THIS PRELIMINARY PROSPECTUS AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT WITHOUT NOTICE. THE OFFER SHARES MAY NOT BE SOLD NOR MAY AN OFFER TO BUY BE ACCEPTED PRIOR TO THE TIME THAT THE PRELIMINARY PROSPECTUS IS ISSUED IN FINAL FORM. UNDER NO CIRCUMSTANCES SHALL THIS PRELIMINARY PROSPECTUS CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OFFER SHARES NOR SHALL THERE BE ANY OFFER SOLICITATION OR SALE OF THE OFFER SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH JURISDICTION.

PRELIMINARY PROSPECTUS DATED AS OF APRIL 19, 2021

ASIAN MERGERS AND ACQUISITION LINKS INC.

(incorporated in the Republic of the Philippines)

Primary Offer of up to 130,001,000 Common Shares
At an Offer price of up to ₱2.00 per share

To be listed and traded on the Small, Medium and Emerging (SME) Board of the
The Philippine Stock Exchange, Inc.

Underwriter and Issue Manager

INVESTMENT & CAPITAL CORPORATION OF THE PHILIPPINES

The date of this Preliminary Prospectus is April 19, 2021.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PRELIMINARY PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

ASIAN MERGERS AND ACQUISITION LINKS INC.
Unit 8, 3rd Floor, Bonifacio Technology Center
31st Street corner 2nd Avenue, Crescent Park West
BGC, Taguig 1634, Metro Manila

Telephone No. +632 88651069
Website: https://www.asian-ma.com/

This Prospectus (the "Prospectus") relates to the offer and sale to the public of up to 130,001,000 primary common shares (the "Offer Shares"), each common share with a par value of Ten Centavos (₱0.10) per share (the "Shares"), of ASIAN MERGERS AND ACQUISITION LINKS INC. ("AMAL", the "Company" or "Issuer"), a corporation organized and existing under Philippine laws. The offer of the Offer Shares is referred to herein as the "Offer."

Pursuant to its Amended Articles of Incorporation, as approved by the stockholders and Board of Directors on December 11, 2020 and approved by the Philippine Securities and Exchange Commission (the "SEC") on 28 December 2020, AMAL has an authorized capital stock of One Hundred Million Pesos (₱100,000,000.00) divided into One Billion (1,000,000,000) common shares, of which 390,000,020 common shares are issued and outstanding as of the date of this Prospectus.

The Offer Shares shall be offered at a price of up to ₱2.00 per Share (the "Offer Price"). The determination of the Offer Price is described on page 59 of this Prospectus and was based on a book-building process and discussion between AMAL and Investment & Capital Corporation of the Philippines ("ICCP" or the "Underwriter"). ICCP shall serve as the Sole Issue Manager and Sole Underwriter for the Offer.

The Offer Shares will be listed and traded on the Small, Medium and Emerging (SME) Board of The Philippine Stock Exchange, Inc. (the "PSE") under the trading symbol AMAL.

Upon completion of the Offer, a total of 520,001,020 will be issued and outstanding. The Offer Shares will represent 25.0% of the issued and outstanding capital stock of AMAL after the Offer.

The total gross proceeds to be raised by AMAL from the sale of the shares is estimated to be up to ₱260 Million. The net proceeds from the Offer is expected to be ₱245 Million, after deduction of fees and expenses. The Company intends to use the net proceeds from the Offer Shares for (i) the establishment of a subsidiary in Singapore, (ii) establishment of a subsidiary in Indonesia, (iii) additional investments in the Philippines, (iv) additional investment in Thailand Affiliate, (v) additional investment in Vietnam Subsidiary, (vi) additional investment in Malaysian Subsidiary, and (vii) establishment of a subsidiary engaged in the lending business in the Philippines. For a detailed discussion on the use of proceeds, please refer to page 49 on the "Use of Proceeds."

The Underwriter will receive an issue management, underwriting and selling fee from AMAL based on the gross proceeds from the sale of the Offer Shares. The said fee includes the amounts to be paid to selling agents, if any and where applicable, as well as the commissions and fees to be paid to the trading participants of the PSE ("PSE Trading Participants"). For a detailed discussion on the underwriting fees, please refer to the section on "Plan of Distribution" on page 175.

Up to 26,000,200 Offer Shares (or 20% of the Offer Shares) are being offered in the Philippines through the PSE Trading Participants and up to 13,000,100 (or 10% of the Offer Shares) are being offered in the Philippines to local small investors ("LSI") under the Local Small Investors Program (subject to re-allocation as described below) (such shares, the “Trading Participants and Retail Offer Shares”, and such offer of Trading Participants and Retail Offer Shares, the “Trading Participants and Retail Offer”).

At least 91,000,700 Offer Shares, or 70% of the Offer Shares (the “Institutional Offer Shares”), are being offered to certain qualified buyers and other investors in the Philippines, by the Underwriter.

The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between AMAL and the Underwriter. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Offer Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and if there is a corresponding over-application in the Institutional Offer, Offer Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.

ICCP will underwrite, on a firm commitment basis, the entire Offer. For a detailed discussion on the underwriting commitment, please refer to the section on “Plan of Distribution” on page 175.

All of the Offer Shares have identical rights and privileges to the issued and outstanding Shares of the Company. For a detailed discussion of the rights and features of the shares of stock of AMAL, including the Offer Shares, please refer to the section on “Description of the Securities” on page 135. The ability of AMAL to pay dividends will depend on its retained earnings level and financial condition. There is no assurance that the Company will pay dividends in the future.

AMAL’s Board of Directors may declare dividends, but any stock dividends must be approved by its shareholders holding at least two-thirds of the total outstanding capital stock of AMAL. For further discussion, please refer to the section on “Dividends and Dividend Policy” beginning on page 54 of this Prospectus.

The Company filed a Registration Statement with the SEC on [●], 2021 in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799, the “SRC”) for the registration of all the issued and outstanding Shares of AMAL and the Offer Shares. On [●], 2021, the SEC approved the Registration Statement and issued a Pre-Effective Letter. Upon compliance with the requirements of the Pre-Effective Letter, AMAL expects the SEC to issue the Order of Registration of Securities and Certificate of Permit to Offer Securities for Sale.

The listing of the Offer Shares is subject to the approval of the PSE. On [●], 2021, AMAL filed its application for the listing and trading of the issued and outstanding common shares of AMAL and the Offer Shares. On [●], 2021, the PSE Board approved the listing application subject to compliance with certain conditions. The PSE’s approval of the listing is merely permissive and does not constitute a recommendation or endorsement of the Offer by the PSE.

The Offer Shares may be subscribed and owned by any person or entity regardless of citizenship or nationality, subject to the nationality limits under Philippine law. The Philippine Constitution and related statutes set forth restrictions on foreign ownership for companies engaged in certain activities. In particular, if and to the extent that AMAL acquires land in the Philippines, foreign ownership in its capital stock will be limited to a maximum of 40% of its issued and outstanding capital stock. At present, the Company does not own land and has complied with the paid-up capital requirements of the Foreign Investments Act of 1991 (Republic Act No. 7042) for domestic market enterprises with foreign participation. At present, the Company is not subject to any foreign ownership limits or restrictions. For further discussion, please refer to the section on “Regulatory Matters” on page 119.

The Company reserves the right to withdraw the offer and sale of the Offer Shares at any time, and the Underwriter reserves the right to reject any commitment to subscribe for the Offer Shares in whole or in part and to allot to any prospective subscriber less than the full amount of the Offer Shares sought by such subscriber. If the Offer is withdrawn or discontinued, AMAL shall make the necessary disclosures to the SEC and the PSE.

The information contained in this Prospectus relating to AMAL and its operations has been supplied by the Company, unless otherwise stated herein. AMAL confirms that, as of the date of this Prospectus, the information contained herein relating to the Company and its operations, which are in the context of the Offer (including all material information required by the applicable laws of the Republic of the Philippines), is true and that there is no material misstatement or omission of facts which would make any statement in this Prospectus misleading in any material respect and that AMAL hereby accepts full and sole responsibility for the accuracy of the information contained in this Prospectus with respect to the same. AMAL confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants or which is otherwise publicly available for inclusion into this Prospectus. The Company, however, has not independently verified any such publicly available information, data or analysis. The Underwriter assumes no liability for any information supplied by AMAL in relation to this Prospectus.

Moreover, market data and certain industry data used throughout this Prospectus were obtained from market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified, and AMAL nor the Underwriter does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

AMAL and the Underwriter have exercised due diligence in ascertaining that all material representations contained in this Prospectus and any amendments and supplements are true and correct, and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading. The Underwriter assumes no liability for any information supplied by the Company in relation to this Prospectus.

No person has been or is authorized to give any information or to make any representation concerning AMAL or its affiliates or the Offer Shares, which is not contained in this Prospectus and any information or representation not so contained herein must not be relied upon as having been authorized by AMAL, the Underwriter, or any of their respective affiliates and subsidiaries.

Unless otherwise indicated, all information in this Prospectus is as of the date of this Prospectus. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstance, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of AMAL since such date.

The contents of this Prospectus do not represent investment, legal, or tax advice. In making any investment decision regarding the Offer Shares, prospective investors must rely on their own examination of AMAL and the terms of the Offer, including, without limitation, the merits and risks involved, such prospective investor's own determination of the suitability of any such investment with particular reference to his/its own investment objectives and experience, and any other factors which may be relevant to him/it in connection with such investment. Neither the Company nor the Underwriter makes any representation to any prospective purchaser regarding the legality of participating in the Offer under any law or regulation. Each person should be aware that it may be required to bear the financial risks of any participation in the Offering for an indefinite period of time. Prospective investors should consult their own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Offer Shares, among others.

For a more detailed discussion on the risks in investing, see section on "Risk Factors" on page 30 of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the Offer Shares. The Offer Shares are offered solely on the basis of the information contained and the representations made in this Prospectus.

The PSE assumes no responsibility for the correctness of any statements made or opinions expressed in this Prospectus. The PSE makes no representation as to its completeness and expressly disclaims any liability whatsoever for any loss arising from reliance on the entire or any part of this Prospectus. An application has been made with the Philippine SEC to register the sale and offer of the Offer Shares under the provisions of the SRC.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OF COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN ARE TRUE AND CORRECT.

ASIAN MERGERS AND ACQUISITION LINKS INC.

By:

HIDEKI TANIFUJI
Chairman and President

SHAELA MAE CLAVERIA
Treasurer

CHRISTINE JOY DAVID
Corporate Secretary

Before me, a notary public in and for the city of TAGUIG CITY personally appeared the following, who were identified by me through their competent evidence of identity, known to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument:

Name	Competent Evidence of Identity
Hideki Tanifuji	TIN 465-426-905-000
Shaela Mae Claveria	TIN 323-845-066-000
Christine Joy David	TIN 315-617-712-000

Witness my hand and seal this APR 16 2021 day of ____ 2021 at TAGUIG CITY.

Doc. No. 108
Page No. 22;
Book No. 33
Series of 2021.

ATTY. EDUARDO P. BAROT
Notary Public for Taguig, Roll No. 36248
Commision No. 3 Until December 31, 2022
PTR No. 4578428/01.04.21/Mandaluyong City
IBP Lifetime Member No. 013895/06.02.15/ RSM
MCLE Compliance No. VI-0007875 /04.14.22/
3/F Bonifacio Technology Center 31st Street
Corner 2nd Avenue Crescent Park West
Global City Taguig City, Philippines

The Offer Shares are offered subject to receipt and acceptance of any order by AMAL and subject to AMAL's right to reject any order in whole or in part in consultation with ICCP. It is expected that the Offer Shares will be delivered in book-entry form against payment thereof to the Philippine Depository and Trust Corporation (the "PDTC") on or about [●], 2021.

No representation or warranty, express or implied, is made by AMAL or the Underwriter regarding the legality of an investment in the Offer Shares under any legal, investment, or similar laws or regulations. No representation or warranty, express or implied, is made by the Underwriter as to the accuracy or completeness of the information herein and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Underwriter.

THE OFFER SHARES ARE BEING OFFERED IN THE PHILIPPINES ON THE BASIS OF THIS PROSPECTUS ONLY. ANY DECISION TO PURCHASE THE OFFER SHARES IN THE PHILIPPINES MUST BE BASED ONLY ON THE INFORMATION CONTAINED HEREIN.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to purchase any securities other than the Offer Shares or an offer to sell or the solicitation of an offer to purchase such securities by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor any sale of the Offer Shares offered hereby shall, under any circumstances, create any implication that there has been no change in AMAL's affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. AMAL and the Underwriter require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Each prospective purchaser of the Offer Shares must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or resells the Offer Shares or possesses and distributes this Prospectus and must obtain any consents, approvals or permissions required for the purchase, offer, sale or resale by it of the Offer Shares under the laws, rules and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or resales, and neither the Underwriter nor AMAL shall have any responsibility therefor.

Each offeree of the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing.

BASIS FOR CERTAIN MARKET DATA

Market data and certain industry data used throughout this Prospectus were obtained from market research, publicly available information, industry publications and on AMAL's own analysis and knowledge of the markets for its services. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither AMAL nor ICCP makes any representation or warranty, express or implied, as to the accuracy or completeness of such information. Information in this Prospectus on the financial services industry in the Philippines, Japan and Southeast Asia is from independent market research carried out by AMAL and the Underwriter but should not be relied upon in making, or refraining from making, any investment decision.

The operating information used throughout this Prospectus has been calculated by AMAL on the basis of certain assumptions. As a result, this operating information may not be comparable to similar operating information reported by other companies.

See the section entitled "Industry Overview" on page 81 of this Prospectus for information relating to the industry in which AMAL operates.

CONVENTIONS USED IN THIS PROSPECTUS

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to the "Company," the "Issuer," or "AMAL" collectively are references to ASIAN MERGERS AND ACQUISITION LINKS INC.. All references to the "BSP" are references to Bangko Sentral ng Pilipinas, the central bank of the Philippines. All references to the "Government" are references to the government of the Republic of the Philippines. All references to "United States" or "U.S." are to the United States of America. All references to "Philippine Pesos" and "₱" are to the lawful currency of the Philippines, and all references to "U.S. dollars" or "US$" are to the lawful currency of the United States. Certain terms used herein are defined in the "Glossary" contained elsewhere in this Prospectus.

PRESENTATION OF FINANCIAL INFORMATION

AMAL's financial statements are reported in Philippine Pesos and are prepared based on its accounting policies, which are in accordance with the Philippine Financial Reporting Standards ("PFRS") issued by the Financial Reporting Standards Council of the Philippines.

The financial information included in this Prospectus have been derived from AMAL's financial statements. Unless otherwise indicated, financial information relating to AMAL in this Prospectus is stated in accordance with PFRS.

Figures in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same item of information may vary, and figures which are totals may not be arithmetic aggregates of their components.

AMAL's fiscal year begins on January 1 and ends on December 31 of each year. Reyes Tacandong & Co. ("RTC"), has audited the Issuer's financial statements as of and for the years ended December 31, 2018, 2019 and 2020, in accordance with Philippine Standards on Auditing ("PSA").

In contemplation of the Offer and in compliance with applicable regulatory requirements of the SEC for companies seeking registration of their securities, AMAL appointed Reyes Tacandong & Co as its independent auditors. RTC has been the Company's auditor since 2017. For more information, please refer to its audited financial statements as of and for the years ended December 31, 2018, 2019 and 2020.

This Prospectus includes certain non-PFRS financial measures, including EBITDA and EBITDA margin. References to "EBITDA" are to net profit before finance costs (interests), taxes, depreciation, and amortization. EBITDA is a supplemental measure of AMAL's performance and liquidity that is not required by, or presented in accordance with, PFRS. Further, EBITDA is not a measurement of AMAL's financial performance or liquidity under PFRS and should not be considered as an alternative to net income, revenues, or any other performance measure derived in accordance with PFRS or as an alternative to cash flow from operations or as a measure of AMAL's liquidity. AMAL believes that EBITDA may facilitate operating performance comparisons from period to period and from company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation and amortization of tangible assets (affecting relative depreciation and amortization expenses). However, as there are various EBITDA calculation methods, AMAL's presentation of EBITDA may not be comparable to similarly titled measures used by other companies. "EBITDA Margin" is calculated as EBITDA divided by revenues.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from expected future results; and
- performance or achievements expressed or implied by forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding AMAL's present and future business strategies and the environment in which AMAL will operate in the future. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- risks relating to AMAL's businesses and operations;
- AMAL's ability to successfully implement its current and future business strategies;
- AMAL's ability to manage its expansion and growth;
- AMAL's ability to leverage on its strengths;
- risks relating to the Philippines;
- the condition and changes in the Philippine, Asian or global economies and future political instability in the Philippines;
- changes in interest rates, inflation rates and the value of the Philippine Peso against the U.S. dollar and other currencies;
- changes in government regulations, including tax laws, or licensing in the Philippines;
- competition in the M&A advisory industry in the Philippines; and
- risks relating to the Offer and the Offer Shares.

Additional factors that could cause AMAL's actual results, performance, or achievements to differ materially from forward-looking statements include, but are not limited to, those disclosed under "Risk Factors" and elsewhere in this Prospectus. These forward-looking statements speak only as of the date of this

Prospectus. AMAL and the Underwriter expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in AMAL's expectations with regard thereto or any change in events, conditions, assumptions, or circumstances on which any statement is based.

This Prospectus includes statements regarding AMAL's expectations and projections for future operating performance and business prospects. The words "believe," "plan," "expect," "anticipate," "estimate," "project," "intend," "seek," "target," "aim," "may," "might," "will," "would," "could," and similar words identify forward-looking statements. Statements that describe AMAL's objectives, plans, or goals are forward-looking statements. In addition, all statements other than statements of historical facts included in this Prospectus are forward-looking statements. In light of the risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur. Actual results could differ materially from those contemplated in the relevant forward-looking statement and AMAL gives no assurance that such forward-looking statements will prove to be correct or that such intentions will not change. This Prospectus discloses, under the section "Risk Factors" and elsewhere, important factors that could cause actual results to differ materially from AMAL's expectations. All subsequent written and oral forward-looking statements attributable to AMAL or persons acting on behalf of AMAL are expressly qualified in their entirety by the above cautionary statements.

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GLOSSARY OF TERMS

In this Prospectus, unless the context otherwise requires, the following terms have the meanings set out below.

Glossary of Terms Related to the Offer

AMAL Group	AMAL and the entities that AMAL controls and whose financial statements were consolidated with that of AMAL, particularly, M&A Links Asia Sdn. Bhd. and Asian M&A Links Company Ltd.
Applicant	A person, whether natural or juridical, who seeks to subscribe to the Offer Shares by submitting an Application under the terms and conditions prescribed in this Prospectus
Application	An application to subscribe to Offer Shares pursuant to the Offer
Asia M&A Partner Co. Ltd or M&A Partner	Asia M&A Partner Co. Ltd., was registered with the Thailand Securities and Exchange Commission. M&A Partner is 24.50% owned by AMAL and is intended to establish business operations involving consultancy services in Thailand.
Asian M&A Links Company Ltd	Asian M&A Links Company Ltd., was registered with the Vietnam Department of Planning and Investment. Asian M&A Links Company Ltd. is a wholly-owned subsidiary and is intended to establish business operations involving consultancy services in Vietnam.
Banking Day	A day (except Saturdays, Sundays and holidays) on which banks in the Philippines are open for business
BIR	Bureau of Internal Revenue
Board	The Company's Board of Directors
BSP	Bangko Sentral ng Pilipinas, the central bank of the Philippines
Common Shares	The Company's shares of common stock, each with a par value of ₱0.10
Company	Asian Mergers and Acquisition Links, Inc.; also the "Issuer"
COVID-19	Coronavirus Disease 2019
CREATE Law	Corporate Recovery and Tax Incentives for Enterprises Act or Republic Act No. 11534
Directors	Directors of the Company

DOLE	Department of Labor and Employment
Eligible Investors	Applicants who are qualified to subscribe to the Offer Shares
IPO	Initial Public Offering
IRR	Implementing Rules and Regulations
Issue Manager and Underwriter; Underwriter	Investment & Capital Corporation of the Philippines (ICCP)
Listing Date	The date, expected to be on or about [●], on which the Offer Shares are to be listed and from which dealings therein are permitted to take place on the PSE.
Local Small Investor or LSIs	A share subscriber or purchaser who is willing to subscribe or purchase a minimum board lot or whose subscription or purchase does not exceed ₱100,000.00.
M&A	Mergers and Acquisitions
Malaysian Subsidiary	M&A Links Asia Sdn. Bhd or M&A Links is a corporation duly organized under the laws of Malaysia, wholly-owned by AMAL and is engaged in providing consultancy services in Malaysia.
Main Board	The Main Board of The Philippine Stock Exchange
MCIT	Minimum Corporate Income Tax
MPO	Minimum Public Ownership
Offer Period	The period commencing at 9:00 a.m., Manila time, on [●], 2021 and ending at 12:00 p.m., Manila time, on [●], 2021, unless extended by agreement between the Company and the Underwriter with the approval of the SEC and the PSE.
Offer Price	₱[●]
Offer Shares	130,001,000 primary common shares
Peso, Pesos, or ₱	Philippine Pesos, the lawful currency of the Republic of the Philippines
PCD	Philippine Central Depository
PCNC	PCD Nominee Corporation
PDS	The Philippine Dealing System

PDTC	The Philippine Depository and Trust Corporation, the central securities depositary of, among others, securities listed and traded on the PSE.
PFRS	Philippine Financial Reporting Standards
Philippines	Republic of the Philippines
Philippine Constitution or the Constitution	The 1987 Constitution of the Republic of the Philippines
Philippine Nationals	The term shall mean any of the following: (1) a citizen of the Philippines or a domestic partnership or association wholly owned by citizens of the Philippines; or (2) a corporation organized under the laws of the Philippines at least 60% of the capital stock outstanding and entitled to vote of which is owned and held by citizens of the Philippines; or (3) a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the funds will accrue to the benefit of Philippine nationals.
Prospectus	This Prospectus together with all its annexes, appendices and amendments, if any.
PSE	The Philippine Stock Exchange, Inc.
PSE Easy	PSE Electronic Allocation System
PSE Edge	PSE's Electronic Disclosure Generation Technology
Qualified Institutional Buyer or QIB	The term refers to any of the following: mutual funds, pension or retirement funds, commercial or universal banks, trust companies, investment houses, insurance companies, investment companies, finance companies, venture capital firms, government financial institutions, trust departments of commercial or universal banks, non-bank quasi banking institutions, Trading Participants of the PSE for their dealer accounts, non-stock savings and loan associations, educational assistance funds and other institutions of similar nature determined as such by the SEC.
Receiving Agent and Escrow Agent	PNB Trust Banking Group
Revised Corporation Code	Republic Act No. 11232, otherwise known as "The Revised Corporation Code of the Philippines"
RTC	Reyes Tacandong & Co. is the Company's external auditor.

Shares	AMAL’s shares of common stock, with a par value of ₱0.10 per share.
SCCP	Securities Clearing Corporation of the Philippines
SEC	The Philippine Securities and Exchange Commission
SME Board	PSE’s Small, Medium, and Emerging Board
SRC	Republic Act No. 8799, otherwise known as “The Securities Regulation Code”
Stock and Transfer Agent	PNB Trust Banking Group
Tax Code	The National Internal Revenue Code of the Philippines, as amended
Thailand Affiliate	Asia M&A Partner Co. Ltd. or M&A Partner is a corporation duly organized under the laws of Thailand, wherein the Company has 24.5% interest. This company is engaged in providing consultancy services in Thailand.
Trading Day	Any day on which trading is allowed in the PSE
Trading Participants	Member brokers of the PSE who are also selling agents
Vietnam Subsidiary	Asian M&A Links Company Ltd. or Asian M&A is a corporation duly organized under the laws of Vietnam, wholly-owned by the Company, and is engaged in providing consultancy services in Vietnam.

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information presented in this Prospectus, including the Company's audited financial statements and the notes thereto, included elsewhere in this Prospectus. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Prospectus carefully, including the section entitled "Risk Factors" and the audited financial statements and the related notes to those statements included in this Prospectus.

OVERVIEW

AMAL was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 15, 2015. The principal business of AMAL and its subsidiaries is to provide business consultancy services.

AMAL is an emerging M&A advisory company engaged in providing business consultancy services to the general public with a focus on SMEs, in connection with the establishment, merger, consolidation and acquisition of corporations, companies, enterprises or entities, engaged in any legitimate business in the Philippines. The Company also has presence in other countries where it has established subsidiaries namely, M&A Links Asia SDN. BHD in Malaysia, Asian M&A Links Company Ltd. in Vietnam and an affiliate, Asia M&A Partner Co. Ltd., in Thailand. The Company was incorporated on May 15, 2015, and currently has its principal place of business at Unit 8, 3rd Floor, Bonifacio Technology Center 31st Street corner 2nd Avenue, Crescent Park West BGC, Taguig 1634, Metro Manila.

AMAL is led by its principal shareholder, founder, and President/CEO Mr. Hideki Tanifuji. Mr. Tanifuji started his professional career in 2000 in Tokyo, Japan as a real estate executive for Office Agent, Inc. where he worked for seven (7) years as a sales agent. This led to his introduction to the world of M&A. At that time, the M&A sector was one of the highest paying industry in Japan, even higher than the banking industry which was already in a decline due to the "2008 Financial Crisis". Mr. Tanifuji started his M&A career as a manager in M&A Capital Partners Co. Ltd., one of Japan's leading boutique investment banks. Here, Mr. Tanifuji was trained to become well versed in the M&A business and eventually rose through the ranks to become a senior corporate officer in M&A Capital Partners Co. Ltd where he was in charge of finding clients and negotiation for deals. M&A Capital Partners Co., Ltd. is a publicly listed company in the Tokyo Stock Exchange with ticker (TKS:6080) has a market capitalization of ₱72.1 Billion as of February 10, 2021 and has an average net income of ₱1.1 Billion for the past 5 years.

On May 15, 2015, Mr. Tanifuji capitalized on his extensive experience in the M&A business in Japan, through the incorporation of AMAL in the Philippines.

For each of the years ended December 31, 2018, 2019, and 2020, AMAL's revenues were ₱100.51 Million, ₱85.0 Million, and ₱10.8 Million, respectively. For each of the years ended December 31, 2018 and 2019, its net profit was ₱43.4 Million, ₱5.8 Million, respectively and in 2020 the Company experienced a net loss of ₱47.8 Million mainly due to COVID-19 pandemic which has resulted in an economic slowdown and negative business sentiment.

COMPANY BUSINESS

The principal business of AMAL is to provide business consultancy services with a focus on M&A advisory. AMAL advises clients in a number of different situations across many industries and geographies, each of which may require various services. The Company's usual clientele are SMEs with valuation ranging from ₱100 Million up to ₱1 Billion.

Mergers and Acquisitions. When AMAL advises companies about the potential acquisition of another company or certain assets, AMAL's services include evaluating potential acquisition targets, providing valuation analyses, evaluating and proposing financial and strategic alternatives and rendering, and if appropriate, fairness opinions. AMAL may also advise as to the timing, structure, financing and pricing of a proposed acquisition and assist in negotiating and closing the deal/acquisition.

Divestitures and Sale Transactions. When AMAL advises clients that are contemplating the sale of certain businesses, assets or their entire company, its services include evaluating and recommending financial and strategic alternatives with respect to a sale, advising on the appropriate sales process for the situation and valuation issues, assisting in preparing an offering memorandum or other appropriate sales materials and rendering, if appropriate, fairness opinions. AMAL also identifies and contact selected qualified acquirers and assist in negotiating and closing the sale.

Corporate Business Consultancy. AMAL often serves as an independent and objective advisor in financing situations. AMAL has developed an expertise in assisting clients with respect to the entire spectrum of capital structure decisions, from negotiation of financing terms to transaction execution.

AMAL strives to earn repeat business from its clients. However, AMAL operates in a highly competitive environment in which there are no long-term contracted sources of revenue. Each revenue-generating engagement is separately negotiated and awarded. To develop new client relationships, and to develop new engagements from historical client relationships, AMAL maintains an active discussion with a large number of past and potential clients, as well as with their financial and legal advisors, on an ongoing basis. AMAL has gained a significant number of new clients each year through its business development initiatives, through recruiting additional senior professionals who bring with them client relationships and through referrals from directors, lawyers and other third parties.

CORPORATE TIMELINE

Certain key dates and milestones for AMAL are set forth below.

Year	Milestone
2015	Incorporated on May 15, 2015, AMAL started its operations with its main office in Makati City Metro Manila
2017	First successful deal closed by AMAL with a deal size of ₱145 Million
2018	Reached the ₱100 Million revenue mark
2019	Establishment of Subsidiary in Malaysia
2019	Establishment of an Affiliate in Thailand
2019	Opened its first satellite office in Cebu
2020	Establishment of Subsidiary in Vietnam

COMPETITIVE STRENGTHS

The key strengths of the Company include the following;

- **Strong connectivity with foreign companies.** Mr. Tanifuji has worked in the M&A consultancy business for over 15 years and has established strong relationships with key executives and clients across the globe. This allows AMAL to capitalize on Mr. Tanifuji's connections and gain access to a wide array of potential investors.

- **Experienced management team**. The Board of Directors and executives of the Company comprise of strong team of talents and experiences from a broad spectrum of companies with an aggregate of more than 30 years in key posts in various mergers and acquisition, and consultancy activities.

- **Customer Relationship Management System.** AMAL has its internally developed Customer Relationship Management (CRM) system that helps the business development team to manage clients and create good buyer and seller matches efficiently and effectively.

- **Sizeable and capable workforce.** Mr. Tanifuji believed that one of the most differentiating factors of a successful firm are related to innately human-oriented skills and capacities. The Company has always given priority in developing its workforce, through trainings and seminars which enable AMAL employees to be more confident and productive.

- **Niche Market.** Mr. Tanifuji recognizes the focus of most players in the M&A industry are big deal sizes, hence he saw the potential of M&A within the SMEs, with deal sizes ranging from USD1 Million to USD20 Million.

- **Independence and Confidentiality.** AMAL does not underwrite securities, publish securities research, or act as a lender. This enables the Company to avoid the potential conflicts that may arise from these activities at larger, more diversified competitors.

Please refer to "Competitive Strengths" on page105 of this Prospectus for a more detailed discussion.

KEY STRATEGIES

- **Continue to Build AMAL's Advisory Team by Adding Highly Qualified Professionals with Industry and Financial Expertise.** AMAL intends to continue to recruit high-caliber professionals into its advisory practice to add depth in industry sectors in which the Company believes it already has strength and to extend the reach to industry sectors AMAL considers to be attractive.

- **Objective Advice with a Long-Term Perspective.** AMAL seeks to recommend shareholder value enhancement strategies or other financial strategies that the Company would pursue itself. This approach often includes advising clients against pursuing transactions that AMAL believes do not meet that standard.

- **Continued Transaction Excellence.** AMAL has advised on more than ₱2 Billion of announced transactions, including acquisitions and advisories. AMAL has provided advisory services on multiple transactions for its clients in the real estate development industry,

- **Expand into New Geographic Markets.** AMAL plans to expand into new geographic markets where it believes the business environment will be receptive to the strengths of the Company's advisory business models or where AMAL's clients have or may develop a significant presence.

- **Expand into new lines of viable and profitable businesses.** AMAL will use part of the proceeds to establish a lending business that will add diversity in its current portfolio. Mr. Tanifuji believes that there is great potential in the lending business, as demand for credit remains the principal driver of money supply growth in the Philippines.

Please refer to "Key Strategies" on page 107 of this Prospectus for a more detailed discussion.

RISKS OF INVESTING

Before making an investment decision, prospective investors should carefully consider the risks associated with an investment in the Offer Shares. Certain of these risks are discussed in the section entitled "Risk Factors" on page 30 and include risks relating to AMAL's businesses and operations, risks relating to the Philippines, and risks relating to the Offer and the Offer Shares.

INVESTOR RELATIONS OFFICE

The investor relations office will implement the investor relations program in order to reach out to all shareholders and keep them informed of corporate activities. The office will also handle communication of relevant information to the stakeholders of AMAL as well as to the broader investor community. The investor relations office will also be responsible for receiving and responding to investor and shareholder queries relating to AMAL.

Shaela Mae M. Claveria, the Chief Financial Officer and Chief Investment Officer has been appointed by the Board as the head of the investor relations office and to serve as the Issuer's Investor Relations Officer ("IRO"). The IRO will ensure that AMAL complies with and file on a timely basis all required disclosures and continuing requirements of the SEC and the PSE. In addition, the IRO will oversee most aspects of the shareholder meetings, press conferences, investor briefings, and management of the investor relations portion of AMAL's website, which will contain information, including but not limited to:

(a) Company information (organizational structure, board of directors, and management team);
(b) Company news (analyst briefing report, press releases, latest news, newsletters, if any);
(c) Financial report (annual and quarterly reports for the past two years);
(d) Disclosures;
(e) Investor FAQs;
(f) Investor contact (e-mail address and phone numbers for feedback/comments, shareholder assistance and service); and
(g) Stock information

The investor relations office will be located in the principal place of business of AMAL with contact details as follows:

Address: Unit 8, 3rd Floor, Bonifacio Technology Center 31st Street Corner 2nd Avenue, Crescent Park West BGC, Taguig 1634, Metro Manila
Telephone No. +632 88651069
Email: ir@asian-ma.com

Website: https://www.asian-ma.com/

TERMS AND CONDITIONS OF THE OFFER

The following does not purport to be a complete listing of all the rights, obligations, and privileges attaching to or arising from the Offer Shares. Some rights, obligations, or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective investors are enjoined to perform their own independent investigation and analysis of AMAL and the Offer Shares. Each prospective investor must rely on its own appraisal of AMAL and the Offer Shares and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to invest in the Shares and must not rely solely on any statement or the significance, adequacy, or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective investor's independent evaluation and analysis.

