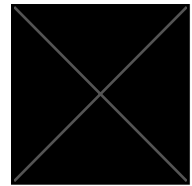




SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines

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The following document has been received:

Receiving: Aldrin Pagal

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Company Information

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Industry Classification: J66940

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Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholder of
BTF Holdings Inc.
9th Floor, Ramon Cojuangco Building
Makati Avenue, Makati City

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BTF Holdings Inc. (the "Company") as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

What we have audited

The financial statements of the Company comprise:

- the statements financial position as at December 31, 2022 and 2021;
- the statements of total comprehensive income for the years ended December 31, 2022 and 2021;
- the statements of changes in equity for the years ended December 31, 2022 and 2021;
- the statements of cash flows for the years ended December 31, 2022 and 2021; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

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

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Isla Lipana & Co.

Independent Auditor's Report
To the Board of Directors and Shareholder of
BTF Holdings Inc.
Page 2

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Isla Lipana & Co.

Independent Auditor's Report
To the Board of Directors and Shareholder of
BTF Holdings Inc.
Page 3

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.



Isla Lipana & Co.

Independent Auditor's Report
To the Board of Directors and Shareholder of
BTF Holdings Inc.
Page 4

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Bureau of Internal Revenue (BIR) Revenue Regulations (RR) Nos. 15-2010 and 34-2020 in Note 10 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 supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.



Dexter DJ V. Toledaña
Partner

CPA Cert. No. [REDACTED]

P.T.R. No. [REDACTED] issued on January 9, 2023 at Makati City

SEC A.N. (individual) as general auditors [REDACTED] SEC, Category A;

valid to audit 2022 to 2026 financial statements

SEC A.N. (firm) as general auditors [REDACTED] SEC, Category A;

valid to audit 2020 to 2024 financial statements

T.I.N. [REDACTED]

BIR A.N. [REDACTED], issued on January 30, 2023; effective until January 29, 2026

BOA/PRC Reg. No. [REDACTED] effective until November 14, 2025

Makati City
March 10, 2023



Isla Lipana & Co.


Statements Required by Rule 68
Securities Regulation Code (SRC)


To the Board of Directors and Shareholder of
BTF Holdings Inc.
9th Floor, Ramon Cojuangco Building
Makati Avenue, Makati City

We have audited the financial statements of BTF Holdings Inc. (the "Company") as at and for the year ended December 31, 2022, on which we have rendered the attached report dated March 10, 2023.


In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of our work performed, as at December 31, 2022, the said Company has one (1) shareholder owning one hundred (100) or more shares.

Isla Lipana & Co.



Dexter DJ V. Toledaña
Partner

CPA Cert. No. 

P.T.R. No.  issued on January 9, 2023 at Makati City


SEC A.N. (individual) as general auditors  Category A;

valid to audit 2022 to 2026 financial statements

SEC A.N. (firm) as general auditors -SEC, Category A;

valid to audit 2020 to 2024 financial statements

T.I.N. 

BIR A.N. , issued on January 30, 2023; effective until January 29, 2026

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

Makati City
March 10, 2023

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BTF Holdings, Inc.

Statements of Financial Position
As at December 31, 2022 and 2021
(All amounts are in Philippine Pesos)

	Notes	2022	2021
ASSETS			
CURRENT ASSETS			
Cash in banks	2	97,462,913	87,922,111
Receivables and other current assets	4	2,516,320	2,498,440
Total current assets		99,979,233	90,420,551
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income	3	150,000,000	150,000,000
Total assets		249,979,233	240,420,551
LIABILITY AND EQUITY			
CURRENT LIABILITY			
Accrued expenses		38,950	141,750
EQUITY			
Share capital	6	151,500,000	151,500,000
Retained earnings		98,440,283	88,778,801
Total equity		249,940,283	240,278,801
Total liability and equity		249,979,233	240,420,551

(The notes on pages 1 to 11 are an integral part of these financial statements)

BTF Holdings, Inc.

Statements of Total Comprehensive Income
For the Years Ended December 31, 2022 and 2021
(All amounts are in Philippine Pesos)

	Notes	2022	2021
INCOME			
Dividend	3	9,750,000	9,750,000
Interest	2	58,359	95,850
		9,808,359	9,845,850
EXPENSES			
Taxes and licenses		87,159	87,184
Professional fees		46,200	44,000
Others		1,846	1,672
		135,205	132,856
INCOME BEFORE INCOME TAX		9,673,154	9,712,994
PROVISION FOR INCOME TAX	5	11,672	19,170
NET INCOME		9,661,482	9,693,824
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		9,661,482	9,693,824

(The notes on pages 1 to 11 are an integral part of these financial statements)

BTF Holdings, Inc.

Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021
(All amounts are in Philippine Pesos)

	Share Capital (Note 6)	Retained Earnings	Total
Balances as at January 1, 2021	151,500,000	79,084,977	230,584,977
Total Comprehensive income			
Net income	-	9,693,824	9,693,824
Other comprehensive income	-	-	-
Total comprehensive income	-	9,693,824	9,693,824
Balances as at December 31, 2021	151,500,000	88,778,801	240,278,801
Total Comprehensive income			
Net income	-	9,661,482	9,661,482
Other comprehensive income	-	-	-
Total comprehensive income	-	9,661,482	9,661,482
Balances as at December 31, 2022	151,500,000	98,440,283	249,940,283

(The notes on pages 1 to 11 are an integral part of these financial statements)

BTF Holdings, Inc.

Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021
(All amounts are in Philippine Pesos)

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		9,673,154	9,712,994
Adjustments for:			
Dividend income	3	(9,750,000)	(9,750,000)
Interest income	2	(58,359)	(95,850)
Operating income before working capital changes		(135,205)	(132,856)
Changes in working capital:			
Increase in receivables and other current assets		(17,880)	(5,070)
Increase (decrease) in accrued expenses		(102,800)	1,750
Net cash flows used in operating activities		(255,885)	(136,176)
Dividends received	3	9,750,000	9,750,000
Interest received from bank deposits	2	58,359	95,850
Final taxes paid	5	(11,672)	(19,170)
Net cash flows generated from operating activities		9,540,802	9,690,504
CASH IN BANKS	2		
January 1		87,922,111	78,231,607
December 31		97,462,913	87,922,111

(The notes on pages 1 to 11 are an integral part of these financial statements)

BTF Holdings, Inc.

Notes to the Financial Statements

As at and for the years ended December 31, 2022 and 2021

(In the notes, all amounts are shown in Philippine Pesos, unless otherwise stated)

Note 1 - General information

BTF Holdings, Inc. (the “Company”) is a wholly owned subsidiary of the Board of Trustees for the account of the Beneficial Trust Fund Created Pursuant to the Benefit Plan of PLDT Inc. (the “Plan” or the “Parent Company”). The Company was incorporated and registered with the Securities and Exchange Commission (SEC) on October 12, 2012, primarily to purchase, own, invest in or acquire the shares of stock, bonds, bills, warrants and other negotiable instruments, securities or evidences of indebtedness of any other corporation and to own, hold and dispose the same, without engaging in the business of or acting as an investment company or as a securities broker or dealer.

The Company’s principal place of business is at 9th Floor Ramon Cojuangco Building, Makati Avenue, Makati City.

These financial statements have been approved and authorized for issuance by the Board of Directors on March 10, 2023.

Note 2 - Cash in banks

As at December 31, 2022, the Company has cash in banks amounting to P97,462,913 (2021 - P 87,922,111) with annual interest rates of 0.25% to 0.625%.

Interest earned from cash in banks for the year ended December 31, 2022 amounts to P58,359 (2021 - P95,850) as presented in the statement of total comprehensive income.

Note 3 - Financial assets at fair value through other comprehensive income

In 2012, the Company purchased voting preferred shares of PLDT Inc. (formerly “Philippine Long Distance Telephone Company”) amounting to P150,000,000. This carrying amount approximates the fair value of investment as at December 31, 2022 and 2021.

In 2022, the Board of Directors of PLDT Inc. declared total cash dividends amounting to P9,750,000 (2021 - P9,750,000) on all of the outstanding shares of voting preferred stocks held by the Company.

Note 4 - Receivables and other current assets

This account as at December 31 consists of:

	2022	2021
Dividend receivable	2,437,500	2,437,500
Input VAT	75,119	57,239
Advances to third party	3,701	3,701
	2,516,320	2,498,440

Note 5 - Income taxes

Income taxes shown in the statements of total comprehensive income represent final tax paid on interest income.

