RR No. 15-2010 issued on November 25, 2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year ended December 31, 2020:

1. The amount of VAT Input taxes claimed

Details of Input VAT claimed during the period ended is as follows:

	2020
Balance, beginning of year	₱915,529
Current year's domestic purchases/payments	185,325
Balance, end of year/ period	₱1,100,854

2. Taxes and Licenses

The following is the details of taxes and licenses lodged in operating expense accounts:

	2020
Business permit	₱58,594
Documentary stamp tax	20,000
BIR registration fees	1,000
BIR registration fees	-
BIR tax clearance	100
	₱79,694

3. Withholding Taxes

The amount of withholding taxes paid/accrued for the year amounted to:

Expanded withholding taxes	₱7,500
Withholding tax on compensation	-
	₱7,500

4. Tax Assessments and Tax Cases

The Company has no outstanding tax assessments and tax cases as of December 31, 2020 in any court or bodies outside of the BIR.

RR No. 34-2020

BIR issued RR No. 34-2020, Prescribing the Guidelines and Procedures for the Submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending for this Purpose the Pertinent Provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010, to streamline the guidelines and procedures for the submission of BIR Form No. 1709, TPD and other supporting documents. Section 2 of the RR enumerated the taxpayers required to file and submit the RPT Form, together with the Annual Income Tax Return.

The Company is not covered under Section 2 of the RR 34-2020, hence the requirements and procedures for related party transactions provided under the said RR is not applicable.

BDO Roxas Cruz Tagle and Co.
Audit | Tax | Consulting | BSO

BOA/PRC Reg. No. 0005,
August 1, 2021, valid until March 17, 2024
SEC Accreditation No. 0005-SEC,
April 13, 2021, valid until April 12, 2024

2nd Floor Multinational Bancorporation Centre
6805 Ayala Avenue, Makati City 1226 Philippines
www.bdo-roxascruztagle.ph
Tel: + (632) 8844 2016
Fax: + (632) 8844 2045

INDEPENDENT AUDITOR'S SUPPLEMENTAL WRITTEN STATEMENT

The Shareholders and the Board of Directors
Globalport900, Inc. *(Formerly MIC Holdings, Inc.)* and Subsidiary
Unit 2701 One Corporate Centre
Julia Vargas Ave., cor. Meralco Ave.,
Ortigas Center, Pasig City

We have audited the consolidated financial statements of Globalport900, Inc. *(Formerly MIC Holdings, Inc.) and Subsidiary* ("the Group") as of and for the year ended December 31, 2020, on which we have rendered our report dated February 14, 2022.

In compliance with the Revised Securities Regulation Code (SRC) Rule 68, we are stating that the said Group has a total of sixty-one (61) stockholders owning one hundred (100) or more shares each.

ROXAS CRUZ TAGLE AND CO.

Christian S. Felismino

Christian Francis S. Felismino
Partner
CPA Certificate No. 0111361
Tax Identification No. 237-332-255
SEC Accreditation No. 111361-SEC, Group A, issued on February 4, 2020,
effective until February 3, 2023
BIR Accreditation No. 08-001682-016-2019, issued on November 5, 2019,
effective until November 4, 2022
PTR No. 8531375, issued on January 5, 2021, Makati City

February 14, 2022
Makati City

BOA/PRC Reg. No. 0005,
August 1, 2021, valid until March 17, 2024
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Fax: + (632) 8844 2045

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Shareholders and the Board of Directors
Globalport900, Inc. *(Formerly MIC Holdings, Inc.)* and Subsidiary
Unit 2701 One Corporate Centre
Julia Vargas Ave., cor. Meralco Ave.,
Ortigas Center, Pasig City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Globalport900, Inc. *(Formerly MIC Holdings, Inc.) and Subsidiary* ("the Group") as at and for the year ended December 31, 2020 and have issued our report thereon dated February 14, 2022. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Financial Statements and Supplementary Schedules in this AFS are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. Such schedules are the responsibility of management. The schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ROXAS CRUZ TAGLE AND CO.

Christian Francis S. Felismino
Partner
CPA Certificate No. 0111361
Tax Identification No. 237-332-255
SEC Accreditation No. 111361-SEC, Group A, issued on February 4, 2020,
effective until February 3, 2023
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effective until November 4, 2022
PTR No. 8531375, issued on January 5, 2021, Makati City

February 14, 2022
Makati City

GLOBALPORT900, INC.AND SUBSIDIARY
(Formerly MIC Holdings, Inc.)

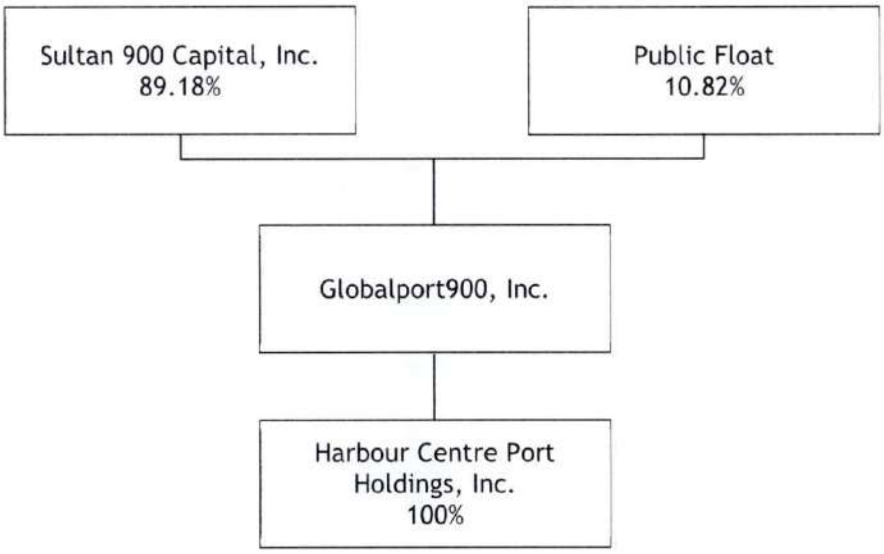
SCHEDULE II
SCHEDULE SHOWING FINANCIAL SOUNDNESS PURSUANT TO REVISED SRC RULE 68
AS AT DECEMBER 31, 2020