Issuer	Asian Mergers and Acquisition Links Inc.
Sole Issue Manager and Sole Underwriter	Investment & Capital Corporation of the Philippines
Selling Agents	PSE Trading Participants
The Offer	Offer of up to [130,001,000] Offer shares
Offer Shares	Up to [130,001,000] primary common shares to be issued and offered by AMAL
Institutional Offer	At least [91,000,700] Offer Shares, or 70% of the Offer Shares (subject to re-allocation as described below), are being offered and sold to certain qualified buyers and other investors in the Philippines by the Underwriter.
Trading Participants and Retail Offer	Up to [26,000,200.00] Offer Shares (or 20% of the Offer Shares) are being allocated to all of the PSE Trading Participants at the Offer Price and [13,000,100] Offer Shares (or 10% of the Offer Shares) are being allocated at the Offer Price to local small investors ("LSIs"). Each PSE Trading Participant shall initially be allocated 203,126 Offer Shares and be subject to reallocation as may be determined by the Underwriter. Based on the initial allocation for each PSE Trading Participant, there will be a total of [●] residual Offer Shares to be allocated as may be determined by the Underwriter. Each LSI applicant may subscribe up to a maximum of [50,000] Offer Shares at the Offer Price. The Underwriter shall purchase the Trading Participants and Retail Offer Shares not reallocated to the Institutional Offer or otherwise not taken up by the PSE Trading Participants or clients of the Underwriter or the general public in the Philippines pursuant to the terms and conditions of the Underwriting Agreement. LSIs may also subscribe through the PSE Electronic Allocation System ("PSE EASy"). An LSI is defined as a subscriber to the

	Offer who is willing to subscribe to a minimum board lot or whose subscription does not exceed ₱100,000.00. In the case of this Offer, the minimum subscription of LSIs shall be [1000] shares or ₱ [2,000], while the maximum subscription shall be [50,000] shares or up to ₱[100,000]. There will be no discount on the Offer Price. The procedure in subscribing to Offer Shares via PSE EASy is indicated in AMAL's Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Underwriter shall prioritize the subscriptions of small investors with amounts lower than the maximum subscription.
Offer Price	Up to ₱[2.00] per Offer Share. The Offer Price was determined based on a book-building process and discussions amongst AMAL and the Underwriter.
Eligible Investors	The Trading Participants and Retail Offer Shares may be purchased by any natural person of legal age residing in the Philippines regardless of nationality, or any corporation, association, partnership, trust account, fund or entity residing in and organized under the laws of the Philippines or licensed to do business in the Philippines, regardless of nationality (the "Applicant/s"), subject to the right of AMAL to reject an Application or reduce the number of Offer Shares applied for subscription. The Institutional Offer Shares are being offered for sale to certain qualified institutional buyers and other investors in the Philippines by the Underwriter.
Use of Proceeds	AMAL intends to use the net proceeds from the Offer Shares for (i) the establishment of; (a) subsidiary in Singapore, and (b) subsidiary in Indonesia, (ii) additional investment in the Philippines, (iii) additional investment in Thailand, (iv) additional investment in Vietnam, (v) additional investment in Malaysia and (vi) establishment of a lending business in the Philippines. See "*Use of Proceeds*" beginning on page 49 of this Prospectus.
Minimum Subscription	Each application must be for a minimum of [1000] Offer Shares, and thereafter, in multiples of [1000] Offer Shares. Applications for multiples of any other number of Shares may be rejected or adjusted to conform to the required multiple, at AMAL's discretion.
Reallocation	The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject

	to adjustment. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Offer Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and a corresponding over-application in the Institutional Offer, Offer Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under application in both the Trading Participants and Retail Offer and the Institutional Offer.
Lock-up	The PSE rules require an applicant company under the SME Board to cause all its existing shareholders to refrain from selling, assigning, encumbering, or in any manner disposing of their shares for a period of one (1) year after the listing of the shares. A total of 390,000,020 Common Shares held by the Company's existing shareholders, including nominee shareholders and the independent directors, will be subject to such one- year lock-up.

Shareholder	No. of Shares	% Ownership
Hideki Tanifuji	389,987,000	99.996%
Dinah B. Ilagan	3,250	0.001%
Shaela Mae M. Claveria	3,250	0.001%
Christine Joy O. David	3,250	0.001%
Karlon V. Pambid	3,250	0.001%
Samuel V. Poblete	10	0.000%
Joanna May R. Casita	10	0.000%
Total	390,000,020	100%

In addition, if there is any issuance of shares or securities (i.e., private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of shares or securities (i.e., convertible bonds, warrants or a similar instrument) completed and fully paid for within six (6) months prior to the start of the offering period, and the transaction price is lower than that of the offer price in the initial public offering, all shares subscribed or acquired shall be subject to a lock-up period of at least one (1) year from listing of the aforesaid shares. To implement this lock-up requirement, the PSE requires the applicant company to lodge the shares with the PDTC through a Philippine Central Depository ("PCD") participant for the electronic lock-up of the shares or to enter into an escrow agreement with the trust department or custodian unit of an

	independent and reputable financial institution. See *"Principal Shareholders*" and "*Plan of Distribution*." Except for the issuance of Offer Shares pursuant to the Offer or Common Shares for distribution by way of stock dividends, the PSE is expected to require the Company, as a condition to the listing of the Common Shares, not to issue new shares in capital or grant any rights to or issue any securities convertible into or exchangeable for, or otherwise carrying rights to acquire or subscribe to, any shares in its capital or enter into any arrangement or agreement whereby any new shares or any such securities may be issued for a period of 180 days after the Listing Date.
Listing and Trading	AMAL has filed an application with the SEC for the registration and an application with the PSE for the listing of all its issued and outstanding stock (including the Offer Shares). The SEC issued a Pre-Effective Letter on [●], 2021 and the PSE approved the listing application on [●], 2021 subject to compliance with certain listing conditions. All of the Offer Shares in issue or to be issued are expected to be listed on the SME Board of the PSE under the symbol [AMAL]. See "Description of the Shares." All of the Offer Shares are expected to be listed on the PSE on or about [●], 2021. Trading of the Offer Shares that are not subject to lockup is expected to commence on [●], 2021.
Dividends and Dividend Policy	The Company has approved a dividend policy of maintaining an annual cash and/or share dividend pay-out of up to 25% of its net profit after tax from the preceding year, subject to the requirements of applicable laws and regulations, the terms and conditions of its outstanding bonds and loan facilities, and the absence of circumstances that may restrict the payment of such dividends, such as where the Company undertakes major projects and developments. See "Dividends and Dividend Policy".
Registration and Lodgement of Shares with PDTC	The Offer Shares are required to be lodged with the PDTC. The Applicant must provide the information required for the PDTC lodgment of the Offer Shares. The Offer Shares will be lodged with the PDTC at least two trading days prior to the Listing Date. The Applicant may request to receive share certificates evidencing such Applicant's investment in the Offer Shares through his/her broker after the Listing Date. Any expense to be incurred by such issuance of certificates shall be borne by the Applicant.
Restrictions on Ownership	The Offer Shares may be purchased and owned by any person or entity regardless of citizenship or nationality, subject to the nationality limits under Philippine law. The Philippine Constitution and related statutes set forth restrictions on foreign ownership for companies

	engaged in certain activities. In particular, if and to the extent that AMAL acquires land in the Philippines, foreign ownership in its capital stock will be limited to a maximum of 40% of its issued and outstanding capital stock. Currently, AMAL does not own land and has complied with the paid-up capital requirements of the Foreign Investments Act for domestic market enterprises with foreign participation. Thus, it is not currently subject to any foreign ownership limits. For more information relating to restrictions on the ownership of the Shares, please see "*Description of the Shares*" and "*Regulatory and Environmental Matters—Foreign Investment Laws and Restrictions*."
Restriction on Issuance and Disposal of Shares	See *"Lock-up" above".*
Tax Considerations	See *"Philippine Taxation"* for further information on the Philippine tax consequences of the purchase, ownership and disposal of the Offer Shares.
Procedure for Applications for the Trading Participants and Retail Offer	The Offer Period shall commence at 9:00 a.m., Manila time, on [●], 2021 and shall end at 12:00 noon, Manila time, on [●], 2021. If, for any reason, any day of the Offer Period is a non-Banking Day, then the Offer Period may be extended to the next immediately succeeding Banking Day, or such other date as may be agreed upon by AMAL and the Underwriter. AMAL and the Underwriter reserve the right to extend, shorten, or terminate the Offer Period. Applications must be received by the Receiving Agent for Selling Agent applications by 12:00 noon, Manila time on [●], 2021, or filed directly with the Underwriter by 12:00 noon, Manila time on [●], 2021, or through PSE EASy for LSI applications by 12:00 noon, Manila time on [●], 2021 and shall be subject to the terms and conditions of the Offer as stated in the Prospectus and in the Application. Applications received thereafter or without the required documents will be rejected. The actual purchase of the Offer Shares shall become effective only upon the actual listing of the Offer Shares on the PSE and upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and not being suspended, terminated or cancelled on or before the Listing Date in accordance with the provisions of such agreement. <u>For PSE Trading Participants:</u> Application forms to purchase the Trading Participants and Retail Offer Shares and signature cards may be obtained from the Underwriter or any participating PSE Trading Participant. Application forms will also be made available for download on AMAL website.

Applicants shall complete the application form, indicating all pertinent information, such as the applicant's name, address, contact number, taxpayer's identification number, citizenship and all other information required in the application form. Applicants shall undertake to sign all documents and to do all necessary acts to enable them to be registered as holders of the Trading Participants and Retail Offer Shares. Failure to complete the application form may result in the rejection of the application.

Applications must be received by the Receiving Agent for PSE Trading Participant applications by 12:00 noon, Manila time on [●], 2021. Applications received thereafter or without the required documents will be rejected. Applications shall be considered irrevocable upon submission to a PSE Trading Participant, and shall be subject to the terms and conditions of the Offer as stated in this Prospectus and in the application. The actual purchase of the Offer Shares shall become effective only upon the actual listing of the Offer Shares on the PSE and upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and not being suspended, terminated or cancelled on or before the Listing Date in accordance with the provisions of such agreement.

All applications shall be evidenced by the application to purchase form duly executed by an authorized signatory of the applicant and accompanied by two (2) completed signature cards, which for applicants who are corporations, partnerships or trust accounts, should be authenticated by the corporate secretary or equivalent corporate officer (or managing partner in the case of a partnership), and the corresponding payment for the Trading Participants and Retail Offer Shares covered by the application and all other required documents.

If the applicant is a corporation, partnership or trust account, the application must be accompanied by the following documents:

- A certified true copy of the applicant's latest articles of incorporation and by-laws (or articles of partnership, in the case of a partnership) and other constitutive documents (each as amended to date) duly certified by its corporate secretary (or managing partner in the case of a partnership);

- A certified true copy of the applicant's SEC certificate of registration duly certified by its corporate secretary (or managing partner in the case of a partnership); and

- A duly notarized corporate secretary's certificate (or certificate of the managing partner in case of partnership) setting forth the resolution of the applicant's board of directors

	or equivalent body authorizing the purchase of the Offer Shares indicated in the application, identifying the designated signatories authorized for the purpose, including his or her specimen signature, and certifying to the percentage of the applicant's capital or capital stock held by Philippine nationals. Foreign corporate and institutional applicants who qualify as eligible investors, in addition to the documents listed above, are required to submit in quadruplicate, a representation and warranty stating that their purchase of the Trading Participants and Retail Offer Shares to which their application relates will not violate the laws of their jurisdictions of incorporation or organization, and that they are allowed, under such laws, to acquire, purchase and hold the Trading Participants and Retail Offer Shares. This should be read in conjunction with the Offer Implementing Guidelines which will be published on the PSE EDGE website prior to the start of the Trading Participants and Retail Offer. <u>For Local Small Investors:</u> With respect to the LSIs, applications to purchase the Trading Participants and Retail Offer Shares must be done online through the PSE EASy. The system will generate a reference number and payment instruction. LSI applications and payments must be completed and settled, respectively, by 12:00 noon, Manila time on [●], 2021 ("**Retail Settlement Date"**). An LSI applicant should nominate in the Application the PSE Trading Participant, otherwise known as a stockbroker, through which its shares will be lodged. Otherwise, the Application shall not be accepted. Further information about AMAL, details about the Offer, instructions for subscribing through PSE EASy, and list of PSE Trading Participants where LSI applicants may open trading accounts for the lodgement of the LSI applicant's LSI shares will be made available in the online IPO information center. The link to the online information center will be made available on AMAL's website in due course and in the Offer Implementing Guidelines which will be published on the PSE EDGE website prior to the start of the Trading Participants and Retail Offer. LSI applications will be processed on a first-come, first-served basis, while final allocation of the Trading Participants and Retail Offer Shares will be determined pursuant to allocation mechanics. This section should be read in conjunction with the Offer Implementing

	Guidelines which will be published on the PSE EDGE website prior to the start of the Trading Participants and Retail Offer.
Payment Terms for the Trading Participants and Retail Offer Purchased through PSE Trading Participants	The purchase price must be paid in full in Philippine Pesos upon the submission of the duly completed and signed application form and signature card together with the requisite attachments. Payments must be cleared on or before 12:00 p.m. on [●] (“**Trading Participants Settlement Date**”), or such other date that may be agreed by AMAL and the Underwriter. The modes of payment and instructions will be specified in the Offer Implementing Guidelines which will be published on the PSE EDGE website prior to the start of the Trading Participants and Retail Offer.
Acceptance or Rejection of Applications for the Trading Participants and Retail Offer	Applications for the Trading Participants and Retail Offer Shares are subject to the confirmation of the Underwriter and the final approval of AMAL. AMAL, in consultation with the Underwriter, reserves the right to accept, reject or scale down the number and amount of Trading Participants and Retail Offer Shares covered by any application. AMAL and the Underwriter have the right to reallocate available Trading Participants and Retail Offer Shares in the event that the Trading Participants and Retail Offer Shares are insufficient to satisfy the total applications received. The Trading Participants and Retail Offer Shares will be allotted in such a manner as AMAL and the Underwriter may, in their sole discretion, deem appropriate, subject to distribution guidelines of the PSE. Applications with checks dishonored upon first presentation or application forms which do not comply with the terms of the Trading Participants and Retail Offer will be automatically rejected. Notwithstanding the acceptance of any application, the actual acquisition of or subscription to the Trading Participants and Retail Offer Shares by an Applicant will be effective only upon the listing of the Trading Participants and Retail Offer Shares on the PSE.
Refunds of the Trading Participants and Retail Offer	In the event that the number of Trading Participants and Retail Offer Shares to be received by an Applicant, as confirmed by AMAL and the Underwriter, is less than the number covered by the application, or if an application is rejected, then the Applicant is entitled to a refund, without interest, within five banking days from the end of the offer period or on [●], 2021, of all or a portion of the Applicant’s payment corresponding to the number of Trading Participants and Retail Offer Shares wholly or partially rejected. All refunds shall be made through the Receiving Agent, at the Applicant’s risk.
Expected Timetable	The timetable of the Offer is expected to be as follows:

	<table><tr><td>SEC *en banc* approval of the Registration Statement</td><td>May 7, 2021</td></tr><tr><td>PSE Board approval of the Listing Application</td><td>May 21, 2021</td></tr><tr><td>Pricing and allocation of the Institutional Offer Shares</td><td>May 31, 2021</td></tr><tr><td>Notice of Final Offer Price to the SEC and PSE</td><td>May 31, 2021</td></tr><tr><td>Receipt of the Permit to Sell from the SEC</td><td>June 3, 2021</td></tr><tr><td>Trading Participants and Retail Offer Period</td><td>June 4 to 11, 2021</td></tr><tr><td>PSE Trading Participants' Commitment Period</td><td>June 4 to 9, 2021</td></tr><tr><td>Submission of Firm Order and Commitments by PSE Trading Participants</td><td>June 9, 2021 11:00 a.m.</td></tr><tr><td>Trading Participants and Retail Offer Settlement Date</td><td>June 11, 2021 12:00 p.m.</td></tr><tr><td>Institutional Offer Settlement Date</td><td>June 9, 2021</td></tr><tr><td>Listing Date and commencement of trading on the PSE</td><td>June 21, 2021</td></tr></table> The dates included above are subject to the approval of the PSE and the SEC, market and other conditions, and may be changed.
Risks of Investing	Prospective investors should carefully consider the risks associated with an investment in the Offer Shares before making an investment decision. Certain of these risks are discussed in the section of this Prospectus entitled *"Risk Factors."*
Receiving Agent	PNB Trust Banking Group
Stock and Transfer Agent	PNB Trust Banking Group
Escrow Agent	PNB Trust Banking Group
Counsel for the Issuer	Pambid Cruz Law Office
Counsel for the Underwriter	Tan Venturanza Valdez
Independent Auditors	Reyes Tacandong & Co.

RISK FACTORS

An investment in the Offer Shares involves a number of risks. Investors should carefully consider all the information contained in this Prospectus, including the risk factors described below, before deciding to invest in the Offer Shares. The occurrence of any of the following events, or other events not currently anticipated, could have a material adverse effect on AMAL's business, prospects, financial condition, results of operations, the market price of the Offer Shares and AMAL's ability to make dividend distributions to its shareholders. All or part of an investment in the Offer Shares could be lost. The price of securities can and does fluctuate, and any individual security is likely to experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. AMAL's past performance is not a guide to AMAL's future performance. There may be a large difference between the buying price and the selling price of the Offer Shares. For investors that deal in a range of investments, each investment carries a different level of risk.

This section does not purport to disclose all of the risks and other significant aspects of investing in the Offer Shares. The risks described below are not the only risks facing AMAL. Additional risks and uncertainties not currently known to it or those it currently views to be immaterial may also materially and adversely affect its business, financial condition or results of operations. Investors should undertake independent research and study the trading of securities before commencing any trading activity. Investors should seek professional advice if they are uncertain of, or have not understood, any aspect of this Offer or the nature of risks involved in purchasing, holding and trading the Offer Shares. Investors should consult their own counsel, accountant and other advisors as to the legal, tax, business, financial and related aspects of an investment in the Offer Shares.

*The means by which AMAL intends to address the risk factors discussed herein are principally presented under "*Business — Competitive Strengths*" beginning on page* 105*, "*Business — Strategies*" beginning on page* 107*, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page* 67*, "*Industry*" beginning on page* 81 *and "*Board of Directors and Senior Management— Corporate Governance*" on page* 166 *of this Prospectus.*

The risk factors discussed in this section are of equal importance and are separated into categories for ease of reference only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to AMAL's business, results of operations, financial condition and prospects.

RISKS RELATING TO AMAL'S BUSINESS

AMAL highly depends on Mr. Hideki Tanifuji and other key personnel, and the loss of their services would have a material adverse effect on the Company.

At present, AMAL highly depends on the efforts, reputation and business relationships of Mr. Hideki Tanifuji, AMAL's Chairman and President, which are critical elements in the success and expansion of AMAL's businesses. AMAL's performance is strongly correlated to the performance of Mr. Tanifuji and that of the other senior management officers. The loss of the services of any of them could have a material adverse effect on AMAL's operations, including its ability to attract clients.

AMAL's future success depends to a substantial degree on its ability to retain and recruit qualified personnel, including Senior Managing Directors.

The Company anticipates that it will be necessary to add financial professionals as AMAL pursues a growth strategy. However, AMAL may not be successful in its efforts to recruit and retain the required personnel as the market for qualified financial professionals is extremely competitive. AMAL's financial professionals possess substantial experience and expertise and have direct contact with AMAL's advisory clients, which can lead to strong client relationships. As a result, the loss of these personnel could jeopardize AMAL's relationships with clients and result in the loss of client engagements.

To mitigate this risk, Mr. Tanifuji prioritizes employee development and mentorship ensuring all AMAL staff are capable and updated on current best business practices. AMAL sends its people to conferences and expositions held by the target industries to expand their network and learn about the trends in these industries. The Company adopted leadership and succession plans to cover all aspects of its operations.

AMAL has experienced rapid growth over the past years, which may be difficult to sustain and which may place significant demands on the Company's administrative, operational and financial resources.

AMAL expects rapid growth in the future, which could place additional demands on the Company's resources and increase its expenses. AMAL's future growth will depend, among other things, on its ability to successfully identify groups and individuals to join the firm. It may take more than one year for AMAL to determine whether new professionals will be profitable or effective. During that time, AMAL may incur significant expenses and expend significant time and resources toward training, integration and business development. If AMAL is unable to hire and retain profitable professionals, the Company will not be able to implement its growth strategy and its financial results may be materially adversely affected.

Sustaining growth will also require AMAL to commit additional management, operational and financial resources to this growth and to maintain appropriate operational and financial systems to adequately support expansion. There can be no assurance that AMAL will be able to manage its expanding operations effectively or that it will be able to maintain or accelerate its growth, and any failure to do so could adversely affect AMAL's ability to generate revenue and control its expenses.

To minimize this risk, AMAL continues to expand its presence in the Southeast Asian region where there are vast M&A opportunities. Currently the Company has established subsidiaries in Malaysia and Vietnam, as well as an affiliate in Thailand. The continued effort by the Company to expand its market reach will enable AMAL to be resilient in the event of a downturn in the domestic, regional, or global economy.

AMAL's revenue and profits are highly volatile, which may make it difficult to achieve steady earnings growth on a quarterly basis and may cause the price of AMAL's stock to decline.

AMAL's revenue and profits are highly volatile. AMAL generally derives revenue from a limited number of engagements that generate significant fees at key transaction milestones, such as closing or conclusion of the transaction, the timing of which is outside the Company's control. As a result, AMAL's financial results will likely fluctuate from quarter to quarter based on the timing when those fees are earned. It may be difficult for AMAL to achieve steady earnings growth on a quarterly basis, which could, in turn, lead to large adverse movements in the price of AMAL's common stock or increased volatility in AMAL's stock price generally.

AMAL earns majority of its revenue from advisory engagements, and, in many cases, AMAL is not paid until the successful consummation of the underlying merger or acquisition transaction. As a result, AMAL's advisory revenue is highly dependent on market conditions and the decisions and actions of AMAL's clients, interested third parties and governmental authorities. For example, a client could delay or terminate an acquisition transaction because of a failure to agree upon final terms with the counterparty, failure to obtain necessary regulatory consents or board or stockholder approvals, failure to secure necessary financing, adverse market conditions or because the target's business is experiencing unexpected operating or financial problems. Anticipated bidders for assets of a client during a transaction may not materialize. In these circumstances, AMAL often does not receive any advisory fees other than the reimbursement of certain out-of-pocket expenses, despite the fact that AMAL has devoted considerable resources to these transactions.

To mitigate this risk, AMAL will use part of the proceeds from the Offer to establish a lending business in the Philippines. The Company has already built a clientele for this business through the relationships that the M&A business have made for the Company. In addition, the Company seeks to capitalize on the growing lending business in the Philippines especially the growing need of business for loans especially for SMEs.

A general decline in the real estate sector could have an adverse effect on AMAL's total revenues.

AMAL generated 34% of its total revenue in 2018, 57% of total revenue in 2019, and 99% of total revenue in 2020 from advisory clients in the real estate sector. AMAL's clients in this industry continue to play an important role in the overall prospects of its business. Accordingly, the success of AMAL's business depends, at least in part, on the strength and level of economic activity in this sector in the Philippines. Adverse market or economic conditions as well as a slowdown in activity in the real estate sector could reduce the size and number of AMAL's fee engagements, which would have an adverse effect on AMAL's revenue.

To mitigate this risk, AMAL approaches companies across different industries not just the real estate sector. The Company believes that it benefits from harmonious business relationships with its past and existing clients across sectors, which allows the Company to garner a positive review and increases the likelihood of repeat client or referrals.

Employee misconduct, which is difficult to detect and deter, could harm AMAL by impairing its ability to attract and retain clients and subjecting it to significant legal liability and reputational harm.

There is a risk that AMAL employees could engage in misconduct that adversely affects the Company's business. For example, AMAL's advisory business often requires dealing with confidential matters of great significance to its clients. If AMAL's employees improperly use or disclose confidential information provided by its clients, AMAL could be subject to regulatory sanctions and suffer serious harm to AMAL's reputation, financial position, current client relationships and ability to attract future clients.

To mitigate this risk, the Company has an established code of conduct and compliance and a consistent reporting and internal investigation function, that includes positive incentives and strict disciplinary actions against any violators.

The advisory services industry faces substantial litigation risks, and AMAL may face damage to its reputation and legal liability if AMAL's services are not regarded as satisfactory or for other reasons.

As an advisory services firm, AMAL depends to a large extent on its relationships with its clients and AMAL's reputation for integrity and high-caliber advisory services to attract and retain clients. As a result, if a client is not satisfied with AMAL's services, such dissatisfaction may be more damaging to its business compared to other types of businesses. Moreover, AMAL's role as advisor to its clients on important mergers and acquisitions transactions involves complex analysis and judgment, including, if appropriate, rendering "fairness opinions" in connection with mergers, acquisitions, and other transactions.

To mitigate this risk, the Company provides a holistic M&A approach in servicing its clients making sure client needs are met and benefits are maximized. AMAL also assists clients on the post-merger integration to ensure that all conditions of the deal will be met. As of the date of this Prospectus, the company has not encountered any complaints from its clients and will continue to provide exemplary service to its clients.

AMAL's revenues are derived from advisory fees, which are not long-term contracted sources of revenue and are subject to intense competition and declines in AMAL's advisory engagements, which could have a material adverse effect on its financial condition and results of operations.

AMAL has earned all of its revenues from advisory fees paid by its advisory clients. These fees are typically payable upon the successful completion of a particular transaction or restructuring. Advisory services accounted for 100% of AMAL's revenue for 2017, 2018 and 2019.

Unlike diversified investment banks, AMAL does not have multiple sources of revenue, such as underwriting or trading securities. AMAL expects that it will continue to rely on advisory fees for its revenue for the foreseeable future. A decline in AMAL's advisory engagements or the market for advisory services would adversely affect AMAL's business.

In addition, AMAL's advisory business operates in a highly competitive environment where typically there are no long-term contracted sources of revenue. Each revenue-generating engagement typically is separately solicited, awarded and negotiated. In addition, many businesses do not routinely engage in transactions requiring AMAL's services. As a consequence, AMAL's fee-paying engagements with many clients are not likely to be predictable and high levels of revenue in one quarter are not necessarily predictive of continued high levels of revenue in future periods. AMAL also loses clients each year as a result of the sale or merger of a client, a change in a client's senior management, competition from other financial advisors and financial institutions and other causes. As a result, AMAL's advisory fees could decline materially due to such changes in the volume, nature and scope of AMAL's engagements.

To mitigate this risk, the Company continues its effort to expand overseas which will reduce the concentration risk of its current operations in M&A advisory here in the Philippines. In addition, the Company will be entering the lending business which allows the Company to have an additional source of recurring revenue moving forward.

AMAL faces strong competition from other M&A advisory firms, many of which have the ability to offer clients a wider range of products and services than AMAL can offer, which could cause the Company to fail to win advisory mandates and subject AMAL to pricing pressures that could materially adversely affect its revenue and profitability.

The M&A advisory industry is intensely competitive, and AMAL expects it to remain so. AMAL competes on the basis of a number of factors, including the quality of its employees, transaction execution, its products and services, innovation and reputation, and price. AMAL has experienced intense competition over obtaining advisory mandates in recent years, and it may experience pricing pressures in the advisory business in the future as some of AMAL's competitors seek to obtain increased market share by reducing fees.

AMAL also faces increased competition due to a trend toward consolidation. In recent years, there has been substantial consolidation and convergence among companies in the advisory services industry. In particular, a number of large commercial banks, insurance companies and other broad-based advisory services firms have established or acquired broker-dealers or have merged with other financial institutions. Unlike AMAL, many of these firms have the ability to offer a wide range of products, from loans, deposit-taking and insurance to brokerage, asset management and investment banking services, which may enhance their competitive position. They also have the ability to support investment banking, including financial advisory services, with commercial banking, insurance and other financial services revenue in an effort to gain market share, which could result in pricing pressure in AMAL's businesses.

To minimize this risk, AMAL recognized that high value deals are the focus of the other players in the industry and saw the potential of M&As within the SMEs. Although the company also caters to high value deals, it mostly works on deals with ticket size within the range of USD 1 Million to 20 Million, while many of its competitors are focusing on big deals with ticket size of no less than USD 20 Million. In addition, the Company remains flexible and open to negotiation when it comes to rates and fees with clients. In addition, AMAL has experienced deal team that enables the Company to speeds up the M&A deal negotiation and execution process while providing convenience to clients.

AMAL may be subject to negative publicity, including inaccurate adverse information.

Customers value readily available information and often act on such information without further investigation or authentication or regard to its accuracy. Social media and websites immediately publish posts from users, often without filters or checks on the accuracy of the content posted. Allegations against AMAL may be posted on social media, in Internet chat rooms or on blogs or websites by anyone on an anonymous basis. In addition, AMAL may be the target of harassment or other detrimental conduct by third parties, including from its competitors. AMAL's reputation may be negatively affected as a result of the public dissemination of anonymous allegations or demeaning statements about its business, even if these allegations or statements are unfounded and it may be required to spend significant time and money to address such allegations. Inaccurate adverse information may harm the business and AMAL may not be able to redress or correct inaccurate posts in a timely manner, or at all.

AMAL's business may become the subject of negative media coverage and public attention, which may develop strong dynamics and adversely affect its business. In addition, third parties may communicate complaints to regulatory agencies and it may be subject to government or regulatory investigation as a result of such complaints. There is no assurance that AMAL will be able to conclusively refute such allegations in a timely manner, or at all. Negative publicity and complaints could have a material adverse effect on AMAL's business, financial condition, cash flows, results of operations and prospects.

To mitigate this risk, AMAL continues to cultivate a strong reputation by over-delivering, adding value, and providing a flexible service. In fact, several closed deals of the Company were made through referrals from satisfied past and ongoing clients. AMAL will continue to build a positive public image by providing outstanding service to its clients.

AMAL may not be able to hire, retain and train sufficient qualified personnel to support its operations and it may be subject to increased labor costs.

AMAL employs a large number of employees in connection with its business operations. The success of its business depends on its ability to hire, retain and educate an effective workforce with the requisite skills and knowledge to serve its clients. Additionally, recent trends in employment regulation, such as restrictions on employers' discretion to hire employees on a temporary basis or to offer employment conditions that differ between full-time and part-time employees for the sole reason that the period of employment is stipulated in the employment contract, have led to increased fixed labor costs for employers seeking to hire part-time and temporary workers. Stricter regulations of labor and employment may affect AMAL's ability to hire sufficient employees in a cost-efficient manner. If it experiences difficulties in maintaining a qualified workforce or experience increased labor costs associated with its workforce, its ability to compete effectively in its target markets, provide high-quality service and execute its business strategy could be adversely impacted, and its results of operations could in turn be negatively affected.

To mitigate this risk, the Company continues to provide training and skills development seminars to its staff to increase efficiency and competency as well as provide them with career advancement opportunities. AMAL believe that these initiatives will help retain qualified and competent employees to meet its needs as the Company grows. The Company also provides incentives in the form of bonused and the likes for employees who were able to contribute to the success of deal negotiations. With this, employees are encouraged to perform well.

AMAL's margins may be affected by increases in its operating and other expenses.

AMAL's operations may be subject to increases in operating and other expenses due to a number of factors including, but not limited to, any of the following:

- increases in rent;
- increases in construction, repair and construction costs relating to fit-out of new and existing offices;
- a change in laws, regulations or government policies which increases the cost of compliance with such laws, regulations or policies;
- increases in service costs;
- increases in labor costs;
- increases in the rate of inflation;
- adverse changes in the cost of existing and future debt financing;
- increases in insurance premiums;
- increases in the cost of utilities.

Any increase in AMAL's operating and other expenses will have an impact on AMAL's cash flow. Due to the nature of AMAL's business, AMAL's margins may be affected by increases in AMAL's operating and other expenses. The resulting buffer available to account for changes to costs is consequently small. If AMAL does not generate revenue sufficient to meet its operating expenses and capital expenditure requirements, AMAL's business, results of operations and financial condition could be materially and adversely affected.

To mitigate this risk, the Company continues its effort in cost reductions either through (1) Elimination of non-value adding activities and expenses or (2) Renegotiate contract terms and condition to cut down cost on office space. In addition, new work set-ups such as skeletal and work from home systems were implemented reducing part of the Companies operating expenses.

AMAL is intending to diversify its business operations and enter the lending business. AMAL may not achieve the expected results brought by this diversification

AMAL intends to use approximately ₱115 Million or 47% of the net proceeds for the incorporation of a new lending company as its wholly-owned subsidiary. The establishment of a lending company is subject to significant uncertainty. The Company will need to study the lending business, assess its viability, build an appropriate business plan, structure, and organization, and comply with all regulatory requirements in order to realize the benefits of a lending business. The establishment of a lending company may be a complex process, and it may take some time. If the establishment of this new business is not successful or is delayed, AMAL may not achieve the expected benefits of this new business.

Furthermore, a new lending company may be exposed to strong competition, challenges, such as loan delinquencies, fraud, lack of skilled manpower and management, and particular rules and regulations for this business. However, AMAL believes that it has the capability to run a lending business due to its experience in the M&A business. Sourcing clients or potential borrowers will be relatively easy compared to other lending companies as they have a strong network of connections. As most companies that are considering M&A also see debt as an option to expand their businesses, they can be a great market for the lending company. Further, AMAL's experience in due diligence decreases the risk of defaults from clients as they can screen clients effectively.

AMAL is subject to various laws and regulations, and any violations of applicable laws or regulations or changes to such laws and regulations could adversely affect AMAL's business and AMAL's results of operations.

AMAL's business and operations are subject to a wide range of laws and regulations, including those relating to employment, working conditions, competition, trade and investments, and intellectual property.