The reconciliation between the provision for income tax at the applicable statutory tax rate and the actual provision for income tax for the years ended December 31 are as follows:

	2022	2021
Income before income tax	9,673,154	9,712,994
Statutory income tax at 25%	2,418,289	2,428,249
Effect of items not subject to statutory tax rate		
Non-taxable income	(2,437,500)	(2,437,500)
Unrecognized Net Operating Loss Carry-Over (NOLCO)	33,801	33,214
Interest income subject to final tax	(2,918)	(4,793)
Actual provision for income tax	11,672	19,170

No deferred income tax (DIT) asset was recognized for NOLCO as management believes that no sufficient future taxable profits will be available against which the NOLCO can be used.

Details of the Company's NOLCO that can be claimed as deduction from future taxable income and the related unrecognized DIT assets are as follows:

Year	Year of expiry	2022	2021
2022	2025	135,205	-
2021	2026	132,856	132,856
2020	2025	132,552	132,552
2019	2022	-	131,715
		400,613	397,123
Tax rate		25%	25%
Unrecognized DIT asset		100,153	99,281

The NOLCO incurred in 2019 amounting to P131,715 has expired in 2022.

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020, Rules and Regulations Implementing Section 4 (bbbb) of Republic Act No. 11494 (Bayanihan to Recover as One Act) relative to NOLCO under Section 34 (D)(3) of the National Internal Revenue Code, as amended, allowing qualified businesses or enterprises which incurred net operating loss for taxable years 2020 and 2021 to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

Note 6 - Share capital

Details on the Company's share capital as at December 31, 2022 and 2021 consist of:

	Amount
Authorized capital, consisting of 300,000,000 shares at P1 par value per share	300,000,000
Issued and outstanding, 151,500,000 shares	151,500,000

Note 7 - Critical accounting estimates, assumptions and judgments

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

7.1 Critical accounting estimates and assumptions

There are no critical accounting estimates applied in the preparation of the Company's financial statements.

7.2 Critical judgments in applying the Company's accounting policies

(a) Fair valuation of financial assets

The fair value of financial instruments not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of appropriate methods and make assumptions that are mainly based on market conditions existing at each reporting date. For investments in preferred shares, the Company evaluates the rights and characteristics of the preferred shares such as dividend rate, expected yield, voting rights, right to payment of arrears of dividends, and entitlement to surplus income or assets. Management assessed that the carrying amount of its investments in preferred shares is a reasonable approximation of the fair value due to limited rights of the preference shares and the expected yield does not differ substantially from the dividend rate. Financial assets at fair value through other comprehensive income (FVOCI) as at December 31, 2022 and 2021 amounted to P150,000,000 (Note 3).

(b) Non-recognition of DIT assets

Management reviews at each reporting date the carrying amount of DIT assets. As discussed in Note 5, the Company has not recognized the future tax benefits on NOLCO as management expects that it is no longer probable that sufficient taxable profit will be available against which the related DIT assets can be utilized.

Note 8 - Financial risk and capital management

8.1 Financial risk

Credit risk

The Company's credit risk exposure arises from its Cash in banks and Receivables and other current assets (excluding Input VAT) as shown in the statements of financial position. Counterparties are of good credit standing and with no history of default. Credit rating of the Company's depository banks is from BBB- to BB+. All financial assets are considered fully performing as at reporting date. Hence, the credit risk on the Company's financial assets is considered to be low.

Liquidity risk

As at reporting date, the Company is exposed to liquidity risk mainly arising from Accrued expenses. This liability to third party represents unpaid professional fees, which is normally settled within the next three months. Considering the level of the Company's current assets, liquidity risk is assessed to be low.

Market risk

The Company has insignificant exposure to market risk and price risk due to its limited operations as at reporting date.

Fair value measurement

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

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

The Company's investment in shares of stocks measured at fair value amounting to P150,000,000 as at December 31, 2022 and 2021 is classified as Level 2. There are no other financial instruments measured at fair value that fall under the Level 1 and Level 3 categories as at reporting date.

Other financial instruments as at December 31, 2022 and 2021 consists only of cash in banks, receivables and other current assets, and accrued expenses which are all carried at amounts approximating their fair value due to their short-term nature.

8.2 Capital management

The Company's objectives when managing capital (total equity as shown in the statement of financial position) are to safeguard the Company's ability to continue as a going concern, so that it can provide returns to its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its shareholder, return capital to its shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements on the Company.