Ratio	Formula		As at 2020	2019
Liquidity Ratio:				
Current ratio	Total Current Assets divided by Total Current Liabilities		**2.39:1**	0.09:1
	Total Current Assets	202,446,139		
	Divide by: Total Current Liabilities	84,536,357		
	Current ratio	2.39		
Quick ratio	Quick Assets (Cash add Receivables - net) divided by Total Current Liabilities		**0.00:1**	0.01:1
	Quick Assets	273,649		
	Divide by: Total Current Liabilities	84,536,357		
	Quick ratio	0.00		
Solvency Ratio:				
Debt ratio / Debt-to asset ratio	Total Liabilities divided by Total Assets		**0.37:1**	0.34:1
	Total Liabilities	84,536,357		
	Divide by: Total Assets	228,343,202		
	Debt-to-asset ratio	0.37		
Debt-to-equity ratio	Total Liabilities divided by Total Equity		**0.59:1**	0.52:1
	Total Liabilities	84,536,357		
	Divide by: Total Equity	143,806,845		
	Debt-to-equity ratio	0.59		
Asset-to-equity ratio	Total assets divided by Total Equity		1.59:1	1.52:1
	Total Assets	228,343,202		
	Divide by: Total Equity	143,806,845		
	Asset-to-equity ratio	1.59		

Ratio	Formula		As at 2020	2019
Profitability Ratios:				
Return on assets	Net Loss divided by Average Total Assets (Total Assets as of December 31, 2020 add Total Assets as of December 31, 2019 divided by two)		(4.44%)	(6.00%)
	Net Loss	(10,145,238)		
	Divide by: Average Total Assets	231,422,326		
	Return on assets	(4.44%)		
Return on equity	Net Loss divided by Average Total Equity (Total Equity as of December 31, 2020 add Total Equity as of December 31, 2019 divided by two)		(6.81%)	(20.26%)
	Net Loss	(10,145,238)		
	Divide by: Ave. Total Equity	148,879,464		
	Return on equity	(6.81%)		

GLOBALPORT900, INC.AND SUBSIDIARY
(Formerly MIC Holdings, Inc.)

SCHEDULE III
A MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE GROUP AND ITS ULTIMATE PARENT COMPANY, MIDDLE PARENT AND ITS CO-SUBSIDIARIES PURSUANT TO REVISED SRC RULE 68
AS AT DECEMBER 31, 2020



GLOBALPORT900, INC.AND SUBSIDIARY
(Formerly MIC Holdings, Inc.)

SCHEDULE IV
SCHEDULE A
FINANCIAL ASSETS
DECEMBER 31, 2020

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received and accrued

NOT APPLICABLE

GLOBALPORT900, INC. AND SUBSIDIARY
(Formerly MIC Holdings, Inc.)

SCHEDULE B
AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2020

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts written off	Current	Not Current	Balance at end of period
Sultan 900 Capital Inc.	195,000,000	-	-	195,000,000	-	195,000,000

GLOBALPORT900, INC. AND SUBSIDIARY

(Formerly MIC Holdings, Inc.)

SCHEDULE C
AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOT APPLICABLE

GLOBALPORT900, INC. AND SUBSIDIARY
(Formerly MIC Holdings, Inc.)

SCHEDULE D
LONG TERM DEBT
DECEMBER 31, 2020

Name of issuer and type of obligation	Total outstanding balance	Amount shown under caption "Current portion of long-term debt"	Amount shown caption "Long-term Debt"
	NOT APPLICABLE		

GLOBALPORT900, INC. AND SUBSIDIARY
(Formerly MIC Holdings, Inc.)

SCHEDULE E
INDEBTNESS TO RELATED PARTIES (LONG-TERM LOANS AND FROM RELATED COMPANIES)
DECEMBER 31, 2020

Name of the Related Party	Balance at beginning of period	Balance at end of period
Stockholders	73,930,569	74,705,071

GLOBALPORT900, INC. AND SUBSIDIARY

(Formerly MIC Holdings, Inc.)

SCHEDULE F
GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2020

Name of the issuing entity of securities guaranteed by the Group for which the statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is lifted	Nature of guarantee
	NOT APPLICABLE			

GLOBALPORT900, INC. AND SUBSIDIARY

(Formerly MIC Holdings, Inc.)

SCHEDULE G
CAPITAL STOCK
DECEMBER 31, 2020

Title of Issue	Number of Shares Authorized	Number of shares issued and outstanding as shown under related financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common	3,000,000,000	2,335,000,000	-	2,229,499,500	900	105,499,600