New laws, rules or regulations, or revisions to existing laws, rules or regulations, could impose additional restrictions and requirements on AMAL's business and operations and could result in additional compliance costs, capital expenditures or other costs. As a result, AMAL could experience disruptions in operations and be unable to execute AMAL's business strategy, and AMAL's results of operations could be adversely affected. In addition, AMAL's ability to comply with applicable laws and regulations can be affected by a variety of factors, including the effectiveness of AMAL's compliance and risk management policies, the ability of AMAL's management to adequately monitor the operations and intentional or unintentional misconduct or errors of AMAL's officers, employees, affiliates or other parties with whom AMAL does business. If AMAL fails to comply with applicable laws and regulations, AMAL may be subject to investigations, fines, penalties, sanctions and litigation, and AMAL could lose regulatory permissions or licenses necessary for AMAL's business or experience harm to AMAL's reputation.

To mitigate this risk, AMAL's Legal department ensures that the Company is compliant with all laws and regulations and continually monitors Company's business affairs.

AMAL may fail to fulfill the terms and conditions of licenses, permits and other authorizations, or fail to renew them on expiration.

AMAL is required to maintain licenses, permits and other authorizations, and are also required to obtain and renew various permits, including business permits and permits concerning, for example, health and safety, labor standards, etc. AMAL's licenses, permits and other authorizations contain various requirements that must be complied with to keep such licenses, permits and other authorizations valid. If AMAL fails to meet the terms and conditions of any of AMAL's licenses, permits or other authorizations necessary for AMAL's operations, these may be suspended or terminated, leading to adverse consequences. In addition, AMAL cannot be certain that any given license, permit or authorization will be deemed sufficient by the relevant governmental authorities to fully cover activities conducted in reliance on such license, permit or authorization.

There can be no assurance that AMAL will continue to be able to renew the necessary licenses, permits and other authorizations for AMAL's business operations, or that such licenses, permits and other authorizations will not be revoked. If AMAL is unable to obtain or renew them or are only able to do so on unfavorable terms, this could have an adverse effect on AMAL's business, financial condition and results of operations.

In addition, AMAL cannot predict what regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to AMAL's business could have an adverse effect on AMAL's business, financial condition and results of operations. See "*Regulatory and Environmental Matters*."

To mitigate this risk, AMAL's Legal department conducts periodical reviews of the required licenses, permits and other authorizations required for the Company to conduct its day-to-day business.

AMAL is exposed to the risk of industrial or labor disputes

AMAL maintains a harmonious relationship between management and staff. Although AMAL has not experienced any organizational conflicts that may affect its operations, there can be no assurance that AMAL will not experience future disruptions to its operations due to any concerted action by AMAL's workforce.

AMAL complies with all the Labor Laws such as minimum wage requirements, mandatory health benefits, overtime compensation, and other terms and conditions of employment and will continue to comply on said rules. The Company continues to place a heavy importance on keeping morale among its staff as the Company recognizes their importance in AMAL's success. The Company continues to strengthen its mentoring and training programs to teach new skills and to ensure the positive mental well-being of its employees.

RISKS RELATING TO COVID-19

AMAL's business, financial condition and results of operations have been and may continue to be adversely affected by the COVID-19 pandemic

COVID-19 has spread rapidly throughout the world, prompting governments and businesses to take unprecedented measures in response. Such measures have included restrictions on travel and business operations, temporary closures of businesses, and quarantines and shelter-in-place orders. The COVID-19 pandemic has significantly curtailed global economic activity and caused significant volatility and disruption in global financial markets. The COVID-19 pandemic and the measures taken by many countries in response have adversely affected and could in the future materially adversely impact the Company's business, results of operations and financial condition.

During 2020, aspects of the Company's business were adversely affected by the COVID-19 pandemic, with majority of the Company's revenues are from foreign investors. The imposition of lockdown and travel restrictions has hindered AMAL in matching foreign investors with local sellers, since part of the investors due diligence is conducting site visits. The Company was set to close several deals in 2020 that were put on hold due to the market volatility that affected both the investment appetites among investors and the financial performance of the target companies. In 2020, AMAL's group revenue was lower by 87% from the revenue in 2019 after only being able to close two (2) deals in 2020 less than half of what the company was able to close in the previous years.

Given this, the Company had to embrace other strategies to keep up with the changes brought by the pandemic. Part of the continues adjustment is implementing work from home work set ups and adjusting to investment appetite of buyers and sellers. The Company also emphasizes the importance of connectivity, therefore taking advantage of technological advancements in communications. The mitigating actions taken by AMAL are expected to yield improvements on its market reach and revenues going forward.

in the investment appetite among buyers and sellers. One is being able to take advantage of the technological advancements in communications. As video conferencing became the way to go to hold meetings, it became even easier for the Company to widen its reach. In 2020, AMAL was able to build relationships with companies outside of its niche specially in Oceania, North America and even Europe. Notwithstanding, the company also kept and even found ways to strengthen its relationship with local investors in the countries where it has presence.

In December 2019, an outbreak of the disease **COVID-19**, caused by a novel coronavirus (**SARS-CoV-2**) was first reported to have surfaced in Wuhan, the People's Republic of China, later resulting in millions of confirmed cases and hundreds of thousands of fatalities globally, with thousands of confirmed cases and more than a thousand fatalities in the Philippines. In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. As at the date of this Offering Circular, the COVID-19 disease has continued to spread globally, with the number of reported cases and related deaths increasing daily, and in many countries, exponentially.

Governments and health authorities around the world have imposed sweeping measures designed to contain the pandemic, including, among others, travel restrictions, border closures, curfews, quarantines, prohibition of gatherings and events and closures of universities, schools, restaurants, stores and other business. The economic repercussions of the pandemic and the efforts around the world to contain it have been severe, and include reduced global trade, lower industrial production, broad reductions in general consumption and economic activity and major disruptions to international travel and global air traffic.

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six months from March 17, 2020 (at midnight), unless earlier lifted or extended as circumstances may warrant, and imposed an enhanced community quarantine ("**ECQ**") throughout the island of Luzon until April 12, 2020, unless earlier lifted or extended as circumstances may warrant. On March 25, 2020, Republic Act No. 11469, otherwise known as the "Bayanihan to Heal As One Act" (the "**Bayanihan Act**"), was signed into law, declaring a state of national emergency over the entire country, and authorizing the President of the Philippines to exercise certain powers necessary to address the COVID-19 pandemic. On April 7, 2020, the Office of the President of the Philippines released a memorandum extending the ECQ over the entire Luzon island until April 30, 2020. On May 1, 2020, the Government further extended the ECQ over, among others, certain portions of Luzon, including Metro Manila, until May 15, 2020, while easing restrictions in other parts of the country. On

May 11, 2020, the Inter-Agency Task Force of Emerging Infectious Disease ("**IATF**") placed high-risk local government units under modified ECQ ("**MECQ**") from May 16, 2020 until May 31, 2020, where certain industries were allowed to operate under strict compliance with minimum safety standards and protocols. On May 27, 2020, the IATF reclassified various provinces, highly urbanized cities and independent component cities depending on the risk-level. Meanwhile, on May 29, 2020, the Government placed Metro Manila under general community quarantine, allowing for the partial reopening of certain businesses and public transportation while continuing to limit general movements. Because of the spike in COVID-19 cases, on August 4, 2020, the Government again placed Metro Manila under MECQ until August 18, 2020. Starting August 19, 2020, MECQ was lifted and Metro Manila and nearby areas were again placed under general community quarantine. These measures have caused disruption to businesses and economic activities, and their impacts on businesses continue to evolve. On September 11, 2020, the Bayanihan to Recover as One Act (the "**Bayanihan 2 Act**") was signed into law by President Duterte. Similar to the Bayanihan Act, the Bayanihan 2 Act confers emergency powers to President Duterte which will be in effect until December 19, 2020. The Bayanihan 2 Act seeks to provide a stimulus package to struggling sectors as part of the country's COVID-19 response and recovery plan, and to scrutinize the government's implementation of programs related to the pandemic. The moratorium on the collection of residential and commercial rents of lessees not permitted to operate or which have temporarily ceased operations under the Bayanihan 2 Act during and after the effectivity of quarantine measures may affect the Company and businesses that transact with it. Until the measures are finalized, its potential effects or duration remain uncertain.

The Philippine Government expects the country's gross domestic product to fall by 5.0% due to the economic effects of the outbreak, and the resulting domestic shutdowns, reduced tourism, disrupted trade and manufacturing and financial market spillovers. On May 7, 2020, the National Economic Development Authority reported that the Philippine economy had slowed down for the first time in 22 years, contracting 0.2% in the first quarter of 2020, from a 5.6% growth rate in the first quarter of 2019. In early August 2020, the Philippine Statistics Authority revised the first quarter estimates, stating that the economy contracted by 0.7% compared to same period in the prior year, and that GDP for the second quarter of 2020 contracted by 16.5%, bringing the country to a technical recession. According to Colliers, while the Philippine's GDP growth is expected to contract between 4.5% to 6.6% in 2020, it is expected to rebound and grow by 6.5% to 7.5% in 2021 and 2022. The extent of the impact of COVID-19 on the Philippine economy and the speed and certainty of any economic recovery cannot be predicted for certain, and any new surge in infections may result in stricter quarantine or lockdown measures across provinces, cities and municipalities may lead to further contraction of the Philippine economy, closure of businesses, and rise in unemployment rates.

The outbreak of COVID-19 and other adverse public health developments, such as the outbreak of avian influenza, severe acute respiratory syndrome, or SARS, Zika virus and Ebola virus could materially and adversely affect the Company's business, financial condition and results of operations. These may include, temporary closures of the Company's Properties, or cause the hospitalization or quarantine of the Company's or its property managers' employees, delay or suspension of supplies from the Company's suppliers, disruptions or suspension of the Company's operational activities. The disruption to business may also cause tenants to miss lease payments or downsize or not renew their leases. Although the Company has taken certain measures to try and minimize the negative effect of COVID-19 on the Company's operations, there is no certainty that such measures will be sufficient or that the Company will not be required to incur additional expense to address the effect of COVID-19 on its operations.

Further, under the Bayanihan Act, lessors, such as the Company, were required to extend rent deferrals to small and medium enterprises that requested for such concessions during the imposition of ECQ and MECQ in Metro Manila. The Company has extended such rent deferrals in the past to its small and medium enterprise tenants, and may do so in the future if required by law or regulation.

In addition, the continued spread of COVID-19 has led to disruption and volatility in the global capital markets. It is possible that the continued spread of COVID-19 could cause a global economic slowdown or recession. The deterioration of the regional economy and financial markets in general will have a material adverse effect on the Company's business, financial condition and results of operations. Furthermore, there is significant uncertainty relating to future developments of the outbreak of the COVID-19 and what actions the Philippine Government will take. The impacts of the outbreak of the COVID-19 on the Company's results of operations are highly uncertain.

The outbreak of a virus or any public health epidemic in the Philippines could have an adverse effect on the Philippine economy, and could materially and adversely affect AMAL's, financial condition and results of operations. Furthermore, AMAL intends to diversify its business in other countries, especially those in the Asian region.

RISKS RELATING TO THE PHILIPPINES

Difficult market conditions can adversely affect AMAL's business in many ways, including by reducing the volume of the transactions involving its advisory business which could materially reduce AMAL's revenues or income.

As an advisory services firm, AMAL's businesses are materially affected by conditions in the global financial markets and economic conditions throughout the world. For example, revenue generated by AMAL's advisory business is directly related to the volume and value of the transactions in which it is involved. During periods of unfavorable market or economic conditions, the volume and value of mergers and acquisitions transactions may decrease, thereby reducing the demand for AMAL's advisory services and increasing price competition among financial services companies seeking such engagements. AMAL's results of operations would be adversely affected by any such reduction in the volume or value of mergers and acquisitions transactions. In addition, AMAL's profitability may also be adversely affected by its fixed costs and the possibility that AMAL would be unable to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions. The future market and economic climate may deteriorate because of many factors beyond AMAL's control, including rising interest rates or inflation, terrorism or political uncertainty.

Political instability in the Philippines may have a negative effect on the Philippine economy and business environment which could have a material adverse impact on AMAL's business.

The Philippines has from time to time experienced political and military instability. In recent history, there has been political instability in the Philippines, including impeachment proceedings against two former Presidents and the Chief Justice of the Supreme Court of the Philippines, hearings on graft and corruption issues against various government officials, and public and military protests arising from alleged misconduct by previous and current administrations. There can be no assurance that acts of political violence will not occur in the future and any such events could negatively impact the Philippine economy. An unstable political environment may negatively affect the general economic conditions and operating environment in the Philippines, which in turn could have a material adverse effect on the business, operations, and financial condition of AMAL.

In addition, AMAL may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact AMAL's business.

There can be no assurance that the administration of President Rodrigo R. Duterte will continue to implement social and economic policies that promote a favorable and stable macroeconomic and business environment. Policy instabilities or fundamental change of policy directions, including those with respect to Philippine foreign policy, may lead to an increase in political or social uncertainty and the loss of investor confidence in the Philippines. The President's unorthodox and radical methods may also raise risks of social and political unrest. Any potential instability could have an adverse effect on the Philippine economy, which may impact AMAL's business, prospects, financial condition and results of operations.

AMAL's operating income and profits are derived in the Philippines, therefore, any downturn in the Philippine economy could have a material adverse impact on AMAL's business, financial condition, results of operations, and prospects.

Currently, AMAL derives its operating income and operating profits from the Philippines and, as such, AMAL is highly dependent on the state of the Philippine economy. Factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally;
- foreign exchange rate fluctuations;
- foreign exchange controls;
- inflation or increase in interest rates;
- levels of employment, consumer confidence and income;
- Philippine government budget deficits;
- the emergence of infectious diseases in the Philippines or in other countries in Southeast Asia;
- natural disasters, including but not limited to tsunamis, typhoons, earthquakes, fires, floods and similar events;
- political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and
- other regulatory, social, political or economic developments in or affecting the Philippines.

Any future deterioration in economic conditions in the Philippines due to these or other factors could materially and adversely affect AMAL's customers and contractual counterparties. This, in turn, could materially and adversely affect AMAL's financial position and results of operations. Therefore, changes in the conditions of the Philippine economy could materially and adversely affect AMAL's business, financial condition or results of operations.

Natural or other catastrophes, including severe weather conditions, may materially disrupt AMAL's operations and financial condition.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, droughts, volcanic eruptions and earthquakes. Within the past year, the Philippine Institute of Volcanology and Seismology ("Philvocs") raised alert levels over Taal volcano to level 4, indicating that a hazardous explosive eruption is possible within hours to days from the alert date. Philvocs subsequently lowered alert levels, indicating decreased tendency towards hazardous explosive eruption. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt AMAL's operations, and consequently, may adversely affect AMAL's business, financial condition and results of operations.

Further, while AMAL does obtain comprehensive general liability insurance for its offices, AMAL does not carry any insurance for certain catastrophic events, and there are certain losses for which AMAL cannot obtain insurance at a reasonable cost or at all. AMAL also does not carry any business interruption insurance. Any material uninsured loss could materially and adversely affect AMAL's business, financial condition and results of operations.

Credit ratings of the Philippines and Philippine companies could materially and adversely affect AMAL and the market or price of the Shares

The sovereign credit ratings of the Philippines directly affect companies residing and domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. In 2013, the Philippines earned investment grade status from all three major credit ratings agencies — Fitch (BBB-), Standard and Poor's ("S&P") (BBB-) and Moody's (Baa3). In 2014, S&P and Moody's upgraded their ratings to "BBB" and "Baa2" in May and December, respectively, with both agencies affirming these ratings in 2015. In December 2017, Fitch upgraded the country's rating to BBB, with a stable outlook, on strong economic conditions and planned tax reform, while S&P raised its outlook to Positive from Stable last April 2018. In January 2021, Fitch affirms Philippines at BBB, with a stable outlook, while S&P affirmed Philippines BBB+ rating with a stable outlook as well. All ratings are a notch above investment grade and the highest that the country has received so far from any credit ratings agency.

International credit rating agencies issue credit ratings for companies with reference to the country in which they reside. As a result, the sovereign credit ratings of the Philippines directly affect companies that reside in the Philippines, such as AMAL.

With investment grade status from three credit rating agencies, the Philippines is now eligible to be part of investment grade indices. These ratings reflect an assessment of the Government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due.

No assurance can be given that international credit rating organizations will not downgrade the credit ratings of the Philippines or Philippine companies. Any such downgrade could have an adverse impact on liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including AMAL, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available and could have a material adverse effect on AMAL.

Acts of terrorism could destabilize the country and could have a material adverse effect on AMAL's assets and financial condition.

The Philippines has been subject to a number of terrorist attacks in the past several years. The Philippine army has been in conflict with various groups which have been identified as being responsible for kidnapping and terrorist activities in the Philippines as well as clashes with separatist groups. In addition, bombings have taken place in the Philippines, mainly in cities in the southern part of the country. For example, in January 2019, bombs were detonated in the Jolo Cathedral in the Municipality of Jolo, Sulu and a Mosque in Zamboanga City, Zamboanga del Sur. In May 2017, a clash erupted in Marawi, Lanao del

Sur between government security forces and the ISIS-affiliated Maute group, following the government's offensive to capture alleged ISIS leader in Southeast Asia, Isnilon Hapilon, who was believed to be in the city. President Duterte immediately declared Martial Law in Mindanao amid protests from the opposition and sectors of civil society. In a special joint session convened on July 22, 2017, both Houses of Congress voted to extend Martial Law until the end of 2017. On October 17, 2017, President Duterte declared the liberation of Marawi City. The clashes resulted in the loss of lives of civilians, soldiers and ISIS-inspired extremists, as well as damage to property and livelihood of Marawi residents and the reconstruction of the city is on-going. On December 13, 2017, both Houses of Congress again granted President Duterte's request to extend Martial Law in Mindanao until December 31, 2018. For the third time on December 17, 2018, Martial Law was extended by both Houses of Congress until December 31, 2019. In December 2019, however, President Duterte announced that he had decided not to extend Martial Law in Mindanao any further.

An increase in the frequency, severity or geographic reach of these terrorist acts, violent crimes, bombings and similar events could have a material adverse effect on investment and confidence in, and the performance of, the Philippine economy. Any such destabilization could cause interruption to AMAL's business and materially and adversely affect AMAL's financial conditions, results of operations and prospects.

Continued conflicts between the Government and separatist groups could lead to further injuries or deaths by civilians and members of the Armed Forces of the Philippines, which could destabilize parts of the Philippines and adversely affect the Philippine economy. There can be no assurance that the Philippines will not be subject to further acts of terrorism or violent crimes in the future, which could have a material adverse effect on AMAL's business, financial condition, and results of operations
.

Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

The Philippines, China and several Southeast Asian nations have been engaged in a series of longstanding territorial disputes over certain islands in the West Philippine Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea ("UNCLOS"). Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. Actions taken by both sides have threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports, a temporary suspension of tours to the Philippines by Chinese travel agencies and the rejection by China of the Philippines' request for arbitral proceedings administered in accordance with the UNCLOS to resolve the disputes.

In 2016, the Permanent Court of Arbitration ruled in favor of the Philippines and against China in relation to the ongoing disputes over islands in the West Philippine Sea. Despite this, China has categorically stated that it will not recognize said ruling. Without a formal enforcement mechanism, the territorial dispute remains unresolved and has resulted in some tension between Filipino and Chinese nationals at sea. On June 9, 2019, a fishing boat manned by Filipino fishermen was rammed by a Chinese vessel at Recto Bank, an underwater feature being claimed by both the Philippines and China in the West Philippine Sea. The Filipino fishermen were abandoned in open sea and were eventually rescued by a Vietnamese vessel. This incident increased tensions between China and the Philippines. The owners of the Chinese vessel have since apologized to the Filipino fishermen and remuneration was eventually paid to the fishermen.

There had been other occurrences of territorial disputes with Malaysia and Taiwan. In March 2013, several hundred armed Filipino-Muslims illegally entered Malaysia in a bid to enforce an alleged historical claim on the territory. Clashes between the Filipino-Muslim individuals and the Malaysian armed forces resulted in casualties on both sides. Taiwan imposed economic sanctions on the Philippines as a result of an incident in May 2013, whereby a Taiwanese fisherman was unintentionally killed by a Philippine coast guard ship that opened fire on his vessel in a disputed exclusive economic zone between Taiwan and the Philippines. The sanctions were eventually lifted after a formal apology was issued by the Philippine government.

Should territorial disputes between the Philippines and other countries in the region continue or escalate further, the Philippines and its economy may be disrupted and operations of AMAL could be adversely affected as a result.

RISKS RELATING TO THE OFFER AND THE OFFER SHARES

There has been no prior market for the Shares, so there may be no liquidity in the market for the Offer Shares and the price of the Offer Shares may fall.

As there has been no prior trading in the Shares, there can be no assurance that an active market for the Offer Shares will develop following the Offer or, if developed, that such market will be sustained.

In addition, listing in the SME Board might be subject to more liquidity risk as compared to companies listed in the Main Board. Also, SME companies in general are more exposed to business risk due to the limited resources that they have compared to companies listed in the Main Board.

The Offer Price has been determined after taking into consideration a number of factors including, but not limited to, AMAL's prospects, the market prices for shares of companies engaged in related businesses similar to that of the AMAL's business and prevailing market conditions. The price at which the Shares will trade on the PSE at any point in time after the Offer may vary significantly from the Offer Price.

The market price of the Shares may be volatile, which could cause the value of investors' investments in the Shares to decline.

The market price of Shares could be affected by several factors, including:

- general market, political and economic conditions; changes in earnings estimates and recommendations by financial analysts;
- changes in market valuations of listed stocks in general and other retail stocks in particular;
- the market value of AMAL's assets;
- changes to government policies, legislations or regulations; and
- general operational and business risks.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of the Shares.

In part as a result of the global economic downturn, the global equity markets have experienced price and volume volatility that has affected the share prices of many companies. Share prices for many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Fluctuations such as these may adversely affect the market price of the Shares.

The Offer Shares may not be a suitable investment for all investors.

Each prospective investor in the Offer Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of AMAL and its businesses, the merits and risks of investing in the Offer Shares and the information contained in this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of AMAL's particular financial situation, an investment in the Offer Shares and the impact the Offer Shares will have on AMAL's overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Offer Shares, including where the currency for purchasing and receiving dividends on the Offer Shares is different from the potential investor's currency;
- understand and be familiar with the behavior of any relevant financial markets; and,
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect AMAL's investment and its ability to bear the applicable risks.

There can be no guarantee that the Offer Shares will be listed on the PSE.

Purchasers of Offer Shares will be required to pay for such Offer Shares on the Trading Participants and Retail Offer Settlement Date, which is expected to be on or about [●] 2021 and on the Institutional Offer Settlement Date, which is expected to be on or about [●], 2021. There can be no guarantee that listing will occur on the anticipated Listing Date or at all. Delays in the admission and the commencement of trading in shares on the PSE have occurred in the past. If the PSE does not admit the Offer Shares onto the PSE, the market for the Offer Shares will be illiquid and shareholders may not be able to trade the Offer Shares. This may materially and adversely affect the value of the Offer Shares.

Future sales of Shares in the public market could adversely affect the prevailing market price of the Shares and shareholders may experience dilution in their holdings.

In order to finance the expansion of AMAL's business and operations, the Board will consider the funding options available to them at the time, which may include the issuance of new Shares. If additional funds are raised by AMAL through the issuance of new equity or equity-linked securities other than on a pro rata basis to existing shareholders, the percentage ownership of existing shareholders may be reduced, shareholders may experience subsequent dilution or such securities may have rights, preferences and privileges senior to those of the Offer Shares.

Further, the market price of the Shares could decline as a result of future sales of substantial amounts of the Shares in the public market or the issuance of new Shares, or the perception that such sales, transfers or issuances may occur. This could also materially and adversely affect the prevailing market price of the Shares or AMAL's ability to raise capital in the future at a time and at a price AMAL deems appropriate.

The PSE rules require an applicant company under the SME Board to cause all its existing shareholders to refrain from selling, assigning, encumbering, or in any manner disposing of their shares for a period of one (1) year after the listing of the shares. A total of 390,000,020 Common Shares held by the Company's existing shareholders, including nominee shareholders and the independent directors, will be subject to such one- year lock-up.

In addition, if there is any issuance of shares or securities (i.e., private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of shares or securities (i.e., convertible bonds, warrants or a similar instrument) completed and fully paid for within six (6) months prior to the start of the offering period, and the transaction price is lower than that of the offer price in the initial public offering, all shares subscribed or acquired shall be subject to a lock-up period of at least one (1) year from listing of the aforesaid shares.

To implement this lock-up requirement, the PSE requires the applicant company to lodge the shares with the PDTC through a Philippine Central Depository ("PCD") participant for the electronic lock-up of the shares or to enter into an escrow agreement with the trust department or custodian unit of an independent and reputable financial institution.

Except for the issuance of Offer Shares pursuant to the Offer or Common Shares for distribution by way of stock dividends, the PSE is expected to require the Company, as a condition to the listing of the Common Shares, not to issue new shares of capital or grant any rights to or issue any securities convertible into or exchangeable for, or otherwise carrying rights to acquire or subscribe to, any shares in its capital or enter into any arrangement or agreement whereby any new shares or any such securities may be issued for a period of 180 days after the Listing Date.

Investors may incur immediate and substantial dilution as a result of purchasing Shares in the Offer.

The Offer Price of the Offer Shares may be substantially higher than the net tangible book value of net assets per share of the outstanding Shares. Therefore, purchasers of Offer Shares may experience immediate and substantial dilution and AMAL's existing shareholders may experience a material increase in the net tangible book value of net assets per share of the Shares they own. See "*Dilution*" on page 61 of this Prospectus.

Shareholders may be subject to limitations on minority shareholders' rights and regulations may differ from those in other countries.

AMAL's corporate affairs are governed by AMAL's Articles of Incorporation and By-Laws and the Revised Corporation Code of the Philippines. The laws of the Philippines relating to the protection of interests of minority shareholders differ in some respects from those established under the laws of more developed countries. Such differences may mean that AMAL's minority shareholders may have less protection than they would have under the laws of other countries. The obligation under Philippine law of majority shareholders and directors with respect to minority shareholders may be more limited than those in certain other countries such as the United States or the United Kingdom. Consequently, minority shareholders may not be able to protect their interests under current Philippine law to the same extent as in certain other countries.

The Revised Corporation Code of the Philippines, however, provides for minimum minority shareholders protection in certain instances wherein a vote by the shareholders representing at least two-thirds of AMAL's outstanding capital stock is required. The Revised Corporation Code of the Philippines also grants shareholders an appraisal right allowing a dissenting shareholder to require the corporation to purchase his shares in certain instances. Derivative actions are rarely brought on behalf of companies in the Philippines.

Accordingly, there can be no assurance that legal rights or remedies of minority shareholders will be the same, or as extensive, as those available in other jurisdictions or sufficient to protect the interests of minority shareholders.

There can be no assurance that AMAL will be able to pay dividends or maintain any given level of dividends.

There is no assurance that the Company can or will declare dividends on the Shares in the future. Nor is there any assurance that the level of dividends will increase over time, or that AMAL will generate adequate income available for dividends to shareholders. Future dividends, if any, will be at the discretion of the Board and subject to the Company's dividend policy, and will depend upon the Company's future results of operations and general financial condition, capital requirements, its ability to receive dividends and other distributions and payments from its subsidiaries, foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations, and other factors the Board may deem relevant.

The Shares may be subject to Philippine foreign ownership limitations.

For purposes of determining compliance with Philippine foreign ownership limitations, SEC Memorandum Circular No. 8, Series of 2013 (*SEC Guidelines on Compliance with the Filipino-Foreign Ownership Requirements Prescribed in the Constitution and/or Existing Laws by Corporations Engaged in Nationalized and Partly Nationalized Activities*) provides that for corporations engaged in identified areas of activities or enterprises specifically reserved, wholly or partly, to Philippine nationals by the Philippine Constitution, the Foreign Investments Act of 1991, and other existing laws and regulations, the required percentage of Filipino ownership shall be applied to both: (i) the total number of outstanding shares of stock entitled to vote in the election of directors; and (ii) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.

While the Company is not currently engaged in any business involving foreign ownership limitations, the same may change in the future.

Future changes in the value of the Peso against the U.S. dollar and other currencies will affect the foreign currency equivalent of the value of the Shares and any dividends.

Fluctuations in the exchange rate between the Philippine Peso and other currencies will affect the foreign currency equivalent of the Philippine Peso price of the Shares on the PSE. Such fluctuations will also affect the amount in foreign currency received upon conversion of cash dividends or other distributions paid in Philippine Pesos by AMAL on, and the Philippine Peso proceeds received from any sales of, the Shares.

RISKS RELATING TO CERTAIN INFORMATION IN THE PROSPECTUS

Certain information contained herein is derived from unofficial publications.

Certain information in this Prospectus relating to the Philippines, the business consultancy industry, including statistics relating to market size, is derived from various government and private publications. This Prospectus also contains industry information which was prepared from available public sources and independent market research conducted by ICCP to provide an overview of the segments of the business consultancy industry in which AMAL operates. AMAL has obtained the consent of ICCP but cannot guarantee that the information is accurate. The information contained in that section may not be consistent with other information regarding the business consultancy segment. Similarly, industry forecasts and other market research data, including those contained or extracted herein, have not been independently verified by AMAL nor the Underwriter, nor any of AMAL's respective affiliates or advisors, and may not be accurate, complete, up to date or consistent with other information compiled within or outside the Philippines. Prospective investors are cautioned accordingly.

USE OF PROCEEDS

AMAL's total proceeds from the sale of the Offer Shares will be up to ₱260.0 Million. It is estimated that the net proceeds from the sale of the Offer Shares will be approximately ₱245 Million after deducting the applicable underwriting fees, costs and expenses for the Offer payable by the Issuer.

Details on the proposed use of proceeds from the sale of the Offer Shares, based on the Offer Price of up to [₱2.00] per Offer Share, are as follows:

In the event that the net proceeds from the sale of the Offer Shares is less than the expected amount, AMAL intends to allocate the proceeds in order of priority as follows:

Use of Proceeds	Allocation (in ₱)	Year/Period of Target Disbursement
Establishment of lending business in the Philippines	114,936,485	4th quarter of 2021
Additional investment in the Philippines	44,160,252	4th quarter of 2021
Additional investment in Thailand	30,582,447	3rd quarter of 2021
Establishment of new subsidiary in Indonesia	19,471,241	3rd quarter to 4th quarter of 2021
Establishment of new subsidiary in Singapore	16,393,599	3rd quarter to 4th quarter of 2021
Additional investment in Vietnam	11,622,154	3rd quarter to 4th quarter of 2021
Additional investment in Malaysia	7,923,221	3rd quarter to 4th quarter of 2021
Total	245,089,400	

1. Establishment of lending business in the Philippines
2. Additional investment in the Philippines
3. Additional investment in Thailand
4. Establishment of new subsidiary in Singapore
5. Establishment of new subsidiary in Indonesia
6. Additional investment in Vietnam
7. Additional investment in Malaysia

ESTABLISHMENT OF LENDING BUSINESS IN THE PHILIPPINES

The Company intends to use approximately ₱115 Million or 47% of the net proceeds for the establishment of a lending business, currently under development in [●]. The proceeds from the Offer will be used to partly finance asset acquisition and initial working capital for the establishment of the said lending business.

The Company seeks to capitalize in the growing lending business in the Philippines.

In its current operations, the Company has seen the demand amongst its clients, especially among the SMEs, for bridge loans. After Listing Date, the Company expects to establish the lending business within the 3rd to 4th quarter of 2021. The Company believes this expansion overseas will reduce the concentration risk of its current operations in M&A advisory and will create additional recurring revenue streams once this subsidiary is established.

According to BSP, results of the Q3 2020 Senior Bank Loan Officers' Survey (SLOS) showed almost the same portion of respondent banks reporting tighter and unchanged overall credit standards at close to 50 percent of total responses received. For loans to enterprises, the percentage of respondent banks that reported tighter credit standards was only marginally higher than those that indicated unchanged overall credit standards during the quarter. Meanwhile, for loans to households, the percentage of respondent banks that reported maintained overall credit standards was only slightly higher than the portion that indicated tighter standards in Q3 2020.1 The results for the Q3 2020 survey showed fewer banks reporting tighter credit standards compared to the previous survey results where more than half of the respondent banks stated that they tightened credit standards amid the implementation of stricter quarantine measures due to the COVID-19 pandemic in Q2 2020.

Survey results revealed mixed responses in terms of demand for business and consumer loans in Q3 2020. Most of the respondent banks observed an unchanged overall demand for loans from enterprises in Q3 2020. Meanwhile, most respondent banks reported a decline in loan demand from households during the quarter. Similarly, DI-based results manifested mixed trends as the overall loan demand from enterprises pointed to a net increase (specifically for top corporations), while loan demand from households registered a net decline across all types of household loans.

The overall net increase in loan demand from firms was attributed by respondents to a decrease in clients' internally generated funds and higher customers' inventory and capital financing needs, along with lack of other sources of funds. Meanwhile, respondent banks associated their observed decline in consumer loan demand largely to lower household consumption and housing investment.

With the increase of demand, there is a potential market for short-term and long-term loan specifically used for investing in Philippine economy.

Sakura Lending Investor Inc (SLI) will be putting itself as a readily source for investors or corporation who will borrow to finance their enterprises. SLI will be maintaining a set of standard credit requirement. In this setup, we will market thru referrals, inquiry, and advertisement. Potential borrowers should comply with the credit screening requirements that SLI will set.

The investment will be used as the initial capital to fund its incorporation costs including securing of secondary license. It will also be used to support its initial operations, specifically funds to be used in its lending to clients.

ADDITIONAL INVESTMENT IN THE PHILIPPINES

Approximately ₱44 Million or 18% of the net proceeds from the Offer will be used as additional investments in the Company's current operations in the Philippines.

Additional investments in the Philippine office will consist of additional working space and manpower as well as additional working capital that includes equipment used in the regular operations of the company.

ADDITIONAL INVESTMENT IN THAILAND

Approximately ₱31 Million or 12% of the net proceeds from the Offer will be used as additional investments in the Company's current operations in Thailand.