No changes were made in the objectives, policies or processes of the Company pertaining to capital management during the years ended December 31, 2022 and 2021.

Note 9 - Summary of significant accounting policies

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

9.1 Basis of preparation

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

The financial statements of the Company have been prepared under the historical cost convention except for Financial assets at FVOCI which are carried at fair value.

The preparation of these financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

9.1.1 Exemption from PFRS for Small and Medium-sized entities

The FRSC and the SEC have adopted PFRS for Small and Medium-sized Entities (SMEs) which is applicable to all qualified SMEs effective for annual periods beginning on or after January 1, 2010. For Philippine financial reporting purposes, PFRS for SMEs shall cover corporations that:

- (a) Have total assets of between P3 million and P350 million or total liabilities of between P3 million and P250 million based on the entity's audited financial statements in prior year;
- (b) Are not required to file financial statements under Part I of the Securities Regulation Code (SRC) Rule 68 (unlisted and non-public entities);
- (c) Are not in the process of filing financial statements for the purpose of issuing any class of instruments in a public market;
- (d) Are not holders of secondary licenses issued by a regulatory agency such as banks, investment houses, finance companies, securities broker/dealers, mutual funds and pre-need companies; and
- (e) Not public utilities.

Based on the total assets and total liabilities of the Company in prior year, it is qualified as an SME.

The SEC issued a Notice on October 11, 2010 allowing SMEs exemption from the mandatory adoption of PFRS for SMEs if any of the criteria indicated in the Notice is met by the SME. Based on the exemption criteria, the Company elected for such an exemption as it is a subsidiary of a parent company reporting under full PFRS.

9.1.2 New standards, interpretations and amendments to published standards

(a) *New standards, interpretations and amendments to published standards adopted*

The Company has adopted the following amendment to standards effective January 1, 2022.

- *Annual Improvements to PFRS Standards 2018-2020*

The following improvements were finalized in May 2020:

- i. PFRS 9, "Financial Instruments", clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- ii. PFRS 16, "Leases", amendment to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

The adoption of the above amendment to standards did not have a material impact on the Company's financial statements.

There are no other new standards, interpretations and amendments effective January 1, 2022 that are considered to be relevant or have a material impact on the Company's financial statements.

(b) *New standards, interpretations and amendments to published standards not yet effective and not early adopted by the Company*

The following amendments to existing standards are not mandatory for the December 31, 2022 reporting period and have not been early adopted by the Company:

- *Amendments to PAS 1, 'Presentation of Financial Statements'*

The amendments to PAS 1 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

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

The amendments to PAS 1 require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the PFRS Practice Statement 2, *Making Materiality Judgements* has also been amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

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

The amendment to PAS 8 Accounting Policies clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The adoption of the above amendments is not expected to have a material impact on the financial statements of the Company.

There are no other standards or interpretations that are effective subsequent to January 1, 2022 that would have a material impact on the Company's financial statements.

9.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Philippine Peso, which is the Company's functional currency. The Company is not engaged in transactions denominated in currencies other than the Philippine Peso as at and for the years ended December 31, 2022 and 2021.

9.3 Cash in banks

Cash in banks include deposits held in banks. They are carried in the statement of financial position at face amount or at nominal amount.

9.4 Financial assets

9.4.1 Classification and measurement

The Company classifies its financial assets in the following measurement categories: at fair value through profit or loss (FVTPL), FVOCI and at amortized cost. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at FVTPL, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, even on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss when the Company's right to receive payments is established.

As at December 31, 2022 and 2021, the Company measures its equity instruments at FVOCI.

Financial assets at amortized cost

These are the Company's assets that are held for collection of contractual cash flows, which represent solely payments of principal and interest, and are subsequently measured at amortized cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/losses together with foreign exchange gains and losses, if any. Impairment losses are presented as a separate line item in the statement of total comprehensive income. There is no impairment loss for the years ended December 31, 2022 and 2021.

These are included in current assets, except for maturities greater than 12 months after the reporting date which are presented as non-current assets. Financial assets measured at amortized cost comprise cash in banks and Receivables and other current assets in the statement of financial position.

9.4.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

9.4.3 Impairment financial assets

The expected credit loss (ECL) model requires an ongoing measurement of credit risk associated with financial assets and therefore recognizes ECLs earlier than under the prior "incurred loss" accounting model. The ECL model applies to financial assets measured at amortized cost and debt securities at FVOCI, but not to investments in equity securities.