Additional investments in the Thailand affiliate will be used for the affiliate's working capital which involves additional working space and manpower as well as procurement of laptops and equipment used in the regular operations of the Thailand Affiliate.

ESTABLISHMENT OF NEW SUBSIDIARY IN INDONESIA

Approximately ₱19 Million or 8% of the net proceeds from the Offer will be used to establish a new subsidiary in Indonesia including initial working capital to jump start its operations.

The Company intends to increase its market reach and footprint in the ASEAN region by establishing a new subsidiary in Indonesia. After Listing Date, the Company expects to establish the Singapore subsidiary within the 4^{th} quarter of 2021. The Company believes this expansion overseas will reduce the concentration risk of its current operations in the Philippines and will create additional recurring revenue streams once this subsidiary is established.

ESTABLISHMENT OF NEW SUBSIDIARY IN SINGAPORE

Approximately ₱16 Million or 7% of the net proceeds from the Offer will be used to establish a new subsidiary in Singapore which includes initial working capital needed to start operations.

The Company intends to increase its market reach and footprint in the ASEAN region by establishing a new subsidiary in Singapore. After Listing Date, the Company expects to establish the Singapore subsidiary within the 4^{th} quarter of 2021. The Company believes this expansion overseas will reduce the concentration risk of its current operations in the Philippines and will create additional recurring revenue streams once this subsidiary is established.

ADDITIONAL INVESTMENT IN VIETNAM

Approximately ₱12 Million or 5% of the net proceeds from the Offer will be used as additional investments in the Company's current operations in Vietnam.

Additional investments in the Vietnam subsidiary will consist of additional working space and manpower as well as additional working capital that includes procurement of laptops and equipment used in the regular operations of the Vietnam Subsidiary.

ADDITIONAL INVESTMENT IN MALAYSIA

Approximately ₱8 Million or 3% of the net proceeds from the Offer will be used as additional investments in the Company's current operations in Malaysia.

Additional investments in the Malaysia subsidiary will consist of additional working space and manpower as well as additional working capital that includes procurement of laptops and equipment used in the regular operations of the Malaysian Subsidiary.

The proposed use of proceeds described above represents best estimates of the use of net proceeds of the Offer Shares based on AMAL's current plans and expenditures. Other than as described above, no part of the net proceeds from the Offer Shares shall be used to acquire assets outside of the ordinary course of business, or to reimburse any officer, director, employee or shareholder of AMAL for services rendered, assets previously transferred, money loaned or advanced, or otherwise. The actual amount and timing of disbursement of the net proceeds from the Offer Shares for the uses stated above will depend on various factors which include, among others, changing market conditions or new information regarding the cost or feasibility of AMAL's expansion projects. The cost estimates may change as AMAL develops its plans, and actual costs may be different from the budgeted costs. To the extent that the net proceeds from the Offer Shares are not immediately applied to the above purposes, AMAL will invest the net proceeds in interest-bearing short-term demand deposits and/or money market instruments, and/or repay existing debts.

In the event of any deviation, adjustment, or reallocation in the planned use of proceeds, AMAL shall inform the PSE in writing at least 30 days before such deviation, adjustment, or reallocation is implemented. Any material or substantial adjustments to the use of proceeds, as indicated above, should be approved by AMAL's board of directors and disclosed to the PSE. In addition, AMAL shall submit via the PSE's Electronic Disclosure Generation Technology ("PSE EDGE") the following disclosures to ensure transparency in the use of proceeds:

(1) any disbursements made in connection with the planned use of proceeds from the Offer Shares;
(2) quarterly progress report on the application of the proceeds from the Offer Shares on or before the first 15 days of the following quarter (the quarterly progress reports shall be certified by AMAL's Chief Financial Officer or Treasurer and external auditor);
(3) annual summary of the application of the proceeds on or before January 31 of the following year, which will be certified by AMAL's Chief Financial Officer or Treasurer and external auditor; and
(4) approval by AMAL's board of directors of any reallocation on the planned use of proceeds. The actual disbursement or implementation of such reallocation must be disclosed by AMAL at least 30 days prior to the said actual disbursement or implementation.

The quarterly and annual reports required in items (2) and (3) above must include a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in the Prospectus, if any. The detailed explanation must state the approval of AMAL's Board as required in item (4) above. AMAL will submit an external auditor's certification of the accuracy of the information reported by AMAL to the PSE in our quarterly and annual reports.

EXPENSES

Based on an Offer Price of up to ₱2.00 per Offer Share, AMAL estimates that the total gross proceeds from the offer of the Offer Shares, total expenses for the offer of the Offer Shares will be:

Estimated total proceeds from the Offer	**₱**	**260,002,000**
Estimated Expenses		
Estimated professional fees (including legal, accounting, and financial advisory fees)	₱	3,000,000
SEC registration, filing, and research fees	₱	302,000
Issue Management, underwriting - per proposal	₱	6,660,000
PSE TP Selling Commission	₱	444,000
Taxes to be paid to the Government	₱	1,110,000
Estimated receiving and escrow bank fees	₱	555,000
PSE listing and processing fees	₱	1,176,600
Estimated PDTC processing fees	₱	555,000
Estimated other related expenses	₱	1,110,000
Total estimated expenses	₱	14,912,600
Estimated Net proceeds from the Offer	**₱**	**245,089,400**

DIVIDENDS AND DIVIDEND POLICY

Limitations and Requirements

Under Philippine law, dividends may be declared out of a corporation's Unrestricted Retained Earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds of the outstanding capital stock at a regular or special meeting duly called for the purpose. From time to time, the Company may reallocate capital among its Subsidiaries, depending on its business requirements.

The Philippine Revised Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividend without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

Record Date

Pursuant to existing SEC rules, cash dividends declared by the Company must have a record date not less than 10 nor more than 30 days from the date of declaration. In case no record date is specified, it is deemed to be fixed at 15 days after the company's declaration. For stock dividends, the record date should not be less than 10 nor more than 30 days from the date of the shareholders' approval, provided however, that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

Pursuant to the By-laws of the Company, for the purpose of determining the shareholders entitled to receive payment of any dividend, the Board of Directors may provide that the stock and transfer books be closed for a specified period, but not to exceed twenty (20) days.

Dividend History

The Company has not paid dividends in the past years.

Dividend Policy

The Company has approved a dividend policy of maintaining an annual cash and/or share dividend pay-out of up to 25% of its net profit after tax from the preceding year, subject to the requirements of applicable laws and regulations, the terms and conditions of its outstanding bonds and loan facilities, and the absence of circumstances that may restrict the payment of such dividends, such as where the Company undertakes major projects and developments. Dividends must be approved by the Board (and shareholders in case of a share dividend declaration) and may be declared only from the unrestricted retained earnings of the Company. The Company's Board of Directors may, at any time, modify the Company's dividend policy, depending upon the Company's capital expenditure plans and/or any terms of financing facilities entered into to fund its current and future operations and projects. The Company can give no assurance that it will pay any dividends in the future.

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HISTORY OF SHARE ISSUANCES

Below is a history of the Company's common share issuances and subscriptions from the date of incorporation up to the present.

The Company was incorporated and registered with the SEC on 15 May 2015 with an authorized capital stock of Ten Million Pesos (₱10,000,000.00) divided into One Hundred Thousand (100,000) common shares with a par value of One Hundred Pesos (₱100.00) per share. The following incorporators subscribed to shares of capital stock in the following manner:

Name of Shareholder / Date of Issue	Nationality	No. of Shares	Amount Subscribed (₱0.00)	Amount Paid-up (₱0.00) / Date of Full Payment
Hideki Tanifuji / 05-15-2015	Japanese	20,000	2,000,000.00	2,000,000.00/ 5-15-2015
Hideki Takahashi / 05-15-2015	Japanese	20,000	2,000,000.00	2,000,000.00 / 5-15-2015
Leo J. Velasco / 05-15-2015	Filipino	20,000	2,000,000.00	2,000,000.00 / 5-15-2015
Neil Ray J. Ramos / 05-15-2015	Filipino	20,000	2,000,000.00	2,000,000.00 / 5-15-2015
Christina R. Anciano / 05-15-2015	Filipino	20,000	2,000,000.00	2,000,000.00 / 5-15-2015
Total		**100,000**	**₱10,000,000.00**	**₱10,000,000.00**

Mr. Neil Ray J. Ramos and Ms. Christina Anciano held in trust the 20,000 shares each in their respective names for Mr. Hideki Tanifjui, pursuant to separate Deeds of Declaration of Trust dated 10 April 2015.

Mr. Leo J. Velasco and Mr. Hideki Takahashi likewise held in trust the 20,000 shares in their names for Mr. Tanifuji, pursuant to separate Deeds of Declaration of Trust dated 11 May and 26 May 2015, respectively.

On 23 May 2016, Mr. Tanifuji executed Deeds of Revocation of Trust for the shares held by each of the trustee-incorporators.

On 14 June 2016, Mr. Hideki Tanifuji assigned one (1) common share each to the following, supported by separate Deeds of Assignment, to qualify them to a seat in the Board:

- Ms. Dinah B. Ilagan;
- Mr. Marvin Mojares;
- Mr. Hideki Takahashi; and
- Ms. Ysabelle Mojares.

On 3 August 2016, as a consequence of the Revocation of Trust, a stock certificate was issued in the name of Mr. Tanifuji for 79,999 shares.

On 21, 22, and 23 December 2016, the following transfers of shares occurred, respectively, pursuant to separate Deeds of Assignment, to qualify the transferees to a seat in the Board:

- Mr. Marvin Mojares to Mr. Irvin John Chua
- Mr. Hideki Takahashi to Mr. Richard Paul San Juan; and
- Ms. Ysabelle Mojares to Mr. Ryan Go Rayos

On 30 December 2017, Mr. Irvin John Chua transferred his one (1) common share to Ms. Shaela Mae Claveria, to qualify her to a seat in the Board.

On 17 May 2018, Mr. Ryan Go Rayos transferred his one (1) common share to Mr. Karlon V. Pambid to qualify him to a seat in the Board, pursuant to a Deed of Sale.

On 31 January 2019, Mr. Richard Paul San Juan transferred his one (1) common share to Ms. Christine Joy. O. David to qualify her to a seat in the Board, pursuant to a Deed of Sale.

On 11 December 2020, the Stockholders and Board of Directors approved the following, superseding the previous Board Resolution dated 4 December 2019:

1. Amendment of the Articles of Incorporation to increase the Authorized Capital Stock to ₱100,000,000.00, divided into 1,000,000,000 common shares with a par value of ₱0.10;
2. Stock split of outstanding common shares to one thousand (1000) common shares for every one (1) common share; and
3. Amendment of the AOI to deny the stockholders' preemptive right.

The resulting ownership structure after the stock split would be as follows:

Name of Shareholder	**Nationality**	**No. of Shares**	**Amount Subscribed (₱0.00)**	**Amount Paid-up (₱0.00) / Date of Full Payment**
Hideki Tanifuji	Japanese	99,996,000	9,999,600.00	9,999,600.00/ 5-15-2015
Dinah B. Ilagan	Filipino	1,000	100.00	100.00 / 5-15-2015
Shaela Mae Claveria	Filipino	1,000	100.00	100.00 / 5-15-2015
Karlon V. Pambid	Filipino	1,000	100.00	100.00 / 5-15-2015

Christine Joy O. David	Filipino	1,000	100.00	100.00 / 5-15-2015
Total		**100,000,000**	**₱10,000,000.00**	**₱10,000,000.00**

On December 28, 2020 the SEC approved the amendment to the Articles of Incorporation of the Company wherein the par value of the common shares of the Company was changed from One Hundred Pesos (₱100.00) per share to Ten Centavos (₱0.10) per share.

On February 23, 2021, after due notice, all the directors and stockholders unanimously elected the nominees, Ms. Joanna May R. Casita and Mr. Samuel V. Poblete, as independent directors. And to qualify as such, both independent directors subscribed to ten (10) common shares each and paid One Peso (₱1.00) each for their respective subscriptions.

On 31 March 2021, Mr. Hideki Tanifuji subscribed to an additional Sixty-Five Million (65,000,000.00) common shares and paid Six Million Five Hundred Thousand Pesos (₱6,500,000.00) for the subscription.

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DETERMINATION OF THE OFFER PRICE

The Offer Price has been set at up to ₱[2.00] per Offer Share. The Offer Price was determined through a book-building process and discussion between AMAL and the Underwriter. Since the Shares have not been listed on any stock exchange, there has been no market price for the Shares derived from day-to-day trading.

The factors considered in determining the Offer Price were, among others, AMAL's after-tax earnings, its ability to generate earnings and cash flows, price to earnings multiple, its short and long-term prospects, the level of demand from institutional investors, overall market conditions at the time of launch of the Offer and the market price of comparable listed companies. The Offer Price may not have any correlation to the actual book value of the Offer Shares.

CAPITALIZATION

As of December 31, 2019, AMAL's authorized capital stock was ₱10,000,000.00 divided into 100,000 common shares with a par value of ₱100.00 per common share. On December 28, 2020, the SEC approved the increase in the authorized capital stock to ₱100,000,000.00 divided into 1,000,000,000 common shares with a par value of ₱0.10. In relation to such increase, AMAL's total subscribed shares is 325,000,000 common shares. On February 23, 2021, after due notice, two (2) independent directors were elected, and both independent directors subscribed to ten (10) common shares each. On March 31, 2021, an additional 65,000,000 common shares amounting to ₱6.5 Million was subscribed and fully paid. Total subscribed and paid shares as of the date of this Prospectus is 390,000,020.

The following table sets forth AMAL's capitalization and indebtedness as of December 31, 2020, as adjusted to give effect to the increase in authorized capital and as adjusted to give effect to the increase in authorized capital and the issuance of the Offer Shares. This table should be read in conjunction with AMAL's audited financial statements as of December 31, 2020 and notes thereto, included in the Prospectus.

	As of December 31, 2019[1]	As of December 31, 2020
	₱ (in Millions)	₱ (in Millions)
Total Liabilities	40.29	36.84
Equity		
Capital stock	10	32.5
Additional Paid-in Capital	0	0
Retained earnings	44.27	(3.33)
Cumulative OCI (Loss)	(0.19)	(0.53)
Total Equity	54.08	28.64
Total Capitalization	94.37	65.48

[1] Source: AMAL Audited Financial Statements for 2019 and 2020

DILUTION

Through the Offer, the Company will offer 130,001,000 Offer Shares to the public. The Offer Shares will be sold at the Offer Price, which is higher than the adjusted book value per share of the outstanding Shares, which will result in an immediate material dilution of the new investors' equity interest in the Company. The net book value attributable to the Company's common shareholders, based on the Company's audited consolidated financial statements as of December 31, 2020 was ₱28 Million, while the net book value per common Share was at ₱0.0881. The net book value attributable to the Company's common shareholders represents the amount of the Company's total equity attributable to equity holders of the Company. The Company's net book value per share is computed by dividing the net book value attributable to the Company's common shareholders by the equivalent number of Shares outstanding. Without taking into account any other changes in such net book value after the Offer, other than to give effect to the sale of 130,001,000 Shares at the Offer Price of ₱2.00 per Share and after deduction of the underwriting discounts and commissions and estimated offering expenses of the Offer payable by the Company, the Company's net book value would increase to ₱274 Million, or ₱0.6016 per Common Share. This represents an immediate increase in net book value of ₱0.5135 per Common Share to existing shareholders, and an immediate dilution of ₱1.3984 per Common Share to purchasers of Shares at the Offer Price of ₱2.00.

Dilution in pro forma book value per share to investors of the Offer Shares represents the difference between the Offer Price and the pro forma net book value per share immediately following the completion of the Offer. The pro forma net book value per share immediately following the completion of the Offer represents the net book value per share as of December 31, 2020 after giving effect to the equity transactions subsequent to the Offer. The following table illustrates dilution on a per share basis based on the Offer Price of ₱2.00 per Offer Share and the Offer of 130,001,000 Shares:

Offer Price per Offer Share	₱2.000
Net book value per Common Share as of December 31, 2020	₱0.0881
Difference in Offer Price per Offer Share and book value per Offer Share as of December 31, 2020	₱1.9119
Pro forma net book value per Common Share immediately following the completion of the Offer	₱0.6016
Dilution in Pro forma net book value per Common Share to investors of the Shares	₱1.3984

The following table sets forth the shareholdings, and percentage of Shares outstanding, of existing and new shareholders of AMAL immediately after completion of the Offer:

	Number of Shares	%
Existing shareholders	390,000,020	75%
New investors	130,001,000	25%
Total	**520,001,020**	**100%**

See "Risk Factors — Risks Relating to the Offer Shares — Future sales of Shares in the public market could adversely affect the prevailing market price of the Shares and shareholders may experience dilution in their holdings" and "— Investors may incur immediate and substantial dilution as a result of purchasing Shares in the Offer" on page 30 of this Prospectus.

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SELECTED FINANCIAL INFORMATION

The following tables present selected financial information and should be read in conjunction with the independent auditor's reports and AMAL's financial statements, including the notes thereto, included elsewhere in this Prospectus, and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The selected financial information as of and for the years ended December 31, 2018, 2019 and 2020 were derived from AMAL's audited financial statements, which were prepared in accordance with PFRS and were audited by Reyes Tacandong & Co. in accordance with the PSA.

The summary financial information below is not necessarily indicative of the results of future operations.

STATEMENT OF COMPREHENSIVE INCOME

	For the years ended December 31, Audited		
	2018	**2019**	**2020**
	₱	₱	₱
Service Fee	100,509,858	84,976,983	10,748,380
Cost and Expenses	(37,293,558)	(63,299,715)	(73,674,030)
Interest Income	36,800	50,059	27,027
Share in NL of Associate	0	(818,472)	0
Other Income (Charges)	(515,656)	(7,104,469)	827,140
Income (Loss) before Income Tax	62,737,444	13,804,386	(62,071,483)
Income Tax Benefit (Expense)	(19,296,897)	(8,026,165)	14,474,892
Net Income	43,440,547	5,778,221	(47,596,591)
Other Comprehensive Loss	0	(186,235)	(340,265)
Total Comprehensive Income	43,440,547	5,591,986	(47,936,856)
Basic/Diluted Earnings per share attributable to the equity holders of the Parent Company	434.41	57.78	(0.14)

STATEMENT OF FINANCIAL POSITION

	For the years ended December 31, Audited		
	2018	2019	2020
	₱	₱	₱
ASSETS			
Current Assets			
Cash and cash equivalents	32,676,310	19,129,905	19,955,689
Receivables	18,816,151	60,321,573	1,162,682
Due from a related party	0	481,193	694,757
Other Current assets	1,408,104	2,694,244	8,586,760
Total Current Assets	52,900,565	82,626,915	30,399,888
Noncurrent Assets			
Advances for investment purposes	0	0	11,000,300
Property and equipment - net	9,590,679	10,835,913	8,189,849
Deferred tax assets	0	903,933	15,458,422
Other noncurrent assets	1,000,221	0	430,185
Total Noncurrent Assets	10,590,900	11,739,846	35,078,756
Total Assets	63,491,465	94,366,761	65,478,644
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	3,386,759	12,155,001	7,941,598
Due to stockholders	0	22,933,068	28,845,066
Income tax payable	8,756,818	5,199,898	0
Total Current Liabilities	12,143,577	40,287,967	36,786,664
Noncurrent Liabilities			
Retirement Liability	0	0	50,042
Due to a stockholder	2,861,080	0	0
Total Noncurrent Liabilities	2,861,080	0	50,042
Total Liabilities	15,004,657	40,287,967	36,836,706
Stockholder's Equity			
Capital stock	10,000,000	10,000,000	32,500,000
Retained earnings (deficit)	38,486,808	44,265,029	(3,331,562)
Other comprehensive loss		(186,235)	(526,500)
Total Equity	48,486,808	54,078,794	28,641,938
Total Liabilities and Equity	63,491,465	94,366,761	65,478,644

	For the years ended December 31, Audited		
	2018	2019	2020
	₱	₱	₱
Net cash from operating activities	35,277,433	(27,389,496)	(15,225,671)
Net cash used in investing activities	(2,902,699)	(3,772,742)	(16,805,209)
Net cash from financing activities	0	18,229,183	33,467,993
Effects of Exchange Rate Changes	0	(613,350)	(611,329)
Net increase in cash and cash equivalents	32,374,734	(13,546,405)	825,784
Cash and cash equivalents at beginning of year	301,576	32,676,310	19,129,905
Cash and cash equivalents at end of year	32,676,310	19,129,905	19,955,689

SUMMARY OF SELECTED OPERATING AND FINANCIAL INFORMATION

	2018	2019	2020
Revenues (₱)	100,509,858	84,976,983	10,748,380
Revenue Growth (1)	308.80%	-15.45%	-87.35%
Gross Profit (₱)		71,893,122	3,532,051
Gross Profit Margin (2)		84.60%	32.86%
Net Income (₱)	43,440,547	5,778,221	-47,596,591
Net Income Margin (3)	43%	6.80%	-443%
EBITDA (₱) (4)	64,838,661	16,815,656	-58,905,458
Current Ratio (5)	4.36	2.05	0.83
Asset to Equity Ratio (6)	1.31	1.74	2.29
Debt to Equity Ratio (7)	0	0	0
Debt to Total Assets (8)	0	0	0
Book Value per Share (9)	484.87	540.79	0.09

(1) Net Sales Growth is computed by dividing the current period's net sales less the prior period's net sales by net sales for the prior period.
(2) Gross Profit Margin is computed by dividing Gross Profit by total revenue.
(3) Net Income Margin (Net Income to Revenue) is computed by dividing total net income by total revenue.
(4) EBITDA is computed as net income plus interest expense, tax expense and depreciation and amortization.
(5) Current Ratio is computed by dividing the total current assets by total current liabilities.
(6) Asset to Equity Ratio is computed by dividing the total assets by total equity.
(7) Debt to Equity Ratio is computed by dividing the total debt by total equity.
(8) Debt to Total Assets is computed by dividing the total debt by total assets.
(9) Book Value per Share is computed by dividing the total equity over total common shares outstanding

EBITDA Reconciliation

The table below sets forth the information with respect to the computation of EBITDA for the years ended December 31, 2018, 2019, and 2020

	For the years ended December 31, Audited		
	2018	2019	2020
	₱	₱	₱
Net Income	43,440,547	5,778,221	(47,596,591)
Add:			
Interest Expense	0	0	0
Income Tax Expense (Benefit)	19,296,897	8,026,165	(14,474,892)
Depreciation and amortization	2,101,217	3,011,270	3,166,025
EBITDA	64,838,661	16,815,656	(58,905,458)

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Prospective investors should read this discussion and analysis of AMAL's financial condition and results of operations in conjunction the sections entitled "Summary Historical Financial Information" and "Selected Historical Financial Information" and with the audited financial statements as of and for the years ended December 31, 2018, 2019, and 2020 (the "audited financial statements"), including the notes relating thereto, included elsewhere in this Prospectus.

AMAL's audited financial statements included in this Prospectus were prepared in compliance with PFRS. In contemplation of the Offer and in compliance with applicable regulatory requirements of the SEC for companies seeking registration of their securities, AMAL appointed Reyes Tacandong & Co. as its independent auditor in 2020. Reyes Tacandong & Co. has been the Company's external auditor since 2017.

This discussion contains forward-looking statements and reflects AMAL's current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled "Risk Factors" on page 30 and elsewhere in this Prospectus. See "Forward-Looking Statements" on page 9 of this Prospectus.

FACTORS AFFECTING THE COMPANY'S RESULTS OF OPERATIONS

AMAL's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have affected its results in the past, and which AMAL expect to affect its results in the foreseeable future. Factors other than those discussed below could also have a significant impact on AMAL's results of operations and financial condition in the future.

Philippine macroeconomic conditions and trends

AMAL's operation is significantly affected, and will continue to be significantly affected, by macroeconomic conditions in the Philippines. Demand for the Company's services are directly related to the strength of the Philippine economy and investor confidence, including overall growth levels and the amount of business activity in the Philippines. Over the past several years, economic growth in the Philippines has led to an increase in personal disposable income, resulting in increased purchasing power and greater demand for business consultancy services.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are those that are both (i) relevant to the presentation of AMAL's financial condition and results of operations and (ii) require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increase, those judgments become even more subjective and complex. In order to provide an understanding of how AMAL's management forms its judgments about future events, including the variables and assumptions underlying its estimates, and the sensitivity of those judgments to different circumstances, AMAL has identified the significant accounting judgments, estimates and assumptions discussed in Note 3 to AMAL's audited financial statements included, elsewhere in this Prospectus.

The main items subject to estimates and assumptions by management include, among others, impairment for allowance of expected credit losses ("ECL"), impairment losses on receivables, due from related parties and refundable deposits, estimation of useful lives of property and equipment, and realizability of deferred tax assets.

While AMAL believes that all aspects of its financial statements, including the accounting policies discussed in Note 2 to its audited financial statements should be studied and understood in assessing AMAL's current and expected financial condition and results of operations, AMAL believes that the significant accounting judgments, estimates and assumptions discussed in Notes 2 and 3 to AMAL's audited financial statements warrant particular attention.

DESCRIPTION OF KEY LINE ITEMS

The Company's results of operations with respect to the years ended December 31, 2018, 2019 and 2020 are based on, and should be read in conjunction with, AMAL's audited financial statements and related notes included elsewhere in this Prospectus.

Revenue

Revenue from contract with customers is recognized when the performance obligation in the contact 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 AMAL Group perform its obligation; (b) the AMAL Group's performance creates or enhances an asset that the customer controls as the asset is created or enhance; or (c) the AMAL Group's performance does not create an asset with an alternative use to the AMAL Group and the AMAL Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point of time.

The AMAL Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The AMAL Group has assessed that it acts as a principal in all its revenue sources.

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

Service Fee. Revenue is recognized at a point in time upon successful rendering related consultancy services as stipulated in a final contract of agreement between parties.

Interest Income. Interest Income is recognized as the interest accrues taking into account the effective yield on the assets, net of final tax.

Other Income. Income from other sources is recognized when earned during the period.

Cost and Expenses

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

Cost of Services. Cost of services are recognized as expense when the related services are rendered.

General and Administrative Expenses. General and Administrative expenses constitute costs of administering business. These are expenses as incurred.

Other Charges. Other charges are incidental charges in the normal course of operations and are expenses as incurred.

RESULTS OF OPERATIONS

	As of December 31,		
	Audited		
	2018	2019	2020
	₱	₱	₱
Revenues			
Service Fee	100,509,858	84,976,983	10,748,380
Cost and Expenses	(37,293,558)	(63,299,715)	(73,674,030)
Interest Income	36,800	50,059	27,027
Share in NL of Associate	0	(818,472)	0
Other Income (Charges)	(515,656)	(7,104,469)	827,140
Income (Loss) before Income Tax	62,737,444	13,804,386	(62,071,483)
Income Tax Benefit (Expense)	(19,296,897)	(8,026,165)	14,474,892
Net Income	43,440,547	5,778,221	(47,596,591)
Other Comprehensive Loss	0	(186,235)	(340,265)
Total Comprehensive Income	43,440,547	5,591,986	(47,936,856)

Year ended December 31, 2020 compared to year ended December 31, 2019

	Year Ended December 31,		Analysis		
	2019	2020	Horizontal	Vertical	
			% Change	*% of Total Revenue*	
Revenue	84,976,983	10,748,380	-87.4%	100.0%	100.0%
Cost and Expenses	(63,299,715)	(73,674,030)	16.4%	-74.5%	-685.4%
Income from Operations	21,677,268	(62,925,650)	-390.3%	25.5%	-585.4%
Net Income	5,778,221	(47,596,591)	-923.7%	6.8%	-442.8%

For the year ended December 31, 2020, AMAL earned a total revenue of ₱10.7 Million a decrease of 87% from ₱84.9 Million in 2019. This year's performance was negatively impacted by COVID-19 pandemic causing many transactions to be put on hold.

Table showing the decline of the Revenue for AMAL:

	2019	**2020**
Revenue	₱84,976,983	₱10,748,380
% Change		-87%

For the year ended December 31, 2020, AMAL's total Cost and Expenses is ₱73.67 Million compared to ₱63.30 Million for the year ended December 31, 2019, which was driven by the 30% increase in general and administrative (G&A) expense and decrease by 45% in its cost of service. The significant increase in the G&A expense is due to the increase of provision of impairment loss and write-off on trade receivable and outsourced services.

The provision of impairment loss on trade receivable in compliance with PFRS 9 wherein trade receivables are assessed for expected credit loss by using a provision matrix that is based on its historical credit loss experience (fixed provision rates depending on the number of days that a trade receivable is past due), adjusted for forward-looking factors specific to the debtors and the economic environment. Meanwhile, a receivable was written off as the Company assessed it can no longer collect a certain receivable due to the cancellation of a transaction. In 2020, AMAL also established the subsidiary in Vietnam which engaged outsourced services in order to support its operation. As for the cost of services, the commission (bonuses) decreased as the Company closed less deals compared to the past years.

For the year ended December 31, 2020, AMAL incurred net loss of ₱47.97 Million, a 958% decrease compared to the ₱5.59 Million in 2019. The decrease is due to transactions that had to be put on hold due to the Covid-19 pandemic. AMAL aims to recover this year 2021.

Year ended December 31, 2019 compared to year ended December 31, 2018

	Year Ended December 31,		Analysis		
	2018	2019	Horizontal	Vertical	
			% Change	*% of Total Revenue*	
Revenue	100,509,858	84,976,983	-15.5%	100%	100%
Cost and Expenses	(37,293,558)	(63,299,715)	69.7%	-37.1%	-74.5%
Income from Operations	63,216,300	21,677,268	-65.7%	62.9%	25.5%
Net Income	43,440,547	5,778,221	-86.7%	43.2%	6.8%

For the year ended December 31, 2019, AMAL reported a total revenue of ₱84.98 Million, 15% lower than ₱100.51 Million reported revenue last December 31,2018. The decrease was due to fewer number of closed deals during the year compared to previous year's closed deals.

Table showing the decrease in the Revenue for AMAL:

	2018	**2019**
Revenue	₱100,509,858	₱84,976,983
% Change		-15%

For the year ended December 31, 2019, AMAL's total cost and expenses is ₱63.30 Million, 70% higher compared to ₱37.29 Million reported cost and expenses last 2018, it is primarily driven by significant increase in general and administrative expense due to AMAL's expansion of company's operations.

The general and administrative increase is composed of salaries and other benefits, professional fees, rentals, subscriptions, and other business-related expenses.

The salaries and other benefits account primarily increased because of the growth in the number of its employees. While rent increased due to the additional units that AMAL rented to cater to its larger number of employees and to have additional meeting rooms. The increase in depreciation is because of additional equipment acquired during the year.

For the year ended December 31, 2018, AMAL earned a total income of ₱43.44 Million, a 10.4x increase compared to the ₱3.81 Million in 2017. The increase is due to the increased number of closed deals by AMAL.

Year ended December 31, 2018 compared to year ended December 31, 2017

	Year Ended December 31,		Analysis		
	2017	2018	Horizontal	Vertical	
			% Change	*% of Total Revenue*	
Revenue	24,586,791	100,509,858	308.8%	100%	100%
Cost and Expenses	(20,867,278)	(37,293,558)	78.7%	-84.9%	-37.1%
Income from Operations	3,719,513	63,216,300	1599.6%	15.1%	62.9%
Net Income	3,810,773	43,440,547	1039.9%	15.5%	43.2%

For the year ended December 31, 2018, AMAL earned a total revenue of ₱100.51 Million an increase of 308.80% from ₱24.59 Million in 2017. This was driven by an increase of eight (8) closed deals for 2018.

Table showing the significant increase in the Revenue for AMAL:

	2017	**2018**
Revenue	₱24,586,791	₱100,509,858
% Change		308.80%

For the year ended December 31, 2018, AMAL's total Cost and Expenses is ₱37.29 Million compared to ₱20.87 Million for the year ended December 31, 2017, which is primarily driven by an increase in salaries by 54.67%, rent by 222.01% and professional fees by 178.07% due to more closed deals.

The salaries and other benefits account primarily increase because of growing number of employees. The increase in depreciation is because of additional Property and Equipment acquired amounting to 2.92 Million.

The other noticeable increase of operating expenses is attributable to the expansion of the company's operations.

For the year ended December 31, 2018, AMAL earned a total income of ₱43.44 Million, a 10.4x increase compared to the ₱3.81 Million in 2017. The increase is due to the increased number of closed deals by AMAL.

STATEMENT OF FINANCIAL POSITION

	For the years ended December 31, Audited		
	2018	2019	2020
	₱	₱	₱
ASSETS			
Current Assets			
Cash and cash equivalents	32,676,310	19,129,905	19,955,689
Receivables	18,816,151	60,321,573	1,162,682
Due from a related party	0	481,193	694,757
Other Current assets	1,408,104	2,694,244	8,586,760
Total Current Assets	52,900,565	82,626,915	30,399,888
Noncurrent Assets			
Advances for investment purposes			11,000,300
Property and equipment - net	9,590,679	10,835,913	8,189,849
Deferred tax assets	0	903,933	15,458,422
Other noncurrent assets	1,000,221	0	430,185
Total Noncurrent Assets	10,590,900	11,739,846	35,078,756
Total Assets	63,491,465	94,366,761	65,478,644
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	3,386,759	12,155,001	7,941,598
Due to stockholders	0	22,933,068	28,845,066
Income tax payable	8,756,818	5,199,898	0
Total Current Liabilities	12,143,577	40,287,967	36,786,664
Noncurrent Liabilities			
Retirement Liability	0	0	50,042
Due to a stockholder	2,861,080	0	0
Total Noncurrent Liabilities	2,861,080	0	50,042
Total Liabilities	15,004,657	40,287,967	36,836,706
Stockholder's Equity			

Capital stock	10,000,000	10,000,000	32,500,000
Retained earnings (deficit)	38,486,808	44,265,029	(3,331,562)
Other comprehensive loss	0	(186,235)	(526,500)
Total Equity	48,486,808	54,078,794	28,641,938
Total Liabilities and Equity	63,491,465	94,366,761	65,478,644

For the year ended 31 December 2020 compared to 31 December 2019

AMAL's total assets stood at ₱65.48 Million as of December 31, 2020, a decrease by 30.61% from the amount of ₱94.37 Million as of December 31, 2019. This was mainly driven by the collection of receivables and depreciation of equipment. Although, significant increase can be noted in the due from related parties, other current assets, and the deferred tax assets accounts.

Current Assets

Cash stood at ₱19.95 Million as of December 31, 2020, an increase by 4% from the amount of ₱19.13 Million as of December 31, 2019. The increase in cash level was mainly driven by the proceeds from the issuance of new shares.

Receivables stood at ₱1.17 Million as of December 31, 2020, decrease by 98.08% from the amount of ₱60.32 Million as of December 31, 2019. Trade receivables represent mainly outstanding receivables from clients. The decline in the balance is mainly due to the collection from clients and the recognition of estimated impairment loss and write off of uncollectible accounts.

Due to related party stood at ₱0.69 Million as of December 31, 2020, an increase of 1.44x from the amount of ₱ 0.48 Million as of December 31, 2019. Outstanding balances are unsecured, noninterest-bearing, collectible or payable on demand and settlement is made in cash.

Other Current Assets stood at ₱8.59 Million as of December 31, 2020, an increase by 3.19x from the amount of ₱2.69 Million as of December 31, 2019. The increase is driven by the increase in creditable withholding tax.

Noncurrent Assets

Advances for investment purpose stood at ₱11M as of December 31, 2020. This primarily refers to the funds deposited in a treasurer-in-trust-for account which must be opened as a requirement for the incorporation of a lending company.

Property and equipment stood at ₱8.19 Million as of December 31, 2020, an increase of 24% from the amount of ₱10.84 Million as of December 31, 2019. Additions on the property and equipment for the year 2020 only amounted ₱533,927.

Other Noncurrent Assets stood at ₱0.43 Million as of December 31, 2020. This is due to the Surety bond deposit that pertains to the Company's deposit with National Labor Relations Commission in relation to the labor cases involving the Company. The Company's management and legal counsel believe that the eventual liabilities under these lawsuits or claims, if any, will not have a material adverse effect on the financial statements. It is also composed of long-term prepaid expense are noncurrent portion of expenses paid in advance and amortized over a period of more than 12 months.

Current Liabilities

Total current liabilities stood at ₱36.79 Million as of December 31, 2020, a decrease by 8.7% from the amount of ₱40.29 Million as of December 31, 2019. The decline is mainly due to decrease in the income tax payable, and accounts and other payables.

Accounts and other payable stood at ₱7.94 Million as of December 31, 2020, a decrease by 35% from the amount of ₱12.16 Million as of December 31, 2019. The decrease is due to the decline in the accrued expenses and deferred output VAT.
Due to stockholder stood at ₱28.85 Million as of December 31, 2020, an increase by 35% from the amount of ₱12.16 Million as of December 31, 2019. This was incurred to support the working capital requirements of the group.

Noncurrent Liabilities

Retirement Liability stood at ₱0.050 Million as of December 31, 2020. This was driven by the accrued retirement liability covering substantially all its qualified employees in line with the requirement of Republic Act No.7641(Retirement Law) as required by SEC/BIR to establish as AMAL meets its criteria***.***

Equity

AMAL's total equity stood at ₱28.64 Million as of December 31, 2020, a decrease by 47% from the amount of ₱54.08 Million as of December 31, 2019. This was due to the losses incurred by the Company brought about by the Covid-19 pandemic.

AMAL increased its authorized capital stock to 1,000,000,000 shares at ₱0.10 par value per share. AMAL subscribed and paid 325,000,000 shares amounting to ₱ 32,500,000. Meanwhile, retained earnings decreased as AMAL group incurred losses. Other comprehensive loss from the exchange differences on translation of foreign operations amounting to ₱ 0.53M.

For the year ended 31 December 2019 compared to 31 December 2018

For the year ended December 31, 2019, total assets stood at ₱94.37Million, higher by 48.63% than the total assets of ₱63.49 Million as of December 31, 2018.

Current Assets

Cash stood at ₱19.13 Million as of December 31, 2019, a decrease of 41.46% from the amount of ₱32.68 Million as of December 31, 2018. The decline in cash level is directly attributable to the higher cash outflow from operations.

Receivable stood at ₱60.32 Million as of December 31, 2019, higher by 220.58% compared to receivable balance of ₱18.81 Million as of December 31,2018. The increase was due to numerous closed deals in 2019 that resulted to significant increase in trade receivables. The Company also recognized an allowance for impairment loss amounting to ₱2.6 Million.

The December 31,2019 due from related party balance is due to advances for working capital. This is unsecured, noninterest bearing and payable on demand.

Other current asset stood at ₱2.69 Million as of December 31, 2019, an increase by 91.34% from ₱1.4 Million as of December 31, 2018. The increase was primarily driven by significant increase of refundable rent deposits***.***

Noncurrent Assets

Property and equipment stood at ₱10.84 Million as of December 31,2019, higher by 12.98% than the ₱9.59 Million property and equipment balance as of December 31,2018. The increase over the period was due to acquisition of equipment, furniture, and fixtures as well as increase in leasehold improvements.
The ₱.9 Million balance of Deferred tax asset as of December 31,2019 is the result of the recognized allowance for impairment loss and unrealized foreign exchange loss.

Current Liabilities

Total current liabilities stood at ₱40.29 Million as of December 31, 2019, an increase of 231.76% from the amount of ₱12.14 Million as of December 31, 2018. The spike is mainly due to the reclassification of the due to stockholder account to current from non-current.

Accounts and other payable stood at ₱12.16 Million as of December 31,2019, higher by 258.90% compared to the ₱3.39 Million as of December 31,2018. The increase over this period was driven by deferred output vat recognition and accrued expenses.

Due to stockholder stood at ₱22.93 Million as of December 31,2019. This is to support the working capital, acquisition of property plant and equipment, and the investment in the affiliate in Thailand.

Non-current Liabilities

The Company did not recognize any non-current liabilities as of December 31, 2020.

Equity

Issued and outstanding shares as of December 31, 2019 remained at 100,000 with ₱100 par value. No further issuance of shares was made and shall remain at ₱10 Million.

Retained earnings stood at ₱44.27 Million as of December 31, 2019, higher by 15% compared to the retained earnings of ₱38.49 Million as of December 31, 2018. AMAL's unappropriated retaining is more than its paid-up capital and AMAL Group intended to use if for future declaration of dividend.

For the year ended 31 December 2018 compared to 31 December 2017

AMAL's total assets stood at ₱63.49 Million as of December 31, 2018, an increase by 357.71% from the amount of ₱13.87 Million as of December 31, 2017. This was driven by the increase in cash, receivables and other current and noncurrent assets accounts.

Current Assets

Cash stood at ₱32.68 Million as of December 31, 2018, an increase by 107.93x from the amount of ₱0.30 Million as of December 31, 2017. The increase in cash level is attributed to a 19.51x increase in income before income tax due to increased closed deals.

Receivables stood at ₱18.82 Million as of December 31, 2018, higher by 10.98x from the amount of ₱1.57 Million as of December 31, 2017. Trade receivables represent mainly outstanding receivables from clients, the increase was due to increased closed deals during the year.

Other Current Assets stood at ₱1.41 Million as of December 31, 2018, an increase by 1.07x from the amount of ₱0 .68 Million as of December 31, 2017. The increase is driven by the increase in prepayments by 19.05x for 2018.

Noncurrent Assets

Other Noncurrent Assets stood at ₱1.00 Million as of December 31, 2018, an increase by 19x from the amount of ₱0.05 Million as of December 31, 2017. The reason of this increase is due to a rent deposit amounting to ₱0.98 Million for 2018.

Liabilities

Accounts and other payable stood at ₱3.39 Million as of December 31, 2018, an increase of 18% from ₱2.86 Million as of December 31, 2017. The increase is due to statutory payables that are expected to be settled within the next 30 days and to accounts payable, that mainly includes payable to suppliers and service providers.

Income Tax Payable for 2018 is ₱8.8 Million and no outstanding income tax payable for 2017. The increase in income tax payable resulted from the unpaid current provision for income tax.

Outstanding balance arising from obligations to stockholder for the year 2018 is ₱2.9 Million. The decrease in outstanding balance is due to the settlement in cash of the outstanding balance from 2017 and part of the additional advances for working capital during 2018.

Equity

No change in the issued and outstanding shares of 100,000 with ₱100 par value as of December 31, 2018. No further issuance of shares and remained at ₱10 Million.

Retained earnings for 2018, after all the necessary adjustments related to the account were applied to the 2017 deficit balance of ₱4.95 Million, amounted to ₱38.5 Million. This increase in retained earnings is due solely to the net income for the year 2018.

Key Performance Indicators

	As of December 31,		
	Audited		
	2018	2019	2020
Revenues	100,509,858	84,976,983	10,748,380
Revenue Growth	308.8%	-15%	-87%
Gross Profit*		71,893,122	3,532,051
Gross Profit Margin*		84.6%	-32.9%
Net Income	43,440,547	5,778,221	(47,596,591)
Net Income Margin	43%	7%	-443%

*Cost of services and operating expenses were presented together in the 2018 statement of comprehensive income.

LIQUIDITY AND CAPITAL RESOURCES

AMAL mainly relies on its cash flow from operations, and capital infusion and advances from stockholders. AMAL expects to meet its operating assets and liabilities, capital expenditure and investment requirements for the next twelve (12) months primarily from its operating cash flows and borrowings and proceeds of the Share Offer. It may also from time to time seek other sources of funding, which may include debt or equity financings, depending on its financing needs and market conditions.

Net cash from financing activities were sufficient to cover the working capital and opening of additional stores for the years ended December 31, 2020, 2019 and 2018. As of December 31, 2020, AMAL's cash amounted to ₱19.96 Million.

CASH FLOWS

The following table sets forth AMAL's statements of cash flows for the last three years ended December 31, 2020, 2019 and 2018 and should be read in conjunction with the consolidated statements of cash flows included in the audited financial statements of AMAL.

	For the years ended December 31,		
	Audited		
	2018	**2019**	**2020**
	₱	₱	₱
Net cash from operating activities	35,277,433	(27,389,496)	(15,225,671)
Net cash used in investing activities	(2,902,699)	(3,772,742)	(16,805,209)
Net cash from financing activities	0	18,229,183	33,467,993
Effects of Exchange Rate Changes	0	(613,350)	(611,329)
Net increase in cash and cash equivalents	32,374,734	(13,546,405)	825,784
Cash and cash equivalents at beginning of year	301,576	32,676,310	19,129,905
Cash and cash equivalents at end of year	32,676,310	19,129,905	19,955,689

AMAL's consolidated cash from operating activities is primarily affected by its revenue from services rendered, costs related to the services and operating expenses. Net cash provided (used) by operating activities amounted to ₱(15.23) Million, ₱(27.39) Million and ₱35.28 Million for the years ended December 31, 2020, 2019, and 2018 respectively.

Net cash used in investing activities

Net cash used in investing activities amounted to ₱16.81 Million, ₱3.71 Million and ₱2.90 Million for the years ended December 31, 2020, 2019, and 2018, respectively. Cash used in investing activities includes capital expenditures for acquisitions of equipment, furniture & fixtures and improvements on leased assets, and deposits made to secure the leasable space, and advances to related parties.

Net cash from financing activities

Net cash used in financing activities amounted to ₱33.47 Million and ₱18.2 Million for the years ended December 31, 2020 and 2019 respectively while there were no financing activities in 2018. Cash used in financing activities includes advances and payments from and to a stockholder, and the proceeds from issuance of new shares.

CAPITAL EXPENDITURES

The table below sets out AMAL's capital expenditures in 2018, 2019 and 2020

	For the years ended December 31,		
	2018	2019	2020
Transportation equipment	819,664	2,114,490	160,882
Furniture, fixtures, and equipment	508,761	427,081	137,284
IT investment	1,246,417	1,656,283	220,036
Leasehold Improvements	327,857	58,650	15,725
Total	2,902,699	4,256,504	533,927

For the past two (2) years, AMAL increased its capital expenditures to support its expansion. AMAL has historically funded its capital expenditures through internally generated funds derived from operating cash flows, and advances from stockholder if and when necessary. AMAL's capital expenditures for the above periods were related to assets used in operations.

Aside from the items described in the immediately preceding paragraphs, AMAL has no other material commitments for capital expenditure.

Indebtedness

As at December 31, 2020, AMAL's has no indebtedness, aside from its advances to a shareholder.

Off Balance Sheet Arrangements

As of the date of this Prospectus, the Company has no material off-balance sheet transactions, arrangements, or obligations that were likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity or capital expenditures that is material to investors. The Company also has no unconsolidated subsidiaries.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

AMAL has significant exposure to the following risks in the ordinary course of business:

Credit Risk

Credit risk is the risk of financial loss when a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from receivables.

With respect to credit risk arising from cash in banks, receivables, due from related parties, rent deposits (included under "Other current assets" account), surety bond deposit (included under "Other noncurrent assets" account) and advances for investment purposes, the Group's exposure arises from the default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The analyses of financial assets are as follows:

	2020				
	12-month ECL	**Lifetime ECL**	**Purchased or Credit-impaired**	**Lifetime ECL Simplified Approach**	**Total**
Cash in banks	₱19,928,821	₱	₱–	₱–	₱19,928,821
Receivables	–	–	–	11,392,279	11,392,279
Due from related parties	694,757	–	–	–	694,757
Rent deposits*	1,893,545	–	–	–	1,893,545
Surety bond deposit**	379,042	–	–	–	379,042
Advances for investment purposes	11,000,300	–	–	–	11,000,300
	₱33,896,465	₱–	₱–	₱11,392,279	₱45,288,744

**Included under "Other current assets" account.*
***Included under "Other noncurrent assets" account.*

	2019				
	12-month ECL	Lifetime ECL	Purchased or Credit-impaired	Lifetime ECL Simplified Approach	Total
Cash in banks	₱18,915,976	₱–	₱–	₱–	₱18,915,976
Receivables	–	–	–	62,899,650	62,899,650
Due from related parties	481,193	–	–	–	481,193
Rent deposits*	2,053,744	–	–	–	2,053,744
	₱21,450,913	₱–	₱–	₱62,899,650	₱84,350,563

**Included under "Other current assets" account.*

Credit Quality of Financial Assets. The credit quality of the Group's financial assets is being managed by using internal credit ratings such as high grade and standard grade.

High Grade - pertains to a counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions, companies and government agencies.

Standard grade - includes financial assets that are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from counter party. The table below shows the credit quality per class of financial assets:

	2020				
	Neither Past Due Nor Impaired		Past Due But		
	High Grade	Standard Grade	Not Impaired	Impaired	Total
Cash in banks	₱19,928,821	₱–	₱–	₱–	₱19,928,821
Receivables	–	504,063	658,619	10,229,597	11,392,279
Due from related parties	694,757	–	–	–	694,757
Rent deposits*	1,893,545	–	–	–	1,893,545
Surety bond deposit**	379,042	–	–	–	379,042
Advances for investment purposes	11,000,300	–	–	–	11,000,300
	₱33,896,465	₱504,063	₱658,619	₱10,229,597	₱45,288,744

**Included under "Other current assets" account.*
***Included under "Other noncurrent assets" account.*

	2019				
	Neither Past Due Nor Impaired		Past Due But		
	High Grade	Standard Grade	Not Impaired	Impaired	Total
Cash in banks	₱18,915,976	₱–	₱–	–	₱18,915,976
Receivables	32,990,938	302,110	27,028,525	2,578,077	62,899,650
Due from related parties	481,193	–	–	–	481,193
Rent deposits*	2,053,744	–	–	–	2,053,744
	₱54,441,851	₱302,110	₱27,028,525	₱2,578,077	₱84,350,563

**Included under "Other current assets" account.*

With the exception of receivables, which are always subject to lifetime ECL, the Group's financial assets at amortized cost have been subjected to 12-month ECL because there is no significant increase in credit risk.

Significant Increase in Credit Risk. 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 reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Default. The Group considers a financial asset in default when contractual payments are 90 days past due, unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Generally, receivables are written off if collection cannot be made despite exhausting all extra-judicial and legal means of collection

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Management is responsible for liquidity, funding as well as settlement management. In addition, liquidity and funding risk, related processes and policies are overseen by the management. The Group manages its liquidity risk based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The Group also maintains a balance between continuity of funding and flexibility. The policy of the Group is to first exhaust lines available from related parties before local bank lines are availed of. The Group seeks to manage its liquid funds through cash planning on a weekly basis. The Group uses historical figures and experiences and forecasts from its cash receipts and disbursements. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities.

The tables below summarize the maturity profile of the Group's financial liabilities based on undiscounted cash flows:

	2020				
	On Demand	**Less than 1 Year**	**More than 1 Year up to 3 Years**	**More than 3 Years**	**Total**
Accounts and other payables*	**₱–**	**₱5,011,299**	**₱–**	**₱–**	**₱5,011,299**
Due to stockholders	**22,754,915**	**–**	**6,090,151**	**–**	**28,845,066**
	₱22,754,915	**₱5,011,299**	**₱6,090,151**	**₱–**	**₱33,856,365**

**Excluding statutory payables and deferred output VAT aggregating to ₱2.9 million.*

	2019				
	On Demand	Less than 1 Year	More than 1 Year up to 3 Years	More than 3 Years	Total
Accounts and other payables*	₱–	₱5,227,764	₱–	₱–	₱5,227,764
Due to stockholders	22,269,023	–	664,045	–	22,933,068
	₱22,269,023	₱5,227,764	₱664,045	₱–	₱28,160,832

**Excluding statutory payables and deferred output VAT aggregating to ₱6.9 million.*

FINANCIAL RISK DISCLOSURE

The Company is not aware of any known trends, demands, commitments, events, or uncertainties that will have a material impact on the Company's liquidity.

The Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including default or acceleration of any obligation.

The Company is not aware of any trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on revenues or income from continuing operations.

The Company does not have any significant elements of income or loss that did not arise from its continuing operations.

INDUSTRY OVERVIEW

The information that appears in this Industry Overview section, including all data (actual, estimates and forecasts) has been prepared by ICCP and reflects estimates of market conditions based on publicly available sources and trade opinion surveys, and is prepared primarily as a market research tool. Information in this Prospectus is from independent market research carried out by ICCP but should not be relied upon in making, or refraining from making, any investment decision. References to ICCP should not be considered as the opinion of ICCP as to the value of any security or the advisability of investing in the Issuer. The Issuer believes that the sources of information contained in this Industry Overview are appropriate sources for such information and have taken reasonable care in reproducing such information. The Issuer has no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading.

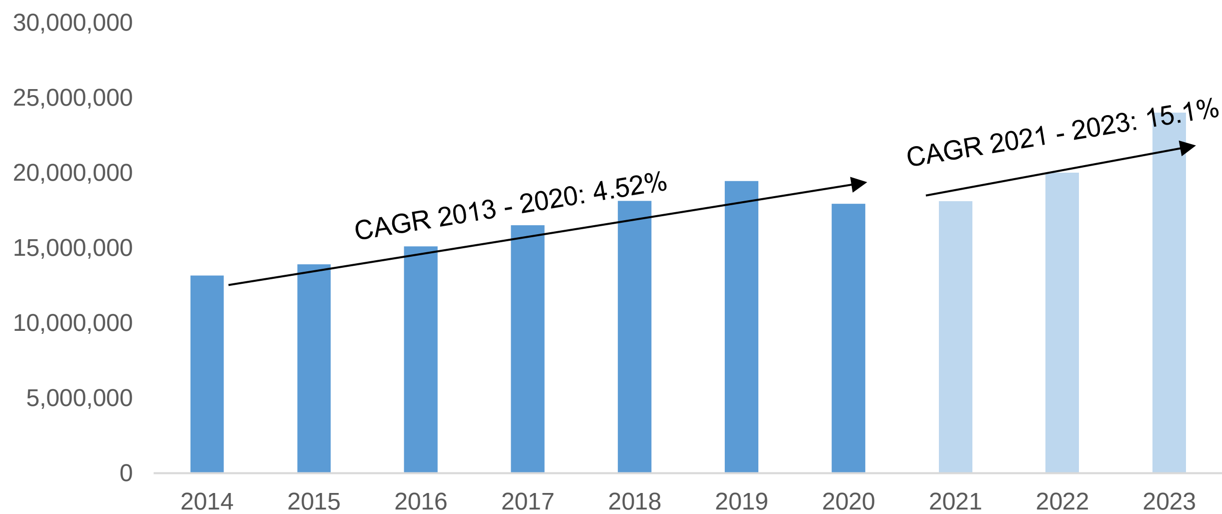
The information prepared by ICCP and set out in this Industry Overview has not been independently verified by the Issuer and the Underwriter and none of them gives any representations as to its accuracy. The information should not be relied upon in making, or refraining from making, any investment decision. The Industry Overview includes forecasts and other forward-looking estimates. These forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to various risks and uncertainties relating to possible invalidity of the underlying assumptions and estimates and possible changes or development of social, economic, business, industry, market, legal, government, and regulatory circumstances and conditions and actions taken or omitted to be taken by others. Actual results and future events could differ materially from such forecasts. Investors should not place undue reliance on such statements, or on the ability of any party to accurately predict future industry trends or performance.

OVERVIEW OF THE PHILIPPINE ECONOMY

The Philippine economy experienced steady growth with gross domestic product ("GDP") expanding at a compounded annual growth rate ("CAGR") of 4.52% from 2013 to 2020. Philippines GDP is expected to expand more rapidly at a CAGR of 15.1% between 2021 to 2023. According to Moody's Investors Service, the country's GDP growth will likely stand at 5.8% and 6.2% in 2019 and 2020, respectively, steady from the projections it gave after maintaining the country's sovereign rating of Baa with stable outlook in October 2019. The World Bank, in the January 2020 issue of its Global Economic Prospects report titled "Slow Growth, Policy Challenges" also kept its growth forecasts for the country until 2022 unchanged, noting that while the Philippines' expansion will remain below official targets, it will continue to grow faster than the whole of East Asia and the Pacific region in the near term. The World Bank said the Philippines will benefit from supportive financing conditions with easing inflation and robust capital flows, as well as from implementation of large public infrastructure projects.

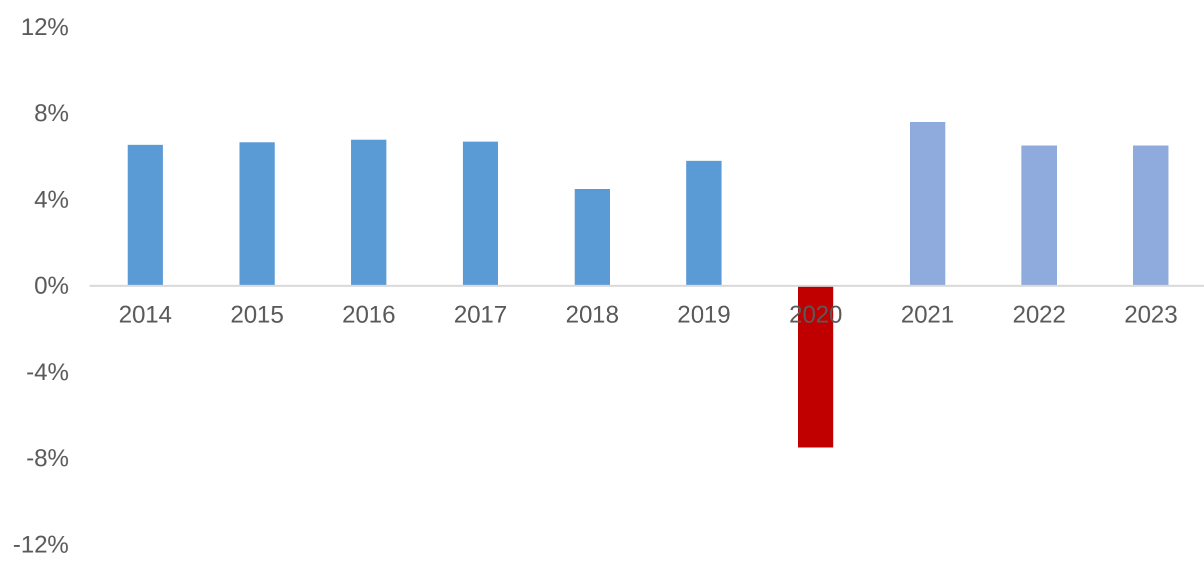
The figure below presents the Philippines' current GDP in Millions of Philippine Pesos from 2014 to 2020 with estimates going up to 2023.

Figure 1. Philippines GDP Growth in ₱ Millions (2014 – 2023)[2]



The figure below presents the Philippines' Real GDP Growth rate for the period 2014 to 2020, including estimates up to 2023. The Real GDP Growth of the Philippines has grown above 6.0% annually in a consistent basis. However, despite the slowdown in Real GDP Growth in 2020, the expectation is that the Real GDP will recover to 7.6% in 2021 and remain steady at 6.5% in 2022 and 2023.

Figure 2. Philippines Real GDP Growth Rate for 2014 – 2023 (%)[3]



[2] Data source: World Bank
[3] Data source: World Bank

Despite the COVID-19 pandemic hindering a number of economic activities in 2020 for the Philippines, the Foreign direct investments (FDI) registered net inflows remained resilient. Data showed that FDI net inflows rose for three (3) consecutive months in 2020 (May – July), these long-term investments posted a 35.2% growth to $797 Million from the $590 in the same period last year[4]. Recently, while the value of FDI net inflows have plunged, The Philippines still yielded a net inflow of $423 Million in December 2020, indicating that the value of inward investments by non-residents surpassed the value of those that exited the country. Regulations regarding Mergers & Acquisitions activities have also opened up to incite more economic activities in the country. The newly passed Bayanihan to Recover as One (Bayanihan 2) Act have mandated to exempt M&A transactions less than ₱50 Billion from compulsory notification and review of the antitrust body of the PCC.

Further, the second package of the Philippine Government's Comprehensive Tax Reform Program (CREATE), which seeks to reduce corporate income tax rate to 25 percent this year and eventually reach 20 percent in 2027, will endeavor to improve post-pandemic business and investment climate. CREATE Law was signed into law last March 26, 2021.

OVERVIEW OF THE PHILIPPINE M&A INDUSTRY

The next section will focus on the size and estimated growth of the Philippine M&A industry.

Mergers & Acquisitions (M&A)

Euromonitor defines Mergers & Acquisitions (M&A) as the consolidation of companies or assets through various types of financial transactions, including but not limited to: mergers, acquisitions, consolidations, tender offers, purchase of assets, and management acquisitions.

Generally, the key terms in an M&A transaction are deal size, deal type, commission fee, and industry classification.

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[4] Data source: Bangko Sentral ng Pilipinas

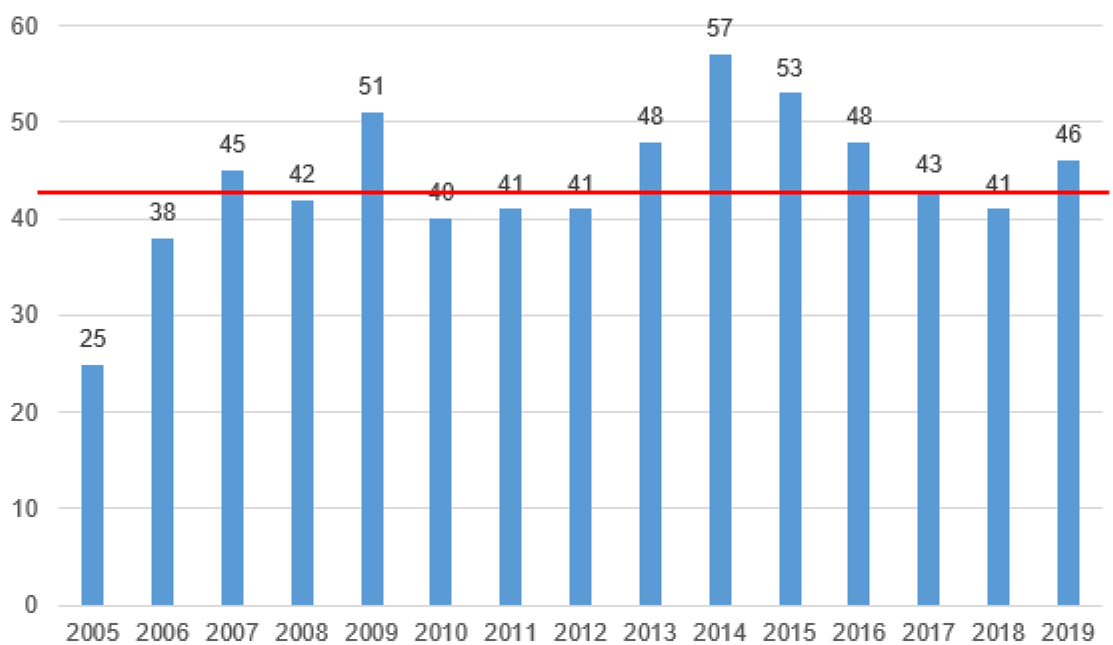
Historical Performance of the Philippine M&A Industry

The Company operates in brokering M&As with a focus on SMEs but the data on these deals are unavailable. Presented below are notifiable M&A transactions from the Philippine Competition Commission (PCC) publications, which provides a good overview of the M&A industry in the Philippines.

According to MergerMarket, historically on average, there are forty (40) completed M&A deals in the Philippines per year, with an average combined deal volume of ₱362 Million per year. These cited deals are the notifiable M&As to the Philippine Competition Commission (PCC) wherein the value of the transaction exceeds One Billion Pesos (₱1,000,000,000.00).[5] [6]

The charts below show the number and deal volume of the cited Completed Philippine M&A transactions for the period of 2005 to 2019.

Figure 3. Completed Philippine M&A Transactions (2005 – 2019)



Note:
2005 – 2019 Median: **43** completed and announced (no completion) deals per year

Completed and announced (no completion) M&A transactions in the Philippines

In the Philippines, there were a total of forty-six (46) merger and acquisitions, with a combined transaction value of ₱812 Billion, in 2019. This showed an increase of more than 50% from 2018.

[5] Data source: MergerMarket
[6] PCC Memorandum Circular No. 18-001 raised the threshold for notifiable transactions to the PCC from ₱1 Billion to ₱2 Billion. It was again raised in 2019 to ₱2.2 Billion and in 2020 to ₱2.4 Billion. Bayanihan 2 temporarily increased the threshold of notifiable transactions for a period of two (2) years starting September 2020.

According to the Philippine Competition Commission, the number of notified M&As in 2019 was 22% higher than in 2018, but the total transaction value had nearly doubled. The sectors with most number of notified transactions in 2019 were manufacturing (11), electricity and gas (9), real estate (8), and finance and insurance (5). The top sectors based on transaction value in 2019 were Real Estate (₱384 Million), Mining and Quarrying (₱129 Million), Electricity, Gas and Steam (₱117 Million), Manufacturing (₱99 Million) and Financial and insurance activities (₱25 Million).[7]

Further, MergerMarket reports that there is an expectation of further Philippine M&A activity in the coming years, particularly in the Real Estate, Infra, Logistics, & Construction sectors as a result of a heightened consolidation among players pushed by the current administration's "Build, Build, Build" campaign, increase in government budget, and efforts to rejuvenate the economy amidst COVID-19 pandemic.

AMAL has shown a track record of serving a variety of international and local clients across the aforementioned industries, spanning from a range of M&A services.

The diagram below shows Philippine Acquisition Targets by Dominant Industry for the period of 2013 to 2019. [8]

Figure 4. Philippine Acquisition Targets by Dominant Industry (2013 – 2019)

2013-2019

Industry	Count	%
Financial Services	46	*13.7%*
Energy	48	*14.3%*
Services (other)	23	*6.8%*
Consumer: Retail	25	*7.4%*
Real Estate	29	*8.6%*
Others	155	*46.3%*
Total	**335**	*100.0%*

2017

Industry	Count
Energy	6
Financial Services	6
Transportation	5
Consumer: Other	4
Services (other)	4
Construction	3
Other	19
Total	**47**

2018

Industry	Count
Services (other)	6
Consumer: Foods	5
Energy	4
Real Estate	4
Consumer: Retail	3
Financial Services	3
Other	16
Total	**41**

2019

Industry	Count
Manufacturing	11
Energy	9
Real Estate	8
Financial Services	4
Mining	3
Consumer: Retail	3
Other	8
Total	**41**

The diagram above clearly shows Financial services, energy, services, consumer retail, and real estate companies continue to be top acquisition targets in the Philippine market as reinforced by the trend for the past 6 years.

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[7] Source: Philippine Competition Commission

[8] Data source: MergerMarket

When it comes to deal size, most Philippine M&A deals involve acquisition stakes worth less than US$50 Million, as small-sized deals continue to capture majority of the market and consistently range from 50%-60% of the deal count per year.