The Company assesses on a forward-looking basis the ECL associated with its financial assets carried at amortized cost. At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

As at December 31, 2022 and 2021, no impairment loss is needed to be recognized for the Company's financial assets.

9.5 Financial liabilities

9.5.1 Classification

The Company's financial liabilities are all carried at amortized cost. Financial liabilities as at reporting date include accrued expenses.

There are no financial liabilities categorized at FVTPL.

9.5.2 Initial recognition and subsequent measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. These are recognized initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method.

9.5.3 Derecognition

Financial liabilities are derecognized when extinguished, i.e., when the obligation is discharged or is 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 profit or loss.

9.6 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

As at December 31, 2022 and 2021, there are no financial assets and liabilities that have been offset.

9.7 Revenue and expense recognition

(a) Dividend income

Dividend income is recognized when the right to receive payment is established.

(b) Interest income and expense

Interest income and expense are recognized for all interest-bearing financial instruments using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount future cash flows for the purpose of measuring impairment loss.

(c) Other expenses

Other expenses are recognized in the period they are incurred.

9.8 Taxation

9.8.1 Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

9.8.2 Deferred income tax

DIT is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The DIT is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss. DIT is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related DIT asset is realized or the DIT liability is settled.

DIT assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net of operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses, and tax credits can be utilized.

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

DIT liabilities are recognized in full for all taxable temporary differences, except to the extent that the DIT liability arises from the initial recognition of goodwill.

DIT assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against tax liabilities and when the DIT assets and liabilities relate to income taxes levied by the same taxation authority and where there is an intention to settle the balance on a net basis.

9.9 Share capital

Share capital consisting of common shares is classified as equity.

9.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated.

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

Provisions are reviewed at each reporting date and adjusted to reflect management's current best estimate.

9.11 Contingencies

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

9.12 Related party relationships and transactions

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

9.13 Events after the reporting date

Post year-end events that provide additional information about the Company's 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.

Note 10 - Supplementary information required by the Bureau of Internal Revenue

The following information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

10.1 Revenue Regulations No. 15-2010

On December 28, 2010, RR No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the notes to financial statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRSs.

Below is the additional information required by RR No. 15-2010:

(i) Input taxes

Input taxes of P17,880 pertain to VAT paid in connection with professional fees.

(ii) All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2022 consist of:

	Amount
Business permit	82,222
Others	4,937
	87,159

(iii) Tax cases and assessments

As at December 31, 2022, the Company has no tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.

As at reporting date, taxable years 2021, 2020, and 2019 remain open. All other information prescribed to be disclosed by the BIR has been included in this note.

10.2 Revenue Regulations No. 34-2020

On December 18, 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 by providing safe harbors and materiality thresholds. Section 2 of the RR provides the list of taxpayers that are required to file and submit the RPT Form, together with the Annual Income Tax Return.

The Company is not covered by the requirements and procedures for related party transactions provided under this RR as it does not meet any criteria of taxpayers prescribed in Section 2 of the RR.

BTF HOLDINGS, INC

12th Floor Ramon Cojuangco Building, Makati Avenue, Makati City 0721

March 10, 2023

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The management of **BTF HOLDINGS, INC.** (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



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

Isla Lipana & Co., the independent auditor, appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.





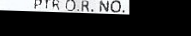


Albert F. Del Rosario
Chairman


Ray C. Espinosa
Director

SUBSCRIBED AND SWORN to before me this _____ day of APR 14 2023 2023 affiants exhibiting to me their Passports, as follows:

Name	Passport No.	Date of Expiry	Place of Issue
Albert F. Del Rosario		December 6, 2030	DFA Manila
Ray C. Espinosa		August 11, 2031	DFA Manila

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Book No. XL
Series of 2023


ALEX AARON A. RIOS
Notary Public for the City of Makati
Until December 31, 2023
Appointment No. 
Roll of Attorneys No. 
IBP Lifetime No. 
PTR O.R. NO.  02/16/16
07/05/2023 Makati City
, Makati City, MM

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Hi BTF HOLDINGS INC,

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Transaction Code: **AFS-0-JC7G9H8033V1VYZ3QTP1W2Y308L59EGB7**

Submission Date/Time: **May 01, 2023 01:52 PM**

Company TIN: **008-395-217**

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