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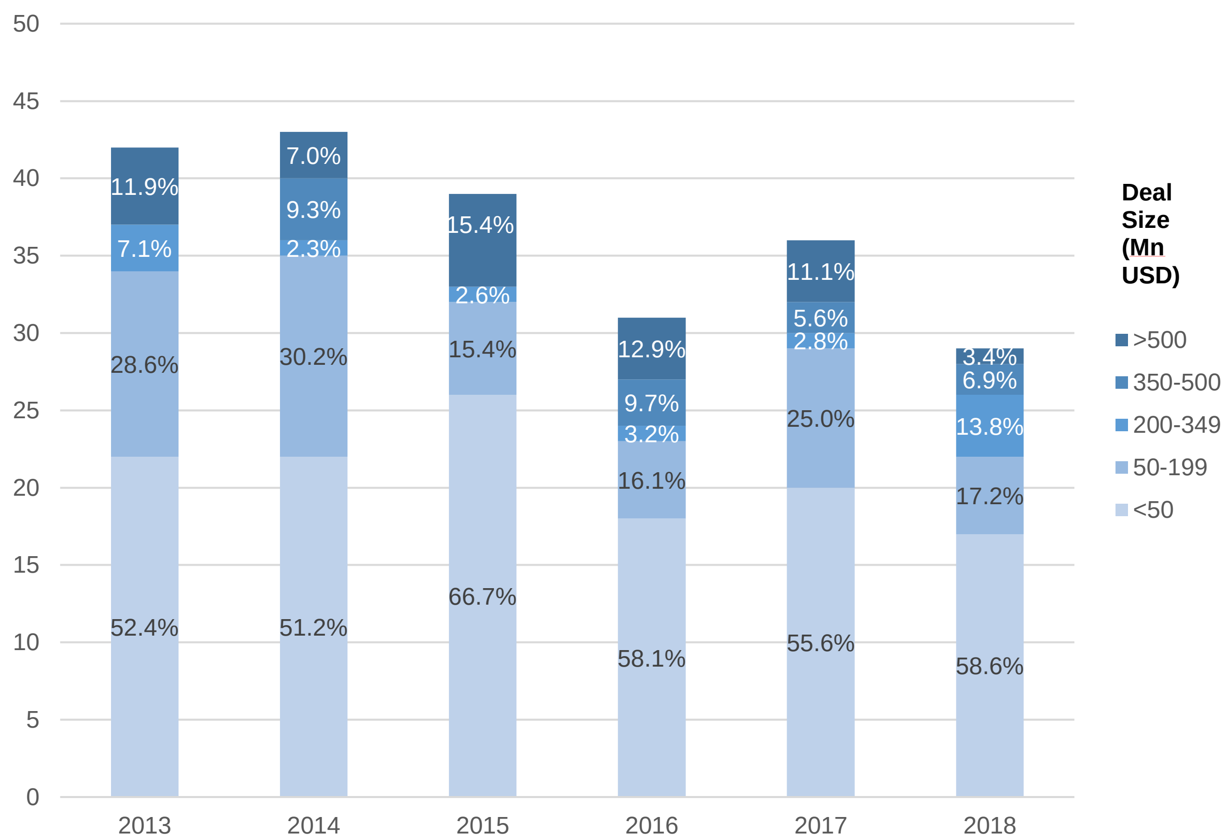
The graph below shows Philippine Acquisition Targets by Deal Size (Announced Deals) for the period of 2013 to 2018.

Figure 5. Philippine Acquisition Targets by Deal Size (Announced Deals) for the period of 2013 to 2018.



In terms of cross border and domestic (include footnote) M&A transactions,
The graph below shows a breakdown of Philippine M&A Transactions by geographic nature of transaction (Cross Border or Domestic) for the period of 2013 to 2020.[9]

[9] Data source: MergerMarket

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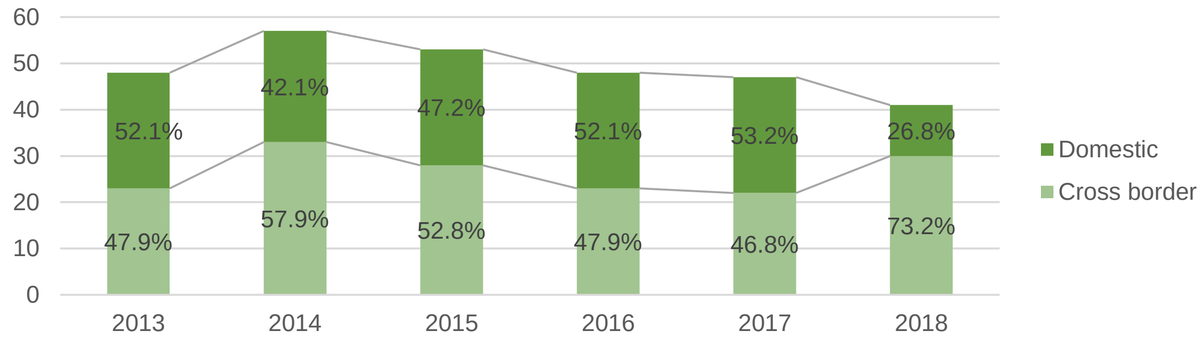
Figure 6. Philippine M&A Transactions (Cross Border or Domestic – 2013 to 2018)



Announced M&A deals in 2020

The Philippine M&A activity in 2020 exhibited strong numbers despite the impact of COVID-19 pandemic on business activities. Mergers & Acquisitions (M&A) transactions in 2020 hit the ₱909 Billion mark, where the Philippine Competition Commission (PCC) processed 26 M&A transactions and approved 20 of those. The agency mentioned that the most transactions come from the electricity and gas sectors with six deals, while transportation and storage came next with five deals. Lastly, manufacturing, insurance, and real estate each had three transactions. [10]

Competitive Landscape

The M&A business advisory service industry is highly competitive, and AMAL expects it to remain so. AMAL's competitors are other firms that provide financial advisory. AMAL competes on the basis of a number of factors, including niche, transaction execution skills, investment performance, range of financial services, innovation, reputation and price. AMAL is aggressively expanding its workforce to extend market reach and remain competitive. AMAL constantly looks for new ways on how to market its services, and ensure client satisfaction.

As of the date of the Prospectus, AMAL's major competitors are as follows:

Competitor
Alphaprimus Advisors Inc.
Eastgate Capital Partners, Inc.
Mabuhay Capital Corporation, Inc.

AMAL believes a combination of long-term trends creates a favorable climate for revenue and profit growth in the industry in which it competes. Long-term trends that may benefit AMAL's advisory business include:

Consolidation. Intense and increasing commercial competition is driving the need for companies to realize economies of scale and scope and to optimize strategic positioning, which in turn drives the market for mergers and acquisitions.

[10] Data source: Euromonitor International

Globalization. Companies around the world are continuing to globalize their operations, including through international merger and acquisition activity. AMAL believes this trend toward globalization represents a growth opportunity as the Company seeks to expand its presence outside the Philippines.

Focus on Stockholder Value. Companies place a strong focus on stockholder value, which drives continual business portfolio rebalancing, including mergers, acquisitions, divestitures, restructurings, and similar transactions. AMAL strives to serve as a trusted strategic and financial advisor to help its clients maximize stockholder value, even when no transaction is imminent.

Independent Investment Firm. Many institutions and high net worth investors are increasing their asset allocations to independent investment management firms where compensation is directly tied to their investment performance and where there is no real or perceived conflict associated with providing securities research or underwriting services.

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BUSINESS

OVERVIEW

AMAL was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 15, 2015. The principal business of AMAL and its subsidiaries and affiliate is to provide business consultancy services.

AMAL's primary purpose is to engage in and provide business consultancy services to the general public in connection with the establishment, merger, consolidation and acquisition of corporations, companies, enterprises, or entities engaged in any legitimate business in the Philippines; provided, that AMAL shall not act as an investment company or securities broker or dealer, shall not exercise the functions of a trust company, and shall not engage in the management of funds, portfolio, securities and other similar assets of managed entities.

On June 21,2018, the SEC approved the amendment of Articles of Incorporation changing AMAL's principal place of business from Unit 25-D, Fort Palm Springs Bldg., 30th St. cor. 1st Ave., Fort Bonifacio Global City, Taguig City to Unit 8, 3rd Floor Bonifacio Technology Center, 31st Street corner 2nd Avenue, Crescent Park West, Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City.

On December 11, 2020, the AMAL's stockholders and Board of Directors (BOD) approved the increase in authorized capital stock from ₱10.0 Million divided into 100,000 shares at ₱100 per share to ₱100.0 Million divided into 1 billion shares at ₱0.10 per share. On December 28, 2020, the application for the increase in authorized capital stock and stock split was approved by the SEC.

AMAL is led by its principal shareholder, founder, and President/CEO Mr. Hideki Tanifuji. Mr. Tanifuji started his professional career in 2000 in Tokyo, Japan as a real estate executive for Office Agent, Inc. where he worked for seven (7) years as a sales agent which led to his introduction to the world of M&A. At that time, the M&A sector was one of the highest paying industry in Japan, even higher than the banking industry which was already in a decline due to the "2008 Financial Crisis". Mr. Tanifuji started his M&A career in M&A Capital Partners Co. Ltd., one of Japan's leading boutique investment banks. Here, Mr. Tanifuji was trained to become well versed in the M&A business and eventually rose the ranks to become a senior corporate officer in M&A Capital Partners Co. Ltd where he was in charge of finding clients and negotiations. M&A Capital Partners Co., Ltd. with a ticker (TKS:6080) has a market capitalization of ₱72.1 Billion as of February 10, 2021 and has an average net income of ₱1.1 Billion for the past 5 years.

In 2007, understanding the potential growth of M&A in Japan mainly driven by the real estate and rapid technology boom, Mr. Tanifuji decided to join a start-up M&A firm. Mr. Tanifuji co-founded M&A Corporate Advisors with founder Mr.Tomoyasfu Taniguchi who had an extensive background in M&A Mr. Tanifuji was able to close a total of USD400 Million across different industries, mainly, supermarket, apparels, chemicals, Manpower, to name a few. The largest deal Mr. Tanifuji closed amounted to USD100 Million which was in manpower.

Given Mr. Tanifuji's aspirations to go global, he decided to sell his shares to his partners after six (6) years of incorporation. Mr. Tanifuji then explored opportunities outside of Japan and went on to look for the next opportunity. Mr. Tanifuji found interest in the ASEAN region where he saw businesses booming especially in the Philippines which was one of the best BPO service providers worldwide. Finally, Mr. Tanifuji has chosen the Philippines as his jump off point in the region.

On May 15, 2015, Mr. Tanifuji capitalized on his extensive experience in the M&A business in Japan, through the incorporation of AMAL in the Philippines.

Vision

To become the number one M&A company not only in the Philippines but also become one of the leading M&A companies in Asia, with big-ticket projects across a wide variety of industries. To be one of the leading sought-after adviser for businesses seeking expansion and new investments.

Mission

To bring companies from across the world together seamlessly, AMAL establishes connection from companies across Asia and provide advisory services and assistance to clients that have M&A needs throughout the entire rigorous process, we create a professional team from different fields such as accounting, banking, legal field and customer service.

To match companies that have same corporate goals and objectives with regards to M&A transactions, AMAL makes a thorough research of the possible matches and understand the company's business as a whole. To take the lead in bridging Asian investors to the robust Philippine economy, AMAL creates a multi-lingual team to support its investors from all over Asia.

Corporate Timeline

Certain key dates and milestones for AMAL are set forth below.

Year	Milestone
2015	Incorporated on May 15, 2015, AMAL started its operations with its main office in Makati City Metro Manila
2017	First successful deal closed by AMAL with a deal size of ₱145M
2018	Reached the ₱100 Million revenue mark
2019	Establishment of Subsidiary in Malaysia
2019	Establishment of an Affiliate in Thailand
2019	Opened its first satellite office in Cebu
2020	Establishment of Subsidiary in Vietnam

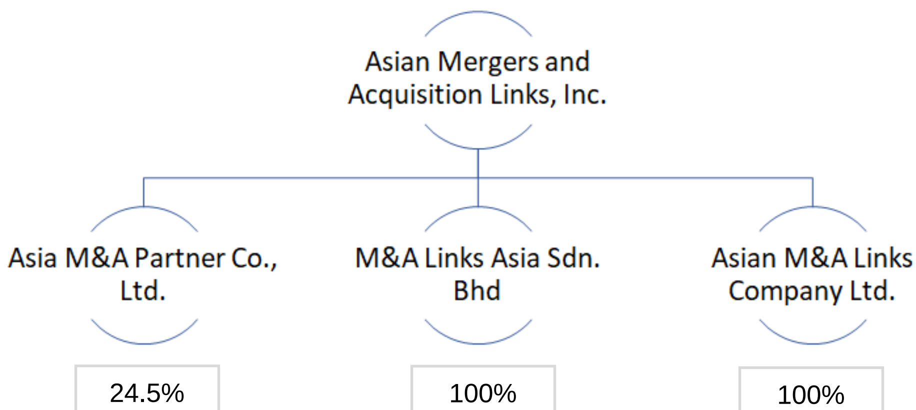
Organizational Structure and Corporate Structure

On March 4, 2019, M&A Links Asia SDN. BHD. (M&A Links) was registered with the Malaysia Suruhanjaya Syarikat Malaysia (SSM). M&A Links is wholly-owned by AMAL and is engaged in the provision of consultancy services in Malaysia.

On February 3, 2020, Asian M&A Links Company Ltd. (Asian M&A) was registered with the Vietnam Department of Planning and Investment. Asian M&A is a wholly-owned subsidiary and is engaged in the provision of consultancy services in Vietnam.

On March 24, 2019, Asia advisers M&A Partner Co. Ltd. (M&A Partner) was registered with the Thailand Securities and Exchange Commission. M&A Partner is 24.50% owned by AMAL and is engaged in the provision of consultancy services in Thailand.

The following chart sets forth an overview of the corporate structure of AMAL as of the date of this Prospectus.



AMAL Thailand

M&A activity in Thailand has remained healthy over the past years. M&A in the country is for local companies are as advisers promising as cross border transactions. In an article published by Marimi Kishimito in Nikkei Asia on February 2021, foreign direct investment in Thailand plunged in 2020 amid the coronavirus pandemic, nonetheless, capital spending from Japan increased, allowing it to top China as the leading investor in the Southeast Asian country. AMAL saw this potential back then, so the company invested 24.5% in Asia M&A Partner Co. Ltd. in 2019.

Asia M&A Partner Co., Ltd. is in Bangkok, Thailand. Its primary focus is to provide a bridge to the gap between investees in Thailand and local and foreign investors from Japan, Korea, Singapore, Hong Kong, China and other countries interested to expand their business in the country. Asia M&A Partner Co., Ltd. provides consultancy service to both buy-side and sell-side companies interested to transact with each other through the process of M&A. As of February 2021, the team is composed of eleven (11) employees with extensive background in auditing, marketing, and corporate finance. The CEO of the subsidiary is Mr.

Yusuke Okuno, who has with him more than 13 years of experience in audit and M&A advisory. Mr. Okuno, is a Japan Certified Public Accountant (CPA). He graduated from the Osaka University Engineering Faculty with a bachelor's degree in Engineering. He was a Manager for Audit and M&A Advisory in KPMG AZSA LLC Tokyo Office from 2005 to 2014, then he became a Senior Consultant for Audit Quality Control and Audit/Consulting/Tax Liaison for a Japanese company in KPMG Taiwan – Taipei Office from 2014 to 2017. He returned to KPMG Tokyo in 2017 until 2019 where he worked as Senior Manager.

AMAL Malaysia

The World Bank considers Malaysia as one of the most open economies in the world. This the country has been one of the countries receiving the highest foreign direct investments in the Southeast Asia region as foreign investors consider this as a cost-competitive hub for their investments. True to its aim of becoming the number one (1) M&A advisor in the region, AMAL incorporated M&A Links Asia Sdn Bhd in 2019.

M&A Links Asia Sdn Bhd is located in Kuala Lumpur, Malaysia. Its primary focus is to bridge the gap between investees in Malaysia and its neighboring countries and local and foreign investors. As of February 2021, the team is composed of three (3) multilingual employees that allows the company to service markets even outside of the country. Mr. Leevan Cleoford B. Cale is the current Director and Head of Operations for M&A Links Asia Sdn Bhd. and was the former Internal Controller of the Company.

Mr. Cale is a CPA and graduated Cum Laude from the Surigao Education Center with a degree in BS Accountancy in 2016 and passed the CPA licensure exam the same year. He joined the Philippine AMAL office in 2016 as an Accountant and Internal Controller before he was chosen to head the operations of the Malaysia office.

AMAL Vietnam

Vietnam has been one of the most attractive M&A destinations in the Southeast Asia. Through the recent years, the country has enjoyed the large interest from developed countries. The value of M&A transactions has only been increasing through the years. In hopes of capitalizing on this opportunity through the network with Japanese companies who are the second largest foreign investors in Vietnam, AMAL established Asian M&A Links Co., Ltd in February 2020.

Asian M&A Links Co., Ltd. is located in District 1, Ho Chi Minh City, Vietnam. Its primary focus is to provide a bridge to the gap between investees in Vietnam and Investors from Japan, Korea, Singapore, Hong Kong, China and other countries interested to expand their business in Vietnam. Asian M&A Links Co., Ltd. provides consultancy service to both buy-side and sell-side companies interested to transact with each other through the process of M&A. As of February 2021, the team is composed of four (4) employees with extensive background in marketing and corporate finance and is headed by Wilbert Lawrence A. Fidel. Mr. Fidel, took up Bachelor of Science Major in Marketing Management at Colegio de San Juan de Letran. He was first part of the Philippine AMAL office in 2017 as a Business Development Associate before he oversaw the incorporation and the operations of the Malaysia office in 2019. In the same year, he was appointed to the General Manager position at Asian M&A Links Co. Ltd.

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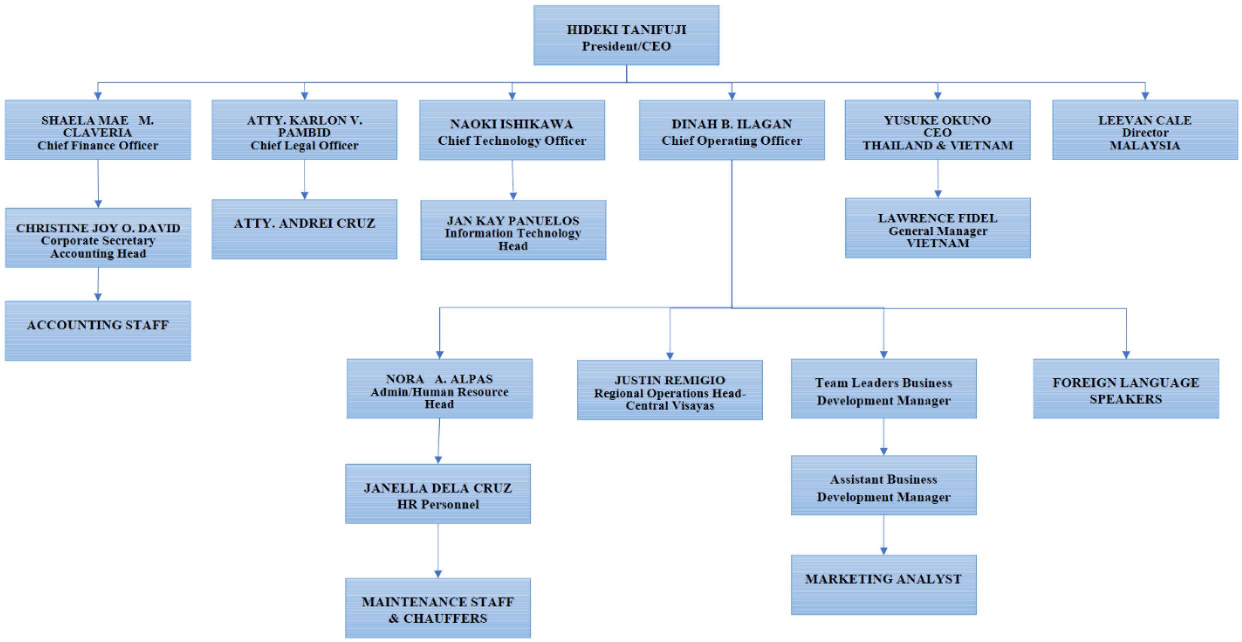
The following chart sets forth an overview of the functional organizational structure of AMAL.



The **Business Development Department** is under the leadership of the Chief Operating Officer (COO). Under the department are the marketing analysts, and the business development officers. The department focuses on generating client leads through referrals of people in their network, providing assistance to potential clients, and deal negotiations. They are mainly responsible for the following:

- Identify trends and ideas by researching industry and related events, publications, and announcements, tracking individual contributors and their accomplishments.
- Locate or propose potential business deals by contacting potential partners, discovering, and exploring opportunities.
- Monitor potential business deals by analyzing market strategies, deal requirements, potential, and financials; evaluating options; resolving internal priorities; recommending equity investments.
- Coordinate requirements, develop and negotiate contracts, and integrate contract requirements with business operations.

The **Accounting Department** is headed by the Chief Financial Officer (CFO), and composed of Certified Public Accountants. The team works both for the execution function of deal teams, and for the back office support of the Company. Their responsibilities include recording accounts, paying bills, billing clients, tracking assets and expenditures, managing payroll, keeping track of critical tax documents, and execution tasks for M&A projects. Their responsibilities also include the following:

- Post and process journal entries to ensure all business transactions are recorded.
- Update accounts receivable and issue invoices.
- Update accounts payable and perform reconciliations.
- Assist in the processing of balance sheets, income statements and other financial statements according to legal and company accounting and financial guidelines.
- Prepare payroll in making sure all employees are paid accurately and timely.

- Update financial data in databases to ensure that information will be accurate and immediately available when needed
- Prepare and submit weekly/monthly report
- Providing M&A consulting assistance related to accounting and taxes
- Preparation of transaction documents for M&A deals

The **Human Resources Department** is supervised by the HR – Admin Head who reports directly to the Chief Operating Officer (COO). The HR function includes developing, coordinating, and implementing HR policies, and providing advice and guidelines regarding HR matters. It acts as the first port of call to employees and external partners for all HR related queries. HR's primary role is linked to the selection, recruitment and career development of employees and trainees. HR responsibilities also includes:

- Forming and maintaining employee records
- Updating databases internally regarding HR Matters
- Preparing and amending necessary HR documents
- Reviewing and renewing company policies and legal compliance
- Being the first point of contact for employees on any HR related queries
- Assisting with payroll by providing the department with relevant employee information
- Coordinate

The **Administrative Department** is also supervised by the HR – Admin Head. The Administrative function involves providing administrative aid in all areas of business to ensure the efficient performance of all departments. It serves as the link between an organization's various departments and ensures the smooth flow of information from one part to the other. Its responsibilities also include the following:

- General office Management
- Maintain and update company databases.
- Organize a filing system for important and confidential company documents.
- Attends to queries by employees and clients
- Update office policies as needed.
- Arranging in-house and external events

The **Information Technology (IT) Department** is being headed by the Chief Technology Officer (CTO). The team implements the governance for the use of network and operating systems, IT handles all computer elated issues that arise during the course of the business and ensures that the network of computers functions properly and connects well. IT is also responsible for providing the operational units the functionality they need. IT responsibilities also includes:

- Network Management
- Technical Support
- System Maintenance
- Updating and maintaining Company's website
- Improving CRM's features
- Overseeing all IT Subscriptions

The **Legal department** is under the leadership of the Chief Legal Officer (CLO). The legal department ensures that AMAL properly conducts its business affairs. It is responsible for all legal related external matters and participates in administrative decision-making. In addition, the legal department also ensures that AMAL conforms with all laws and regulations. The legal department's responsibilities are as follows:

- Provides legal advice and guidance
- Prosecution of cases in courts and litigation management
- Drafting and preparation of Legal Documents
- AMAL's Legal Advisor for ongoing deals
- Reviewing the rules, contracts and agreements generated by other departments

BUSINESS OPERATIONS

The principal business of AMAL is to provide business consultancy services. AMAL advises clients in a number of different situations across many industries and geographies, each of which may require various services.

Mergers and Acquisitions. When AMAL advises companies about the potential acquisition of another company or certain assets, AMAL's services include evaluating potential acquisition targets, providing valuation analyses, evaluating and proposing financial and strategic alternatives and rendering, if appropriate, fairness opinions. AMAL also may advise as to the timing, structure, financing and pricing of a proposed acquisition and assist in negotiating and closing the acquisition.

Divestitures and Sale Transactions. When AMAL advises clients that are contemplating the sale of certain businesses, assets or their entire company, its services include evaluating and recommending financial and strategic alternatives with respect to a sale, advising on the appropriate sales process for the situation and valuation issues, assisting in preparing an offering memorandum or other appropriate sales materials and rendering, if appropriate, fairness opinions. AMAL also identifies and contact selected qualified acquirers and assist in negotiating and closing the sale.

Corporate Business Consultancy. AMAL often serves as an independent and objective advisor in financing situations. AMAL has developed an expertise in assisting clients with respect to the entire spectrum of capital structure decisions, from negotiation of financing terms to transaction execution.

As part of its advisory services, AMAL offers a holistic M&A package to companies across different industry sectors. The company takes pride on being able to assist its clients throughout the entire process. After assessment and evaluation of clients' individual needs, AMAL matches companies that have the same corporate goals and objectives with regards to M&A transactions.

AMAL strives to earn repeat business from its clients. However, AMAL operates in a highly competitive environment in which there are no long-term contracted sources of revenue. Each revenue-generating engagement is separately negotiated and awarded. To develop new client relationships, and to develop new engagements from historical client relationships, AMAL maintains an active discussion with a large number of past and potential clients, as well as with their financial and legal advisors, on an ongoing basis. AMAL has gained a significant number of new clients each year through its business development initiatives, through recruiting additional senior professionals who bring with them client relationships and through referrals from directors, lawyers and other third parties.

To cope with the changes in consumer wants, new economic policies and technological advancements, businesses need to penetrate new markets, expand its territories, form ventures, or even raise funds. With these, the need to manage the gap between the investors and the investees arises, and this is where business consultancy firms like AMAL comes in.

AMAL's purpose is to bridge these parties through understanding synergies, valuation, and acquisition schemes and its effects on both.

Overall, AMAL's clients are composed of two groups – the buyers (or investors), and the targets (or investees/sellers). AMAL's list of buyers are composed of local and foreign companies with M&A needs across all industries. These are usually publicly listed companies or private high net worth entities that have no presence in a country but sees the huge potential it could bring to their business. They are also entities that wish to include new products and service in its portfolio and to penetrate a new market. Some companies believe that inorganic growth, aside from having less risks compared to organic growth, gives higher chances for a company to grow and increase market share. Although AMAL caters to all nationalities, majority of their successful deals are with Japanese companies in various industries.

Meanwhile, target companies (or investees/sellers) are profitable local small and mid-size enterprises (SMEs) with a significant market share in their industry. These companies are looking to partner with investors (or buyers) to raise funds to expand their business, acquire technology, or even penetrate new market segments. Although, the more common reason why some owners of target companies considered divesting in their companies is retirement without successors to run to take over.

Business Processes

AMAL focus to offer the total holistic M&A package from searching for target to final contract. In bringing companies from across the world together, AMAL provides advisory services and assistance to clients that have M&A needs throughout the entire process.

AMAL begins it operation cycle with the generation of client leads. The generation of leads starts from the marketing analysts who reach out to prospective sellers or investees from the referrals of people in their network. If any interest is shown by the seller or the investee (Target Company), the AMAL team consisting of the marketing analyst and a business development officer will meet with the prospective Target Company to present AMAL's services. To ensure the confidentiality of transaction, AMAL and the Target Company will sign a non-disclosure agreement (NDA). Then, AMAL will gather documents for a preliminary due diligence to be conducted by the AMAL's execution team.

Both parties will, then, sign a M&A Service Agreement for the terms of the transaction including but not limited to the period, the success fee, and the exclusivity. Compared to other M&A advisory firms, AMAL does not usually charge an upfront fee to its clients, unless special requests will be included in the deal. AMAL offers its service in a package, and clients do not need to engage other parties to handle their need. AMAL will only collect success fee once the deal has been closed.

The documents gathered from the Target Company will be used in creating a blind teaser, and an investment deck that will be used in presenting the project to potential acquirers or investors (Buyer).

Based on the requirements of the project, AMAL will look for Buyers that meet the Target Company's criteria from its pool of Buyers that mainly come from existing clients and referrals which includes Mr. Tanifuji's wide array of connections in Japan. AMAL will present the blind teaser to the potential Buyer. Should the client be interested to know more about the Target Company, an NDA will be executed before AMAL provides them with a copy of the investment deck.

As the negotiation stage reached, discussions regarding acquisition strategies, valuation, management, timing of deal, post-merger integration among others will be done. An ocular inspection, together with a management interview, is usually done by the potential Buyer to gain a deeper understanding of the opportunity on hand.

Once initial terms to the acquisitions have been laid out, either a letter of intent (LOI) or a Memorandum of Understanding (MOU) will be executed by the Target Company and the Buyer. This is a non-binding agreement that sets the basic terms of the deal including the exclusivity between the Target Company and the Buyer for a certain period.

Then, the Buyer, together with its third party accounting and legal firms, will conduct the due diligence of the Target Company. Depending on the complexity of the deal, due diligence on the Target Company's financials, tax compliance, legal compliance and business practices are being done. A report will be published by the teams that conducted the due diligence at the end of the process. This report will list all the risks and recommendations that the teams have observed during the process, and this will aid the Buyer in deciding whether it will push through or back out from the transaction. Results will also be relayed to the Target Company, and both parties will then discuss should there be any changes on the terms initially agreed upon in the LOI or the MOU.

Should both the Target Company and Buyer reach a common understanding of the terms, the final contract in the form of a Memorandum of Agreement (MOA) or a Share Purchase Agreement (SPA) will be signed by both parties. Preconditions before the closing of the deal will be laid out in the final contract.

After both the Target Company and the Buyer have fulfilled the preconditions set forth in the final contract, the deal is officially closed. The Buyer shall make the payment to the Target Company, while the latter will transfer ownership of the company or the business to the former.

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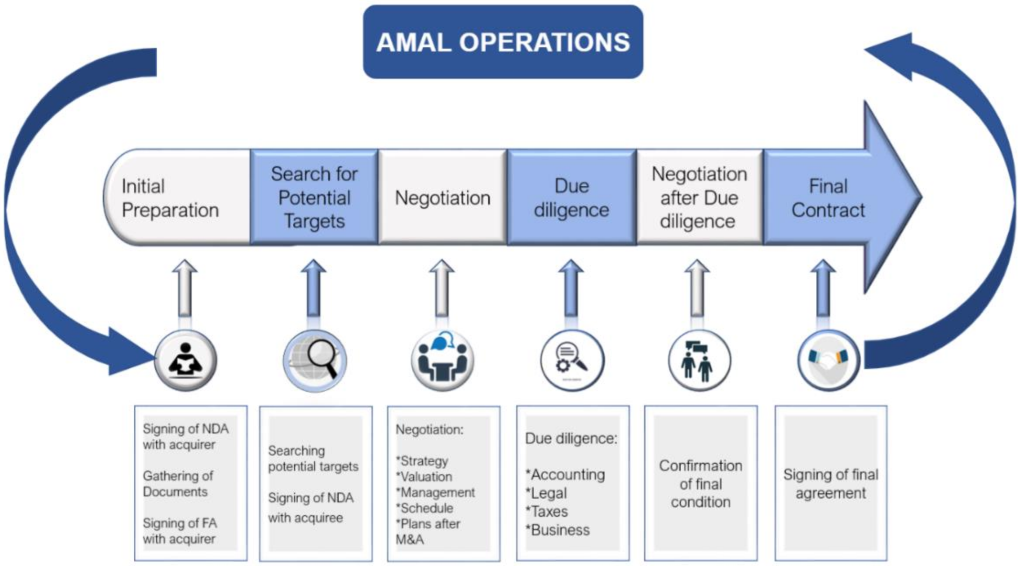
Business Process Flow Chart

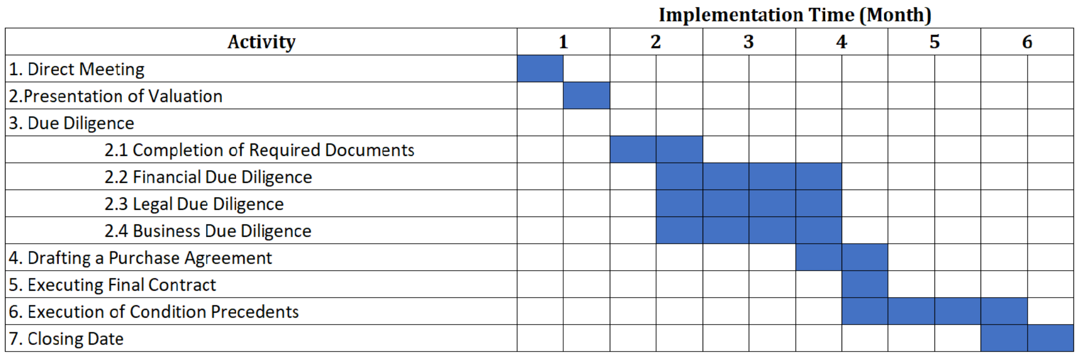


AMAL's holistic M&A service includes:

- Approaching of Target companies and matching of interests and/or needs
- Creation of the following M&A Documents:
- Business Valuation, Confidential Information Memorandum, Memorandum of Understanding, Agreement and Letter of Intent, and other execution related documents and contracts
- Due diligence
- Multilingual support (Filipino including the Cebuano dialect, Japanese, Thai, Mandarin, Malay, Tamil, Hokkien, Hakka, and Cantonese)
- Accounting, legal, and tax advice
- Negotiation and signing final contract

By paving the way for seamless, unimpeded business transitions, AMAL provides clients with maximized benefits in the form of immediate returns and long-term advantages.

The average implementation time for AMAL to complete its services for a M&A transaction is presented on the table below.



Marketing

To promote continuous growth and profitability, business development strategies are being implemented to nurture and acquire new clients and business opportunities.

Referrals. AMAL is making a conscious effort to cultivate a strong reputation by over-delivering, adding value, and providing a friendly service, in result, the company gets new client through referrals. In fact, several closed deals of the companies were made through referrals. This is done through the word-of-mouth marketing care of our clients, and through the network of Mr. Tanifuji and the business development team.

Public Relations. To build a positive public image and to bridging the trust gap between the business and the public, AMAL uses the power of public relations. Clients who allow their deals to be made known to the public are published on the leading newspapers in the country. There are also some foreign publishers who have captured the success of the company in their publications. AMAL was also featured in several business magazines and mainstream media programs such as ONE News and ABS-CBN News.

Company Website. Today, with the ease of accessibility that the internet provides, reaching people is far easier than ever before. AMAL is also marketing itself through its company's website. A team from the company ensures that the website is being updated regularly and is improved to make it more appealing and to attract more clients.

Social Media Presence. Aside from its presence in the mainstream media, the company also made itself available through the social media networks. This allows the company to reach a younger generation of business owners and to attract talent. Social media is a great marketing tool because it is cost-effective, reliable, fast, and unwrapped.

To address the different market segments, AMAL uses market segmentation to narrow down the market into smaller and more manageable groups based on their common ground. To cater to all clients in connection with their specific needs, AMAL classifies them based on their M&A needs, investment appetite, and target Industry.

To be ahead of the competition, AMAL ensures that its message would reach its audience. As the company works mostly works with SMEs whose owners are usually entering this kind of deal for the first time, AMAL ensures that it could cater to client's needs and make the latter know that AMAL is a partner that they can trust. With its highly trained people, AMAL also knows how to handle companies that have done several acquisitions in the past and even professional investment bankers.

Since the company is planning to go public, IPO will be a good promotion for the company to generate publicity and visibility. AMAL has engaged a Philippine PR company in the past who are handling all the publicities regarding AMAL. To widen the company's reach, AMAL IS currently in talks with a well-known Japanese company that is engaged in different businesses in the PR/communications domain. AMAL will enhance its visibility to the public by being featured mainstream and social media.

Going public is another credibility booster for AMAL as, being the first in the its industry to become a publicly listed company, it will become an advantage over its competitors. Credibility is essential for players in the industry. This has been observed with companies that are in the same business as AMAL that went public in Japan. Currently, there are seven (7) M&A advisory companies listed in Japan, with the biggest company having a market capitalization of over USD 1 billion. It was observed that these companies grew exponentially after their IPOs.

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Past Deals

Table below shows the past deals of the Company including deal size and commissions.

	Nature	Nature of Fees	Deal Size (in Million ₱)	Commission (in Million ₱)
2017	Transaction with IT company	Consultancy Fee		1
	A deal between an LPG Company and an LPG Cylinder Manufacturer	Success Fee	145	25
	A deal between a Hotel Developer and a Real estate Developer	Success Fee	51	9*
	Transaction with Hotel Developer	Success Fee	2.8	0.35*
	Transaction with LPG Provider	Consultancy Fee		0.45
Total			198.8	26.45
2018	Transaction with Group of Restaurants	Success Fee	35	3.31
	Deal between a Property Management Company and a Real Estate Company	Success Fee	30	15
	Deal between Construction Company (A) and a Real Estate Developer	Success Fee	60	4.5
	Deal between a Group of Restaurants and a Real Estate Developer	Success Fee	30	4.4
	Deal between two Manpower Companies (A&B)	Success Fee	350	35.47
	Transaction with a Security Services Company	Consultancy Fee		0.48
	Deal between a Group of Restaurants and Manpower Company (B)	Success Fee	48	2.38

	Deal between Construction Company (B) and a Real Estate Developer	Success Fee	60	9.1
	Deal between Construction Company (C) and a Real Estate Developer	Success Fee	114	5.48
	Transaction with a Group of Restaurants	Success Fee	50	2.5
	Transaction with a Group of Restaurants	Success Fee	25	0.3
	Transaction with Construction Company (D)	Referral Fee		0.09
	Transaction with a Seat Leasing Company	Success Fee	30	8
Total**			832	91.01
2019	Transaction with Chemical Manufacturing Company	Consultancy Fee		2.85
	Transaction with a Seat Leasing Company	Success Fee	23.5	8
	Deal between Construction Company (E) and a Real Estate Developer	Success Fee	70	11.19
	Deal between Construction Company (F) and a Real Estate Developer	Success Fee	30	2.97
	Deal between Construction Company (B) and a Real Estate Developer	Success Fee	450	33.97
	Transaction with Construction Company (G)	Success Fee	266	26.61
Total**			573.5	58.98
2020	Deal between Construction Company (B) and a Real Estate Developer	Success Fee	120	9
	Transaction with a Facilities Services Company	Consultancy Fee		0.07
		Success Fee	33.58	1.68

	Deal between Construction Company (B) and a Real Estate Developer			
Total			153.58	10.75
	**Revenue is earned based on project completion. Project is not yet completed as of March 2021.*			
	***Not matched with the FS due to revenue earned from tranche completed in the year from the deals with the hotel developer in 2017*			

Competitive Strengths

Strong connectivity with foreign companies

Mr. Tanifuji has worked in the M&A consultancy business for over 15 years and has established strong relationships with key executives and clients across the globe, which gives him access to a pool of potential investors. Similarly, being a corporate officer in a Japanese listed firm allowed Mr. Tanifuji to build strong relationships with Japanese listed firms as well. In addition, Mr. Tanifuji continues to leverage on his strong foreign connectivity and continues to bring foreign capital in the country.

Mr. Tanifuji has seen that long-term demographic and economic shifts are spurring Japanese companies to look for new opportunities for growth beyond their borders, one of which being the Philippines. Not only are they making acquisitions, Japanese companies are also updating their portfolio mixes and aiming for a sharper focus on growth areas. Given Japan's growing aging population and declining birth rates, large Japanese companies are forced to expand into younger and faster-growing regions, like the Philippines and other Southeast Asian Countries.

The World Bank considers Malaysia as one of the most open economies in the world. Malaysia has been one of the countries receiving the highest foreign direct investments in the Southeast Asia region as foreign investors consider this as a cost-competitive hub for their investments. True to its aim of becoming the number one (1) M&A advisor in the region, AMAL incorporated M&A Links Asia Sdn Bhd in 2019.

Vietnam is strategically located in the center of Southeast Asia, which makes the country a prime location for doing business. Risk always comes to investors looking to invest in foreign countries, especially developing countries, however, Vietnam's recent changes in foreign investment restrictions allows ease of investing in the country. Foreign investment is widely encouraged in Vietnam in most sectors as the country accepts and hopes that more developed countries help Vietnam become one as well.

Thailand is at the center of most ASEAN Countries, which many foreign businesses find a home to the largest growing economic market in the modern world. Many foreign businesses find it as strategic entry point to penetrate the Asian Market. As the second-best economy in the region, Thailand continues to be one of the most successful countries to attract Foreign Direct Investment (FDI). Thailand attracts foreigners to do business with consistent support from Thai government organizations which offers profitable incentives. This serves as motivation to enter M&A business in Thailand.

In recent years, Southeast Asia has been eyed by companies from developed countries due to the huge potential of the region. In fact, M&A transactions in region, especially those involving foreign direct investments, have been increasing yearly. Huge potential is seen as there is still a lot of room for development for the companies within the region. AMAL hopes to capitalize on this opportunity through its presence in the region and its network with foreign investors. As matching is the most crucial part in a M&A

transaction, AMAL's connection with investors increases the chance to find a good match for the target companies.

Experienced management team

The Board of Directors and executives of the Company comprise of strong team of talents and experiences from a broad spectrum of companies with an aggregate of more than 30 years in key posts in various mergers and acquisition, and consultancy activities.

AMAL's founder and CEO, Hideki Tanifuji has over 15 years of experience in the M&A business advisory industry and to date, the largest deal he has closed was worth US$100 Million. Mr. Tanifuji was also the corporate officer for one of the top Japanese listed company M&A Capital Partners, which was founded in 2005 and has a market capitalization of over US$1.5 Billion as of February 7, 2021. In addition, the other members of the management were previous Head Supervisor of top conglomerates in the Philippines.

AMAL has also employed highly competent individuals who are highly experienced in their previous fields. The COO, Dinah Ilagan, was previously the Head Supervisor in one of the top conglomerates in the Philippines, while the CFO, Shaela Claveria is a CPA and previously worked for SGV & Co. and has earned her Chartered Financial Consultant (CFC) designation in 2019.

AMAL takes pride with its ability to close deals without hiring third party firms for tax, accounting, or legal services since it has dedicated professionals for each function inside the Company. Unless otherwise requested by the client to engage specific experts or third-party firms, the Company can do all aspects on its own.

AMAL believes the dedication of its management team brings about a strong commitment to provide exceptional advisory services that adds value and creates a positive impact to its clients.

The list of the Company's management team and their experiences are located at page 123 of this Prospectus.

Customer Relationship Management System

AMAL has its internally developed Customer Relationship Management (CRM) system that allows the Company to manage business relationships, the data, and the information associated with them. The IT Team, headed by its Chief Technology Officer is continuously working to make the CRM system more efficient and effective. Having a good and organized client database greatly helps the business development team to manage clients and create good buyer and seller matches.

Sizeable and capable workforce

From the beginning, Mr. Tanifuji believed that one of the most differentiating factors of a successful firm are related to innately human-oriented skills and capacities. Be it personalized customer service, corporate communication or negotiation skills, these are all linked to interpersonal and emotional capacities, and it is unsurprising to see that the Company has given priority to developing its workforce through trainings and seminars.

Besides AMAL's capable and experienced management team, one of its backbone is its business development team who generates leads and reaches out to potential clients and investors. AMAL makes sure that their members of the business development team are well-trained and well-equipped to answer customer queries at all times. Business development is mainly responsible for generating leads and opportunities for the Company while providing a more personal sale service and immediate rapport with potential customers. After several months, the marketing analysts are then promoted to assistant business development manager who are tasked to manage the marketing analysts and to meet with prospective clients and lead. The business development officers are responsible for the company presentation as well as maintaining client relationships.

Having its own execution team speeds up the M&A deals for AMAL, as it provides convenience not only to the clients but to the company itself. In every deal, the company makes sure to involve its team of professional whenever concerns in their area of expertise arise. Its execution team allows AMAL to respond to client needs efficiently and effectively in areas including but not limited to tax, accounting, and legal matters.

AMAL also has foreign language speakers from its business development team that can speak Japanese, Mandarin and Thai in order to better service its foreign clients. AMAL has currently 31 business development officers, which the Company expects to double in the near future, in order to extend its market reach and corporate visibility.

AMAL staffs its assignments with a team of professionals with appropriate product and industry expertise. AMAL's Senior Management are primarily dedicated to its advisory business. These individuals have significant experience in the advisory services industry. AMAL has recruited its professionals from reputable financial institutions and universities.

Niche Market

AMAL recognizes that big ticket sizes are the focus of the other players in the industry and saw the potential of M&As within the SMEs. Although the company also caters to big ticket size deals, it mostly works on deals with ticket size within the range of USD1 Million to USD20 million, while many of its competitors usual focus are on big ticket sizes of no less than USD 20 Million.

Independence and Confidentiality

AMAL does not underwrite securities, publish securities research, or act as a lender. This enables the Company to avoid the potential conflicts that may arise from these activities at larger, more diversified competitors. In addition, AMAL believes its commitment to discretion, enhances the Company's ability to provide its clients with strict confidentiality.

Key Strategies

AMAL believes this Offering will allow the Company to grow and diversify its advisory business and further enhance its profile and position. The Company believes that the successful implementation of the following strategies will support its continued growth and profitability.

Continue to Build AMAL's Advisory Team by Adding Highly Qualified Professionals with Industry and Financial Expertise.

AMAL intends to continue to recruit high-caliber professionals into its advisory practice to add depth in industry sectors in which the Company believes it already has strength and to extend the reach to industry sectors AMAL has identified as particularly attractive.

The continuous development of the Company's personnel is essential for its growth. AMAL aims to equip its personnel with the right knowledge and skills to adapt to the ever-changing landscape of AMAL's industry. AMAL continues to provide training and skills development seminars to its staff to increase efficiency and competency as well as provide its employees with career advancement opportunities. AMAL intends to create leadership and succession plans to cover all aspects of its operations. AMAL believes that these initiatives will help retain qualified and competent employees to meet its needs as the Company grows.

Objective Advice with a Long-Term Perspective

AMAL seeks to recommend shareholder value enhancement strategies or other financial strategies that the Company would pursue itself. This approach often includes advising clients against pursuing transactions that AMAL believes do not meet that standard.

AMAL's approach is to work as a trusted senior advisor to top corporate officers and boards of directors, helping them devise strategies for enhancing shareholder value. AMAL believes this relationship-based approach to its advisory business gives the Company a competitive advantage in serving a distinct need in the market today. Furthermore, AMAL believes its advisory business is differentiated from that of its competitors in the following respects:

Continued Transaction Excellence with Senior Level Attention

Since 2015, AMAL has advised on more than ₱2 Billion of announced transactions, including acquisitions and advisories. AMAL has provided advisory services on multiple transactions for its clients in the real estate development industry.

The senior management team in AMAL's advisory business participate in all facets of client interaction, from the initial evaluation phase to the final stage of executing recommendations. AMAL's senior management advisory team collectively have more than 30 years of relevant experience.

Expand into New Geographic Markets.

AMAL plans to expand into new geographic markets where it believes the business environment will be receptive to the strengths of the Company's advisory business models or where AMAL's clients have or may develop a significant presence.

Currently, AMAL has established subsidiaries in Vietnam and Malaysia adding to the Company's presence in the ASEAN region.

AMAL may hire groups of talented professionals or pursue additional strategic acquisitions of or alliances with highly-regarded regional or local firms in new markets whose culture and operating principles are similar to AMAL's.

Expand into New Lines of Businesses

AMAL is also eyeing to get in the lending business that will add diversity in its current portfolio. Mr. Tanifuji believes that there is potential in the lending business as demand for credit remained the principal driver of money supply growth in the Philippines. Mr. Tanifuji believes that expanding into carefully studied new lines of businesses will add to AMAL's recurring revenues.

PROPERTIES AND MAJOR ASSETS

As of the date of this Prospectus, AMAL's key properties are summarized as follows:

Location	Area	Nature
Offices		
BGC, Taguig, Metro Manila	114.33 sqm	Leasehold Rights
Lahug, Cebu City	6 sqm	Leasehold Rights
Ho Chi Minh City, Vietnam	23 sqm	Leasehold Rights
Kuala Lumpur, Malaysia	12.08 sqm	Leasehold Rights

The Company has entered into the following Lease Contracts:

	Counterparty	Location/Area	Date of Execution	Term of Lease
1	HatchAsia	BTC, Second Room (114.33sqm)	January 6, 2021	January 1, 2021 to December 31, 2021, Renewable
2	Hatchasia	Parking slot 111,114 & 67	March 2021	January 01 to June 30 2021, renewable
4	Zeroten Philippines, Inc.	HM Tower W. Geonzon Street Lahug Cebu City Cebu (6sqm)	May 1, 2020	February 1, 2021 to August 1,2021 Extended Lease Contract
5	Global Office Company Limited	AB Tower, 76A Le Lai St., Ben Thanh Ward, District 1, Ho Chi Minh City (23 sqm)	January 12, 2021	February 10, 2021 - August 09, 2021
6	Tiong Yeo Chuan	Mercu Summer Suites No. 8 Jalan Cendana off Jalan Sultan Ismail, 50250 Kuala Lumpur (12.08 sqm)	March 28, 2020	March 27, 2021 to September 27,2021 Extended Lease Contract

The lease contracts with Hatchasia are for the use of its office space and parking slots in Bonifacio Technology Center, the principal office of the Company. Other lease contracts with Zeroten Philippines, Inc, Global Office Company Limited, and Tiong Yeo Chuan are for the use of its office spaces in Cebu, Vietnam, and Malaysia respectively. The lease of the condominium units in Mahogany Mansion owned by and Ms. Anita Ye is for the purpose of housing the staff of the Company.

REGULATORY COMPLIANCE

AMAL's Compliance department is responsible for ensuring continued compliance with applicable laws and regulations that may adversely affect its operations. As of the date of this Prospectus, AMAL has secured, applied for, or are in the process of renewing all material permits and licenses required to conduct its business.

The Company has all the material permits and licenses necessary for its business as currently conducted, which are valid and subsisting as of the date of this Prospectus, as confirmed by Atty. Alfredo Rosal Jr. in his legal opinion dated April 13, 2021.

Detailed below are all of the major permits and licenses necessary for the Company to operate its business, the failure to possess any of which would have a material adverse effect on the Company's business and operations. The Company has all the applicable and material permits and licenses necessary to operate its business as currently conducted and such permits and licenses are valid and subsisting.

	Type of Permit	Issuing Agency	Issue Date	Expiry Date
1	Certificate of Incorporation	Securities and Exchange Commission	May 15, 2015	N/A
2	Certificate of Registration	Bureau of Internal Revenue	August 3, 2015	N/A
3	Certificate of Registration	Social Security System	January 28, 2016	N/A
4	Certificate of Registration	Home Development Mutual Fund or PAG-IBIG Fund	2015	N/A
5	Employer's Data Record	Philippine Health Insurance Corporation	May 18, 2015	N/A
6	Business Clearance	Brgy. Fort Bonifacio	January 5, 2021	December 31, 2021
7	Business Permit	City of Taguig	January 20, 2021	December 31, 2021

HUMAN RESOURCES

As of April 14, 2021, AMAL has 61 employees. The following table sets out the number of AMAL's employees by rank:

	Number of employees
Senior Management/Executives	8
Managers	8
Assistant Managers/Supervisors	17
Staff	28
Total	**61**

Recruitment and Promotion Policy

AMAL has implemented a structured recruitment policy with the aim to recruit suitably qualified employees. The Company sources candidates through different job portals, referrals, local travel fairs, online postings, and even walk in applicants. Candidates who pass the screening, will have an initial interview with human resource (HR).

Employees are offered and hired initially on a six-month probationary period. Employees under the probationary period are evaluated over the six-month period and will be recommended for regularization by the immediate supervisor/manager. All regular employees are entitled to employee benefits. All regular employees of the Company are assessed formally through verbal evaluation by HR.

Personnel training

The Company believes in the importance of developing its employees into future leaders of AMAL through training programs. The Company's training and development aims to provide programs and activities that will benefit both the employees and the Company, making AMAL employees feel confident about improving efficiency and productivity, as well as finding new ways towards personal development and success.

Employees, managers, and human resources collaborate to build a continuous professional development culture. Managers are expected to coach their teams and identify employee development needs. HR is responsible for facilitating staff development activities and processes.

In general, the Company encourages the following:

- Employee Coaching and Mentoring
- On-the-job training
- Seminars

New Measures for the Safety and Well-being of AMAL's Employees in light of COVID-19

The safety and wellbeing of employees is of utmost importance to the Company. AMAL has adjusted the work arrangements of its personnel to provide a safe working environment and to prevent the spread of COVID-19. Specifically, the Company has implemented the following precautionary measures and policies to minimize the possibility of COVID-19 infections at the workplace:

- applying work-from-home arrangements.
- providing transportation to and from the office.
- taking the temperature of its staff when they enter office premises and maintaining an adequate supply of hand sanitizers for use at the Company's premises;
- requiring all personnel to wear face masks and maintain social distancing at all times;
- reminding all personnel to be aware of the importance of maintaining good personal and workplace hygiene;
- regularly cleaning and ventilating of the Company's offices and facilities;
- minimizing in-person meetings;
- monitoring the travel history of its personnel; and
- monitoring the latest information released by the Government and keeping its personnel informed about material updates, such as any mandatory quarantine imposed in different areas.

The measures above have not resulted in a material disruption to the Company's business operations.

INTELLECTUAL PRORETY

AMAL has no intellectual property rights as of the date of this Prospectus.

INSURANCE COVERAGE

AMAL maintains insurance coverage on their transportation equipment, covering risks which are usually carried by companies engaged in similar businesses. AMAL maintain insurance policies that shoulder any undesired and unforeseen events or risks including, among others, damage, theft, acts of nature, bodily injury and property damage insurance.

AMAL considers that their insurance coverage is consistent with industry practice and is adequate for business operations. From time to time, the Company reviews and assess risks and adjust its insurance coverage as appropriate. As of the date of this Prospectus, AMAL has not made nor had been subject to any material insurance claims and / or product liability claims.

LEGAL PROCEEDINGS

As of date of this Prospectus, AMAL is a party to three (3) pending lawsuits. AMAL filed two (2) cases, criminal and civil, and is a respondent in one (1) labor case. However, AMAL does not consider any of these as material as these legal proceedings will neither affect the daily business operations of AMAL nor have any material effect on the financial position of AMAL. Also, the cases are not expected to exceed 10% of the current assets of AMAL.

Asian Mergers and Acquisition Links Inc. and Hideki Tanifuji vs. Neil Oliver Dominguez; Office of the City Prosecutor, Taguig City; NPS Docket No. XV-16-INV-19E- 00369

This is Criminal Case for Illegal Access or Violation of Section 4, Par. (a)(1) of the Cybercrime Prevention Act of 2012 filed by AMAL against its former employee, Neil Oliver Dominguez, for illegally accessing the email of Hideki Tanifuji without authority or permission. The case is already submitted for resolution.

Asian Mergers and Acquisition Links Inc. vs. Edina H. Quilang, Metropolitan Bank and Trust Company; *Regional Trial Court, Taguig City, Branch 271; Civil Case No. 551*

This is a civil case for Damages based on Quasi-Contract filed by AMAL against Metropolitan Bank and Trust Company and the latter's branch manager Edina H. Quilang (Defendants) for their gross negligence in the transfer of US$ 120,560 from the bank account of AMAL. The Motion to Dismiss filed by the Defendants is already submitted for resolution.

Irvin John Acosta Chua vs. Asian Mergers and Acquisition Links Inc.; National Labor Relations Commission – NCR, NLRC NCR-00-09- 00324-2019

This is labor case for money claims filed by a former employee of AMAL, Irvin John Acosta Chua. AMAL filed a Notice and Memorandum of Appeal before the NLRC on the Decision dated 15 April 2020 of the Labor Arbiter which found AMAL liable to pay unpaid commission in the amount of ₱379,041.67, and Attorney's Fees in the amount of ₱37,904.16. AMAL already deposited with the NLRC the Surety Bond in the amount of ₱ 379,041.67.

INVESTOR RELATIONS OFFICE

The Investor Relations Officer (IRO) will be tasked with (a) the creation and implementation of an investor relations program that reaches out to all shareholders and informs them of corporate activities and (b) the formulation of a clear policy for accurately, effectively and sufficiently communicating and relating relevant information to AMAL's stakeholders as well as to the broader investor community.

The IRO will also be responsible for ensuring that AMAL's shareholders have timely and uniform access to official announcements, disclosures and market-sensitive information relating to the Company. As AMAL's officially designated spokesperson, the IRO will be responsible for receiving and responding to investor and shareholder queries. In addition, the IRO will oversee most aspects of AMAL's shareholder meetings, press conferences, investor briefings, management of the investor relations portion of AMAL's website and the preparation of the Company's annual reports. The IRO will also be responsible for conveying information such as AMAL's policy on corporate governance and corporate social responsibility, as well as other qualitative aspects of AMAL's operations and performance.

AMAL's Investor Relations Office will be located at Unit 8 3/F Bonifacio Technology Center, 31st street corner 2nd Avenue, Crescent Park West, Taguig City. The Company's Investor Relations Officer will be Shaela Mae M. Claveria. She may be contacted at ir@asian-ma.com or +632 88651069.

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MATERIAL CONTRACTS AND AGREEMENTS

Lease Contracts

The Company has entered into the following Lease Contracts:

	Counterparty	Location/Area	Date of Execution	Term of Lease
1	HatchAsia	BTC, Second Room (114.33sqm)	January 6, 2021	January 1, 2021 to December 31, 2021, Renewable
2	Hatchasia	Parking slot 111,114 & 67	March 2021	January 01 to June 30 2021, renewable
3	Ms. Anita Ye	Condominium Unit in Mahogany Mansion	7 September 2019	01 August 2019 to 31 January 2020
4	Zeroten Philippines, Inc.	HM Tower W. Geonzon Street Lahug Cebu City Cebu (6sqm)	May 1, 2020	February 1, 2021 to August 1,2021 Extended Lease Contract
5	Global Office Company Limited	AB Tower, 76A Le Lai St., Ben Thanh Ward, District 1, Ho Chi Minh City (23 sqm)	January 12, 2021	February 10, 2021 - August 09, 2021
6	Tiong Yeo Chuan	Mercu Summer Suites No. 8 Jalan Cendana off Jalan Sultan Ismail, 50250 Kuala Lumpur	March 28, 2020	March 27, 2021 to September 27,2021 Extended Lease Contract

The lease contracts with Hatchasia are for the use of its office space and parking slots in Bonifacio Technology Center, the principal office of the Company. Other lease contracts with Zeroten Philippines, Inc, Global Office Company Limited, and Tiong Yeo Chuan are for the use of its office spaces in Cebu, Vietnam, and Malaysia respectively. The lease of the condominium units in Mahogany Mansion owned by and Ms. Anita Ye is for the purpose of housing the staff of the Company

Mergers and Acquisitions (M&A) Consulting Services Agreement

The Company entered into several M&A Consulting Services Agreement from March 2018 to December 2020 with clients, either seller, buyer, investor, or investee. Due to the confidential nature of the transactions or the possible negative effect of the knowledge by competitors or customers on the engagement of an M&A advisor by the clients of AMAL, AMAL deemed it prudent not to disclose in this Prospectus all the M&A Consulting Services Agreements with the clients of AMAL, especially the selling clients which covers most of the existing agreements.

The M&A Consulting Services Agreement has a term with a range of seven (7) months to three (3) years, with an automatic renewal for the same period. The scope of services includes the following: 1) assistance in developing and studying the most suitable form of business combination; 2) introduction to and negotiation with relevant parties pursuant to the determined business combination; 3) completion of the business combination.

The contracts provide that the Company shall be compensated in case of a successful business combination between and among clients. The fees include a fixed fee, and a commission based on the total consideration of the resulting contract of the successful business combination, exclusive of VAT. For a successful business combination with a multi-step transaction, an additional commission shall likewise be paid to the Company. For certain clients, the percentage of the commission is likewise dependent on the amount of consideration of the successful business combination.

There is likewise a security provision for a period of five (5) years from the termination of the M&A Consulting Services Agreement to ensure that the parties do not work around the Company's involvement in the negotiation and completion of the business combination.

Lastly, an exclusivity clause is also in place to prevent the client and/or counterparty from consulting with other entities which provide similar services to AMAL.

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REGULATION

REGULATORY COMPLIANCE

The Company has all the material permits and licenses necessary for its business as currently conducted, which are valid and subsisting as of the date of this Prospectus, as confirmed by the independent counsel, Atty. Alfredo Rosal Jr., in his legal opinion dated 13 April 2021.

Detailed below are all of the major permits and licenses necessary for the Company to operate its business, the failure to possess any of which would have a material adverse effect on the Company's business and operations. The Company has all the applicable and material permits and licenses necessary to operate its business as currently conducted and such permits and licenses are valid, subsisting, or pending renewal.

	Type of Permit	Issuing Agency	Issue Date	Expiry Date
1	Certificate of Incorporation	Securities and Exchange Commission	15 May 2015	N/A
2	Certificate of Registration	Bureau of Internal Revenue	03 August 2015	N/A
3	Certificate of Registration	Social Security System	28 January 2016	N/A
4	Certificate of Registration	Home Development Mutual Fund or PAG-IBIG Fund	2015	N/A
4	Employer's Data Record	Philippine Health Insurance Corporation	18 May 2015	N/A
5	Business Clearance	Brgy. Fort Bonifacio	January 5, 2021	December 31, 2021
6	Business Permit	City of Taguig	January 20, 2021	December 31, 2021

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REGULATORY MATTERS

Summarized in this Section are significant statutory and regulatory issuances applicable to the operations of the Company. The relevant statutes and regulations are explained herein briefly.

Revised Corporation Code (on mergers and acquisitions)

Under the Revised Corporation Code, two or more corporations may merge into a single corporation, pursuant to a plan of merger or consolidation approved by the board of directors or trustees of each corporation. The plan shall likewise be approved by the stockholders representing at least ⅔ of the outstanding capital stock or members of each corporation, as the case may be. In case of sale of all or substantially all of the corporate properties and assets, the same 2/3 vote of stockholders shall be required for approval.

Any dissenting stockholder (on the proposed merger or planned sale of all or substantiall all of the corporate properties and assets) may exercise his/her appraisal right, provided that such right shall be extinguished should the plan be abandoned. In case the right of appraisal is exercised, Section 81 of the Revised Corporation Code provides for the appropriate procedure, to wit:

> The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares; Provided, that the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.
>
> If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made; Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; Provided further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

The Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

Philippine Competition Act and its Implementing Rules and Regulations

Any person, whether natural or juridical, sole proprietorship, partnership, or a combination or association in any form, whether incorporated or not, domestic or foreign, including those owned or controlled by the government, shall be covered by the Philippine Competition Act (PCA) as long as they are engaged directly or indirectly in any economic activity. This extends to those engaged in industry or commerce that has a direct, substantial, and reasonably foreseeable effect in the Philippines, including those that result from acts done outside the territory of the Philippines.

The Philippine Competition Commission (PCC), either on its own action or upon notification by the parties, shall have the power to review mergers and acquisitions, including joint venture agreements, having a direct, substantial, and reasonably foreseeable effect on trade, industry, or commerce in the Philippines. Merger or acquisition agreements that substantially prevent, restrict, or lessen competition in the relevant market are prohibited.

Parties to a merger or acquisition agreement, wherein the value of the transaction exceeds the threshold amount of Two Billion Four Hundred Million Pesos (₱2,400,000,000.00), are prohibited from consummating their agreement until thirty (30) days after providing notification to the PCC. Parties to a merger or acquisition that satisfy the thresholds amount are required to notify PCC before the execution of the definitive agreements relating to the transaction. In the formation of a joint venture (other than in connection with a merger or consolidation), the contributing entities shall be deemed acquiring entities, and the joint venture shall be deemed the acquired entity.

In a notifiable joint venture transaction, an acquiring entity shall be subject to the notification requirements if either the aggregate value of the assets that will be combined in the Philippines or contributed into the proposed joint venture exceeds Six Billion Pesos (₱6,000,000,000.00) or the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceed Six Billion Pesos (₱6,000,000,000.00). In determining the assets of the joint venture, the following shall be included:

1. All assets which any entity contributing to the formation of the joint venture has agreed to transfer, or for which agreements have been secured for the joint venture to obtain at any time, whether or not such entity is subject to the requirements of the act; and
2. Any amount of credit or any obligations of the joint venture which any entity contributing to the formation has agreed to extend or guarantee, at any time.

In reviewing notifiable mergers and acquisitions, the PCC is given the power to:

1. Prohibit the implementation of the agreement;
2. Prohibit the implementation of the agreement unless and until it is modified by changes specified by the PCC; and
3. Prohibit the implementation of the agreement unless and until the pertinent party or parties enter into legally enforceable agreements specified by the PCC.

A transaction that meets the thresholds and does not comply with the notification requirements shall be considered void and will subject the parties to an administrative fine of one percent (1.00%) to five percent (5.00%) of the value of the transaction.

Prohibited merger or acquisition agreements may be exempt from prohibition by the PCC when the parties establish either of the following:

1. The concentration has brought about or is likely to bring about gains in efficiencies that are greater than the effects of any limitation on competition that result or likely to result from the merger or acquisition agreement; or

2. A party to the merger or acquisition agreement is faced with actual or imminent financial failure, and the agreement represents the least anti-competitive arrangement among the known alternative uses for the failing entity's assets.

An entity shall not be prohibited from continuing to own and hold the stock or other share capital or assets of another corporation which it acquired prior to the approval of the PCA or acquiring or maintaining its market share in a relevant market through such means without violating the provisions of the PCA.

Furthermore, the acquisition of the stock or other share capital of one or more corporations solely for investment and not used for voting or exercising control and not to otherwise bring about, or attempt to bring about the prevention, restriction, or lessening of competition in the relevant market shall not be prohibited.

Republic Act No. 10173 (Data Privacy Act of 2012)

Republic Act No. 10173, or the Data Privacy Act, protects all forms of information, be it private, personal, or sensitive. It applies to any natural or juridical persons involved in the processing of information (which refers to any operation or any set of operations performed upon personal data including, but not limited to, the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of data), whether in the government or private sector, and whether in or outside the Philippines.

The law defines personal information as any information whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual. On the other hand, sensitive personal information refers to personal information:

1. About an individual's race, ethnic origin, marital status, age, color, and religious, philosophical or political affiliations;

2. About an individual's health, education, genetic or sexual life or a person, or to any proceeding for any offense committed or alleged to have been committed by such person, the disposal of such proceedings, or the sentence of any court in such proceedings;

3. Issued by government agencies peculiar to an individual which includes, but not limited to, social security numbers, previous or current health records, licenses or its denials, suspension or revocation, and tax returns; and

4. Specifically established by an executive order or an act of Congress to be kept classified.

In general, the processing of sensitive personal information and privileged information is prohibited except where: (1) the data subject has given his or her consent, specific to the purpose prior to the processing, or in the case of privileged information, all parties to the exchange have given their consent prior to processing; (2) the processing is provided for by existing laws and regulations; (3) the processing is necessary to protect the life and health of the data subject or another person, and the data subject is not able to give consent; (4) the processing is carried out for limited non-commercial purposes by public organizations and their associations; 5) the processing is necessary for purposes of medical treatment, is carried out by a medical practitioner or a medical treatment institution, and an adequate level of protection of personal information is ensured; or (6) the processing is necessary for court proceedings or legal claims, or is provided to the government or a public authority.

Under the Data Privacy Act, the appointment of a Data Protection Officer ("DPO") is a legal requirement for all personal information controllers ("PICs") and personal information processors ("PIPs"). The DPO is accountable for ensuring the company's compliance with all data privacy and security laws and regulations.

A PIC may be a natural or juridical person who exercises control over the processing of personal data and furnishes instructions to another person or entity to process personal data on its behalf. A PIP on the other hand, refers to a person or body instructed or outsourced by a PIC to engage in the processing of the personal data of a data subject.

The PIC or PIP that employs fewer than 250 persons shall not be required to register unless the processing it carries out is likely to pose a risk to the rights and freedoms of data subjects, the processing is not occasional, or the processing includes sensitive personal information of at least 1,000 individuals.

Labor and Employment

Presidential Decree No. 442, as amended (Labor Code of the Philippines)

The Department of Labor and Employment ("DOLE") is the Philippine government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws such as the Labor Code and the Occupational Safety and Health Standards, as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

Republic Act No. 11058 (Occupational Safety and Health Standards Law)

On 17 August 2018, Republic Act No. 11058, or the Occupational Safety and Health Standards Law, was signed into law. It mandates employers, contractors, or subcontractors and any person who manages, controls, or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness, or physical harm to the workers. It also requires to give complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed to, preventive measures to eliminate or minimize the risks and steps to be taken in cases of emergency.

The willful failure or refusal of an employer, contractor, or subcontractor to comply with the Occupational Safety and Health Standards shall make the Company administratively liable for fines. Further, the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls, or supervises the work shall be solidarily liable.

Republic Act No. 1161, as amended (Social Security Law)

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under Republic Act No. 8282 to ensure coverage of employees following procedures set out by the law and the Social Security System ("SSS"). Under the said law, social security coverage is compulsory for all employees under 60 years of age. An employer must deduct and withhold from its compulsorily covered employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations.

Republic Act No. 9679 (Home Development Mutual Fund Law)

Under the Home Development Mutual Fund Law of 2009, all employees who are covered by the Social Security Act of 1997 must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund to provide affordable shelter financing to Filipino employees. The employer is likewise mandated to deduct and withhold, pay and remit to the Pag-IBIG Fund the respective contributions of the employees under the prescribed schedule.

Republic Act No. 7875, as amended (National Health Insurance Act of 1995)

Under Republic Act No. 7875, Employers are likewise required to ensure enrollment of its employees in a National Health Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the Department of Health, tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of the National Health Insurance Act of 1995, as amended by the Republic Act No. 11223, otherwise known as the Universal Health Care Act. The registration, accurate and timely deductions, and remittance of contributions to the Philippine Health Insurance Corporation is mandatory as long as there is an employer-employee relationship.

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BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors of the Company is responsible for the overall management and direction of the Company. The Board consists of seven (7) members, two (2) of which are independent directors. Each director has a term of one (1) year and is elected at the annual meeting of shareholders of the Company, which is held on the second Friday of May every year.

The following table sets forth the Board of Directors of the Company:

Name	Age	Present Position	Citizenship
Hideki Tanifuji	46	Chairman	Japanese
Dinah Ilagan	40	Director	Filipino
Shaela Mae Claveria	27	Director	Filipino
Karlon Pambid	34	Director	Filipino
Christine Joy David	27	Director	Filipino
Samuel V. Poblete	63	Independent Director	Filipino
Joanna May R. Casita	31	Independent Director	Filipino

The executive officers are appointed/elected by the Board of Directors following their election at the annual meeting of shareholders. They have the direct charge of all business activities or operation of the Company, subject to the control and supervision of the Board.

The table below sets forth the key corporate and executive officers of the Company:

Name	Age	Present Position	Citizenship
Hideki Tanifuji	46	President and Chief Executive Officer	Japanese
Dinah Ilagan	40	Chief Operating Officer	Filipino
Shaela Mae Claveria	27	Treasurer, Chief Financial Officer, and Investors Relations Officer	Filipino
Karlon Pambid	34	Chief Legal Officer and Compliance Officer	Filipino
Christine Joy David	27	Corporate Secretary	Filipino

The following is a brief description of the business experience of the Directors and Officers of the Company for the last five (5) years:

Hideki Tanifuji, President and Chief Executive Officer

Mr. Tanifuji, 46, founded the company in May 2015. He is one of the founding members of M&A Corporate Advisory and served as its M&A Advisory Director from 2007 to 2014. Prior to his involvement in the M&A Corporate Advisory, he was also a Corporate Officer and M&A Consultant at M&A Capital Partners, which was eventually listed in the Tokyo Stock Exchange in 2013, and now has the market capital of about $1.5B. He closed more than 50 deals, and worked in different industries globally in his years of experience in M&A.

Dinah B. Ilagan, Director and Chief Operating Officer.

Ms. Ilagan, 40, graduated from the University of Makati with the degree of Bachelor of Science in Business Administration Major in Marketing. In 2019, she attended the Mergers and Acquisitions program offered by the Ateneo De Manila University Graduate School of Business Center for Continuing Education. She started her career as a Head Supervisor in Unica Hija Corporation from 2003 to 2005. Then, she worked as Store Head Supervisor in Suyen Corporation from 2005 to 2006. She, then, became a reservation officer at Nissan Rent-A-Car from 2006 to 2007. Prior to joining AMAL in 2015, she entered the banking industry and served as Sales Head Executive at BPI-Philam Bancassurance Corp. from 2008 to 2014.

Shaela Mae M. Claveria, Director and Chief Financial Officer.

Ms. Claveria, 27, is a Certified Public Accountant (CPA) and a Certified Financial Consultant (CFC). She graduated with a degree in BS Accountancy from the University of Santo Tomas in 2015, and she passed the CPA licensure exam the same year. In 2018, she attended the 46th CFC program held by the Institute of Financial Consultant Philippines (IFC PH) and earned the CFC designation after successfully passing the examination in 2019. She also attended the 60th Financial Modeling Masterclass program held by IFC-PH in 2020. Prior to joining AMAL, she was a Tax Associate in SGV & Co. where she became involved in Philippine and US taxation and immigration.

Atty. Karlon V. Pambid, Director and Chief Legal Officer.

Atty. Pambid, 34, obtained his A.B. Philosophy from San Pablo Major Seminary in 2007 and earned his Bachelor of Laws from San Beda University in 2013. He passed the Philippine Bar Examination on November of 2013 and has been practicing as Corporate Lawyer for more than five (5) years. He is the Managing Partner of the Pambid Cruz Law Office, and he also serves as Legal Counsel and Corporate Secretary to the following companies: One World Japanese Language Training Center, Inc., One World Human Resources Development Inc., Four Nais Manpower Agency Inc., Reiwa Business Consultancy OPC, Kare Global Manpower Services Inc., RBT Consulting Services Inc., JVES Inc., Carteknik Auto Service Center Inc., Laouiebev Sports Apparel Inc., Responsive Business Consultancy Services Inc.EG-Cool Philippines, OPC., Filix & Fields Business Services Inc., Emiyus Philippines Foundation Inc., WTTBP Holdings Inc., Hideki Tanifuji Foundation Inc., and Nissho BGC Holding Inc.

Christine Joy David, Director and Corporate Secretary

Ms. David, 27, is a Certified Public Accountant (CPA) and a Certified Bookkeeper. She graduated from the Adamson University with the degree of Bachelor of Science Major in Accountancy, and she is currently pursuing further studies in Juris Doctor - Law at the Arellano University School of Law. She became a Certified Bookkeeper in 2012 and passed the CPA licensure exam in 2016. She worked as an Accountant in SM Foundation Inc from October 2013 to March 2014, then, she became an Accounts Payable Specialist in San Miguel Properties Inc. from March to October 2014. Prior to her involvement in AMAL, she was an accountant of Arcadis Design and Consultancy.

Samuel Poblete, Independent Director

Mr. Poblete, 63, has almost 32 years of extensive banking experience. Mr. Poblete became a Certified Public Accountant in 1979. Prior to 2016, he served as external auditor in SGV and Company, Auditor in charge in Negros Navigation Co., Inc, Senior Manager and Head of Kamuning Branch in Bank of Commerce and First Vice President & Chief Internal Auditor in Philippine Veterans Bank. From June 2016 to June 2017, he was Senior Vice President and Branch Audit Group Head in Rizal Commercial Banking

Corporation. Mr. Poblete is currently acted as Vice Chairman of the Board of Director ARCom Asia Plus and Director and President in FoodWeb Corp.

Joanna May Casita, Independent Director

Ms. Casita, 31, obtained her Bachelor of Science in Legal Management in San Beda College in 2010 and earned her Bachelor of Laws in University of the East in 2014. From October 2010 to January 2016, she rendered paralegal services in the Integrated Bar of the Philippines-National Center for Legal Aid (IBP-NCLA), then from March to October 2016 employed in the Supreme Court of the Philippines as contractual legal clerk. From October 2016 to present, she is currently an Associate at the Baluyot Law Office, an external counsel for Sun Master Sales Corporation and Super Miler Sales Corporation, and a Legal Consultant in DENR-Land Management Bureau. She passed the Philippine Bar Examination November of 2016.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS OF DIRECTORS AND SENIOR MANAGEMENT

AMAL believes that none of the above-named directors or executive officers have in the five-year period prior to the date of this Prospectus been subject to the following: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses; (3) 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 or her involvement in any type of business, securities, commodities, or banking activities; or (3) found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

EXECUTIVE COMPENSATION SUMMARY

For each of the years ended December 31, 2018, 2019 and 2020 (projected) the total salaries and allowances and bonuses paid to all other officers as a group unnamed are as follows:

Names	Year	Salary*	Bonus**
Aggregate executive compensation for the following key management officers:			
Aggregate executive compensation of all other officers and directors, unnamed:	2020	2,296,248	154,170
	2019	753,747	567,780
	2018	562,291	59,475

**Basic salary includes allowances and 13th month pay*

***Includes bonuses for new clients and closed deals*

****Professional fees*

Compensation of Directors

For the years ended December 31, 2019 and 2018 the Directors did not receive any compensation. There are no other existing arrangements/agreements under which directors are to be compensated during the last completed fiscal year and the ensuing year.

The chart below sets forth the compensation received by the Directors of AMAL for the past three fiscal years:

Remuneration Item	Executive Directors		Non-Executive Directors (other than independent directors)		Independent Directors
(a) Fixed Remuneration	As directors, they do not receive compensation for services rendered. They receive compensation as officers of AMAL if they hold position as such.				
(b) Variable Remuneration	2020	42,755	2020	49,170	
	2019	37,450	2019	48,260	
	2018	45,780	2018	59,475	
(c) Per diem Allowance					
(d) Bonuses	2020	2,380,485	2020	105,000	
	2019	2,108,491	2019	519,520	
	2018	1,576,112	2018		
(e) Stock Option and/or other financial instruments					
(f) Others (Specify)	2020	2,423,240	2020	154,170	
	2019	2,145,941	2019	567,780	
	2018	1,621,892	2018	59,475	

SIGNIFICANT EMPLOYEES

AMAL believes that it is not dependent on any single employee. AMAL considers the collective efforts of all its employees as instrumental to its success.

FAMILY RELATIONSHIPS

There are no family relationships between Directors and members of AMAL's Senior Management known to AMAL as of the date of this Prospectus.

EMPLOYMENT CONTRACTS

There are no arrangements for compensation to be received by these named executive officers from AMAL in the event of a change in control.

WARRANTS AND OPTIONS OUTSTANDING

There are no outstanding warrants or options held by Senior Management, and all officers and directors as a group.

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PRINCIPAL SHAREHOLDERS

AMAL has seven (7) shareholders as of March 3, 2021 as follows:

No.	Name of Shareholder	Nationality	No. of Common Shares Held	Amount Subscribed (₱)	Amount Paid-up (₱)	Percentage of Ownership
1	Hideki Tanifuji	Japanese	389,987,000	38,998,700	38,998,700	99.996%
2	Dinah B. Ilagan	Filipino	3,250	325	325	0.001%
3	Shaela Mae M. Claveria	Filipino	3,250	325	325	0.001%
4	Christine Joy David	Filipino	3,250	325	325	0.001%
5	Atty. Karlon Pambid	Filipino	3,250	325	325	0.001%
6	Atty. Joanna May Casita	Filipino	10	2	2	0.000%
7	Samuel Poblete	Filipino	10	2	2	0.000%
	Total		390,000,020	39,000,002	39,000,002	100%

PSE LOCK-UP REQUIREMENT

Under the PSE Consolidated Listing and Disclosure Rules, AMAL, as an applicant company under the SME Board, must cause all its existing shareholders to refrain from selling, assignment, encumbering, or in any manner disposing of their Shares for a period of one year after the listing of such Shares.

In addition, if there is any issuance of Shares (i.e., private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of Shares (i.e., convertible bonds, warrants or a similar instrument) completed and fully paid for within six months prior to the start of the Offer, and the transaction price is lower than that of the offer price in the initial public offering, all Shares subscribed or acquired shall be subject to a lock-up period of at least one year from the listing of the aforesaid Shares.

Given the above rules, the following are covered by the One-Year Lock-Up requirement:

Shareholder	No. of Shares
Hideki Tanifuji	389,987,000
Dinah B. Ilagan	3,250
Shaela Mae M. Claveria	3,250
Christine Joy David	3,250
Atty. Karlon Pambid	3,250
Atty. Joanna May Casita	10
Samuel Poblete	10

To implement the lock-up requirement, AMAL and the foregoing shareholders shall enter into an escrow agreement with PNB Trust Banking Group.

THE PRINCIPAL SHAREHOLDER

The following table below sets forth, for the Principal Shareholder, the number of Shares and percentage of outstanding shares held before the Offer, the maximum number of Shares to be sold in the Offer and the number of shares and percentage of outstanding shares owned immediately after the Offer:

Principal Shareholder	Shareholdings before the Offer	% of Share Outstanding before the Offer	Shareholdings following completion of the Offer	% of Shares Outstanding following completion of the Offer
Hideki Tanifuji	389,987,000	99.996%	389,987,000	74.997%

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SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

As of the date of this Prospectus, the following are the owners of record, directly or indirectly, of more than 5.00% of the Company's outstanding capital stock, the number of shares and percentage of shareholdings of each of them:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership
Common	Hideki Tanifuji *Unit 6C, The Fort Residences, 2nd Ave., Fort Bonifacio, Taguig City, 1634*	Hideki Tanifuji	Japanese	389,987,000	99.996%

Security Ownership of Directors and Management

The following are the number of shares owned of record by the directors and executive officers of the Company and the percentage of shareholdings of each of them as of the date of this Prospectus:

Title of Class	Name and Designation of Record Owner	Citizenship	Amount (no. of shares x ₱0.10 par value)	Nature of Beneficial Ownership	% of Ownership
Common	Hideki Tanifuji *President*	Japanese	38,998,700	Direct	99.996%
Common	Shaela Mae Claveria *Treasurer*	Filipino	325	Direct	0.001%
Common	Dinah B. Ilagan *Director*	Filipino	325	Direct	0.001%
Common	Karlon V. Pambid *Director*	Filipino	325	Direct	0.001%
Common	Christine Joy David *Corporate Secretary*	Filipino	325	Direct	0.001%
Common	Atty. Joanna May Casita *Independent Director*	Filipino	2	Direct	0.00001%
Common	Samuel Poblete *Independent Director*	Filipino	2	Direct	0.00001%

Except for the foregoing, no other members of the Board or Senior Management own any shares in the Company.

Voting Trust Holders of 5.0% or MORE

There are no persons holding more than five percent (5%) of a class of shares of the Company under a voting trust or similar agreement as of the date of this Prospectus.

Lock-up

The PSE rules require existing non-public stockholders of a company applying for listing in the SME Board not to sell, assign or in any manner dispose of their shares for a period of one (1) year after the listing of the shares. In addition, if there is any issuance or transfer of shares or securities such as private placements, assets for shares swap or a similar transaction or instruments which lead to issuance of shares or securities such as convertible bonds, warrants or a similar instrument that are completed within one hundred eighty (180) days prior to the listing date, and the transaction price is lower than the offer price in the initial public offering, all such shares or securities shall be subject to a lock-up period of at least three hundred sixty five (365) days from full payment of such shares or securities.

To implement the foregoing lock-up requirements, the PSE requires the applicant company to lodge the shares with the PDTC through a Philippine Central Depository participant for the electronic lock-up of the shares or enter into an escrow agreement with the trust department or custodian unit of an independent and reputable financial institution.

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RELATED PARTY TRANSACTION

A related party is a person or an entity that is related to the reporting entity:

- A person or a close member of that person's family related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.

- An entity is related to a reporting entity if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the reporting entity, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.

Policy

The Company ensures that all transactions are made at terms equivalent to prevailing market standards and at an arm's length basis, to the best interest of the Company and, in particular, of its shareholders and other stakeholders.

Terms and Conditions of Transactions with Related Parties

Outstanding balances are unsecured, non-interest bearing and due, demandable and to be settled in cash. Management makes a periodic review of the Financial position of the related parties and the market in which the related parties operate.

Certain Relationships and Related Transactions

In the normal course of business, the Company has the following transaction with certain directors, officers, stockholders and related interests.

Entity Under Common Control

The transactions with the related parties and outstanding balance arising from these transactions are summarized as follows

	Nature of Transactions	Amount of Transactions		Outstanding Balances	
		2020	2019	**2020**	2019
Due from related parties					
Entity under common control	Advances for working capital	**₱213,864**	₱481,193	**₱694,757**	₱481,193
Stockholders	Advances for future investment	**11,000,300**	–	**11,000,300**	–
				₱11,695,057	₱481,193

The Company has directly written off the outstanding balance of related party in 2018,2019, and 2020 based on the best available facts and circumstances of the related party's capacity to meet its financial obligations. These outstanding balances are unsecured, noninterest-bearing, payable on demand and settlement occurs in cash.

The Company directly wrote-off due from Sakura Asian Business of Manpower Inc., a related party, amounting to ₱1.423, ₱59,378 and ₱2.3 Million in 2020, 2019 and 2018, respectively.

Advances to Entity Under Common

The Company recognized noninterest-bearing advances to entity under common control to support the entity. The Company also provided to an entity unsecured, noninterest-bearing cash advances for working capital requirements.

Advances from Stockholders

The Company has noninterest-bearing advances from the stockholder to fund its working capital. ₱28.85 Million remains outstanding in the books of the Corporation as of December 31, 2020.

In 2020, AMAL made advances to M&A Links Asia amounting to 100,000 USD for its working capital. Conversely, AMAL owes a stockholder because of the working capital advances provided by the stockholder to AMAL. In 2020, the parties agreed to execute a Deed of Assignment, directly assigning the receivables of AMAL from M&A Links Asia to the stockholder.

	Amount of Transactions In ₱		Outstanding Balances In ₱	
	2020	**2019**	**2020**	**2019**
Advances from Stockholder				
Advances for working capital	**44,885,903**	65,245,772	**28,845,066**	21,090,263
Acquisition of property and equipment		1,024,333		1,024,333
Investment in an associate		818,472		818,472
	44,885,903	67,088,577	28,845,066	22,933,068

DESCRIPTION OF THE SECURITIES

The following description of the Company's capital stock does not purport to be complete or to give full effect to the provisions of law and is in all respects qualified by reference to the applicable provisions of the Company's Amended Articles of Incorporation and By-Laws.

The Offer Shares shall be offered at a price of ₱2.00 per Offer Share (the "**Offer Price**"). The determination of the Offer Price is further discussed on page [58] of this Prospectus. A total of 520,001,020 Shares will be outstanding after the Offer and the Offer Shares will comprise up to 25% of the outstanding Shares after the Offer.

Share Capital

As of the date of this Prospectus, the Company's authorized capital stock is ₱100,000,000.00, consisting of 1,000,000,000 Common Shares with a par value of ₱0.10 per share, of which 390,000,020 Common Shares are issued and outstanding. No Common Shares are held in treasury.

The Common Shares to be issued in connection with the Offer will be issued out of the unissued authorized capital stock of the Company.

Rights Relating to the Common Shares

Voting Rights

Each Common Share has full voting rights. However, the Revised Corporation Code of the Philippines provides that such voting rights cannot be exercised with respect to Shares declared by the Board of Directors as delinquent, treasury shares, or with respect to Shares upon which its appraisal right has been exercised.

Each Common Share entitles the holder to one (1) vote. At each meeting of the stockholders, every stockholder entitled to vote on a particular question or matter involved shall be entitled to one (1) vote for each share of stock standing in his name in the books of the Company at the time of the closing of the transfer books for such meeting.

In accordance with Section 23 of the Revised Corporation Code, at each election of Directors, every stockholder, in person or by proxy, is entitled to such number of votes as is equivalent to the product of the number of Common Shares owned by him multiplied by the number of Directors to be elected. The stockholder may cumulate his votes, as he may see fit, by giving one (1) or more candidates as many votes as the number of Directors to be elected multiplied by the number of his Shares. A Director may also be removed by the vote of stockholders representing two-thirds ($^2/_3$) of the outstanding voting shares.

Dividend Rights

The Shares have full dividend rights. Dividends are payable to all stockholders, Stockholders whose names are recorded in the stock and transfer book as of the record date fixed by the Board of Directors, on the basis of outstanding Shares held by them, each Share being entitled to the same unit of dividend as any other Share. The PSE has an established mechanism for distribution of dividends to beneficial owners of Shares which are traded through the PSE and lodged with the PCD Nominee as required for scripless trading.

Pursuant to Section 42 of the Revised Corporation Code, dividends may only be declared from the unrestricted retained earnings of the Company at such time and in such percentage or amount as the Board of Directors may deem proper. No dividend which will impair the capital stock of the Company shall be declared. Dividends shall be payable in cash, property, or by issuance of shares, provided that no stock dividends shall be issued without the approval of stockholders representing at least two-thirds ($^2/_3$) of the issued and outstanding capital stock at a regular or special stockholders' meeting duly called for the purpose.

As a general rule, a corporation is prohibited from retaining surplus profits in excess of 100% of its paid-in capital, except in the following cases: (a) when justified by definite corporate expansion projects or programs approved by the board of directors; (b) when the required consent of any financial institution or creditor, whether local or foreign, to such declaration of dividends has not yet been secured; or (c) when retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

Philippine corporations whose securities are listed on any stock exchange are required to maintain and distribute an equitable balance of cash and stock dividends, consistent with the needs of stockholders and the demands for growth or expansion of the business.

Please see further discussion under "Dividends and Dividend Policy".

Pre-emptive Rights

The Revised Corporation Code provides that all stockholders of a stock corporation will enjoy pre-emptive right to subscribe to all issues or disposition of shares of any class, in proportion to their respective shareholdings, unless such right is denied by the Articles of Incorporation or an amendment thereto.
The Company's Amended Articles of Incorporation expressly provides for the denial of the pre-emptive rights as to all issuances or dispositions of the Shares.

Appraisal Rights

The Revised Corporation Code grants a stockholder a right of appraisal in certain circumstances where he has dissented and voted against a proposed corporate action, including:

(a) An amendment of the Company's Articles of Incorporation which has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
(b) The sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all the assets of the Company;
(c) A merger or consolidation; and
(d) The investment of corporate funds for any purpose other than the primary purpose of the Company.

In any of these circumstances, the dissenting stockholder may demand in writing that the Company purchase its shares at a fair value within thirty (30) days from the time on which the vote was taken, otherwise the right to exercise the right of appraisal is deemed waived. If there is no agreement on the fair value of the shares, it shall be determined by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the two thus chosen. In the event of a dispute, the Regional Trial Court will determine any question about whether a dissenting stockholder is entitled to this right of appraisal. This remedy will only be available if the Company has unrestricted retained earnings sufficient to support the purchase of the shares of the dissenting stockholders. From the time the stockholder makes a demand for payment until the Company purchases such shares, all rights accruing on the shares, including voting and dividend rights, shall be suspended, except the right of the stockholder to receive the fair value of the share.

Right of Inspection

Stockholders have the right to inspect, in person or by a representative, the books and records of the Company, including the minutes of all Board and stockholders' meetings, and records of business transactions of the Company, at reasonable hours on business days. At their expense, stockholders may also demand in writing for copies of such records or excerpts from said records.

The right of inspection may be denied by any officer or agent of the Company, or pursuant to a Board Resolution, if the stockholder seeking to examine and copy excerpts from the corporate records: (1) has improperly used any information secured through any prior examination of the records of such corporation or any other corporation; (2) is not acting in good faith or for a legitimate purpose in making the demand to examine or reproduce such corporate records; or (3) is a competitor, director, officer, controlling stockholder or otherwise represents the interests of a competitor.

Right to Financial Statements

A stockholder has a right to be furnished with the most recent financial statement of a Philippine corporation, which shall include a statement of financial position as of the end of the last taxable year and a profit or loss statement for said taxable year, showing in reasonable detail its assets and liabilities and the result of its operations. At the stockholders' meeting, the Board of Directors is required to present to the stockholders a financial report of the Company's operations for the preceding year, which shall include financial statements, duly signed and certificate by an independent certified public accountant.

Liquidation Rights

Each stockholder is entitled to a pro rata share in the assets of the Company available for distribution to the stockholders in the event of dissolution, liquidation and winding up, subject to the superior rights of the creditors of the Company.

Derivative Rights

Philippine law recognizes the right of a stockholder to institute proceedings on behalf of the Company in a derivative action in the event that the Company itself is unable or unwilling to institute the necessary proceedings to redress wrongs committed against the Company or to vindicate corporate rights such as, for example, where the directors themselves are the malefactors.

Change in Control

There are no existing provisions in the amended Articles of Incorporation and amended By-Laws of the Company, which may cause delay, deferment, or in any manner prevent a change in control of the Company.

Stockholders' Meetings

Annual or Regular Stockholders' Meetings

The Revised Corporation Code requires all Philippine corporations to hold an annual meeting of stockholders for the election of directors and for other corporate purposes. The Company's By-Laws provide for annual meetings every second Friday of May of each year, or at any date agreed upon by the Board of Directors, to be held at its principal office or at some other place in Taguig City as may be designated by the Board, subject to the notice requirements prescribed by the law.

Special Stockholders' Meetings

Special meetings of the stockholders may be called by the following: (i) the Board of Directors, at its own instance, or pon written request of stockholders representing a majority of the outstanding capital stock, or (ii) the President.

Notice of Stockholders' Meetings

The Company's By-Laws provides that notices of regular or special meetings of stockholders shall be in writing and in the English language and shall be sent by the Secretary by personal delivery, telefax, cable or registered mail, or electronic mail at least fourteen (14) days prior to the date of the meeting to each stockholder of record at his last known address/contact information on record with the Company.

The notice shall state the place, date and hour of the meeting and shall specify in the agenda the matters to be taken up in the meeting together with any supporting documents giving full details, including the draft of proposed resolutions (which may be sent together with the notice convening the meeting or not less than fourteen (14) days prior to the date of the meeting). No resolution relating to any business may be proposed or passed at any stockholders' meeting unless the nature of the business is specified in the agenda.

All the stockholders may agree, in writing, to a shorter notice period than prescribed and to the inclusion of additional matters to be discussed or proposed at any stockholders' meeting.

When the meeting of the stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, at which a quorum shall be present or represented, any business may be transacted that might have been transacted on the original date of the meeting.

Notwithstanding such notice requirements, the Company is required under the Securities Regulation Code to send to the stockholders of record at least fifteen (15) business days prior to the date of the annual or special meeting, an information statement and proxy form (in case of proxy solicitation) relating to such stockholders' meeting.

Quorum

Unless otherwise provided by law, in all regular and special meeting of stockholders, the presence of members holding more than fifty percent (50%) of the outstanding capital stock must be present or represented in order to constitute a quorum. If no such quorum is constituted, the meeting shall be adjourned, unless otherwise provided by the Board, to the same day in the next week, at the same time and place.

Voting

At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholders or his duly authorized attorney-in-fact.

Record Dates

The By-Laws of the Company provides that for the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, or of making a determination of stockholders for any other proper purpose, the Board of Directors may provide that the stock and transfer books be closed for a specified period, but not to exceed, in any case, twenty (20) days. If the stock and transfer books be closed for the purpose of determining stockholders entitled to notice of, or to vote at, a meeting of stockholders, such books shall be closed for at least ten (10) working days immediately preceding such meeting. In lieu of closing the stock and transfer book, the Board of Directors may fix in advance a date as the record date which shall in no case be more than twenty (20) days prior to the date on which the particular action requiring such determination of stockholders is to be taken, except in instance where applicable rules and regulations provided otherwise. Notwithstanding the provisions of the Company's By-Laws on the setting of the record dates, pursuant to the SEC rules, cash dividends declared by corporations whose shares are listed on the PSE shall have a record date which shall not be less than ten (10) and not more than thirty (30) days from the date of declaration of cash dividends. As to stock dividends, the record date shall not be less than ten (10) nor more than thirty (30) days from the date of stockholder approval.

In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date shall be fixed by the SEC and shall be indicated in the SEC order which shall not be less than ten (10) days nor more than thirty (30) days after all clearances and approvals by the SEC have been secured. Regardless of the kind of dividends, the record date set shall not be less than ten (10) trading days from receipt by the PSE of the notice of declaration of the dividend.

Proxies

Stockholders may vote at all meetings the number of shares registered in their respective names, either in person or by written proxy dated and delivered to the secretary at least six (6) business days before the meeting. Such proxies filed with the Secretary may be revoked by the stockholders in an instrument in writing, duly presented and recorded with the Secretary within the period allowed for the submission of proxies. Validation of proxies submitted shall take place at least five (5) days prior to the meeting.

Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the secretary. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable, provided, that it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Company generally.

No member of the PSE and no broker/dealer shall give any proxy, consent or authorization, in respect of any securities carried for the account of a customer to a person other than the customer, without the express written authorization of such customer. The proxy executed by the broker shall be accompanied by a certification under oath stating that before the proxy was given to the broker, he had duly obtained the written consent of the persons in whose account the shares are held. There shall be a presumption of regularity in the execution of proxies and shall be accepted if they have the appearance of prima facie authenticity in the absence of a timely and valid challenge.

Proxies should comply with the relevant provisions of the Revised Corporation Code, the SRC and its Implementing Rules and Regulations (as amended), and the SEC Memorandum Circular No. 5 (series of 1996).

Treasury Shares

The Company may acquire its own Common Shares, provided that, it has unrestricted retained earnings to pay for the Common Shares to be acquired or purchased and only for a legitimate corporate purpose/s, including but not limited to: (a) to eliminate fractional shares arising out of stock dividends, (b) to collect or compromise an indebtedness to the Company, arising out of unpaid subscription, in a delinquency sale, and to purchase delinquent shares sold during said sale; and (c) to pay dissenting or withdrawing stockholders entitled to payment for their shares under the provisions of the Revised Corporation Code.

The Common Shares repurchased by the Company shall become treasury shares that may again be disposed of at a reasonable price as may be fixed by the Board of Directors. These treasury shares have neither voting rights nor dividend rights as long as they remain as treasury shares.

As of the date of this Prospectus, the Company does not hold any treasury shares.

Other Securities

The Company has not issued any other form of securities other than its Common Shares.

Issue of Shares

No stockholder shall have a right to purchase or subscribe to any additional share of the capital stock of the Company whether such shares of capital stock are now or hereafter authorized, whether or not such stock is convertible into or exchangeable for any stock of the Company or of any other class, and whether out of the number of shares authorized by the Articles of Incorporation of the Company as originally filed, or by any amendment thereof, or out of shares of the capital stock of any class of the Company acquired by it after the issue thereof; nor shall any holder of any such stock of any class, as such holder have any right to purchase or subscribe for any obligation which the Company may issue or sell that shall be convertible into, or exchangeable for, any shares of the capital stock of any class of the Company to which shall be attached or appertain any warrant or warrants or any instrument or instruments that shall confer upon the owner of such obligation, warrant or instrument the right to subscribe for, or to purchase from the Company, any shares of its capital stock of any class.

The Board of Directors may, from time to time, grant stock options, issue warrants or enter into stock purchase or similar agreements for purposes necessary or desirable for the Company and allocate, sell or otherwise transfer, convey or dispose of shares of stocks of the Company of a class or classes and to such persons or entities to be determined by the Board, including, but not limited to, employees, officers and directors of the Company.

Transfer of Common Shares

Sale of Shares Listed and Traded through PSE

All transfer of Common Shares listed and traded on the PSE must be effected through a licensed stockbroker in the Philippines using the book-entry system. Under this system of trading and settlement, a registered stockholder transfers legal title over the shares to such nominee but retains beneficial ownership over the shares. A stockholder transfers legal title by surrendering the stock certificate representing his shares to participants of the PDTC System (i.e., brokers and custodian banks) that, in turn, lodge the same with the PCD Nominee. A stockholder may request his shares to be uplifted from the PDTC, in which case a certificate of stock is issued to the stockholder and the shares are registered in the stockholder's name. See *"The Philippine Stock Market"* on page 146 of this Prospectus.

Sale of Shares Not Traded through PSE

It is not required that the sale of listed shares be done through an exchange, however, off-exchange sales will subject the transferor to a capital gains tax that may be significantly greater than the stock transfer tax applicable to sales effected through the PSE. See *"The Philippine Taxation"* on page 154 of this Prospectus. Transfer of legal title to the Common Shares must be evidenced by a transfer document in a form acceptable to the Company, and must be registered in the share register of the Company.

Share Register

The Company's stock and transfer book is maintained at the principal office of the Company's stock transfer agent, PNB Trust Banking Group.

Share Certificates

Certificates representing the Shares will be issued in such denominations as stockholders may request, except that certificates will not be issued for fractional Shares. Stockholders may request the stock transfer agent to split their certificates. Shares may also be lodged and maintained under the book-entry system of the PDTC. See "The Philippine Stock Market" on page 146 of this Prospectus.

Beneficial Ownership Disclosure

The SRC and its Implementing Rules and Regulations ("**SRC Rules**") provide for the mandatory disclosure of beneficial and legal ownership of shares in a reporting company, such as a public company. The term "beneficial owner" or "beneficial ownership" is defined under the SRC Rules.

Any person who acquires directly or indirectly the beneficial ownership of five percent (5%) or more of any class of equity securities of a public company shall within five (5) business days after such acquisition submit to the issuer, the exchange where the security is traded, and to the SEC a sworn statement containing the information required by SEC Form 18-A. If the equity securities under the name of the legal owner are beneficially owned by another person/s, the legal owner and beneficial owner shall file individually or jointly. The regulations also provide that if any change occurs in the facts set forth in the statements, an amendment shall be transmitted to the issuer, the exchange and the SEC.

Every person who is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of any security of a public company, or who is a director or an officer of the issuer of such security, shall: (i) within ten (10) calendar days after the effective date of the registration statement for that security, or within ten (10) calendar days after he becomes such beneficial owner, director or officer, subsequent to the effective date of the registration statement, whichever is earlier, file a statement with the SEC, and with the exchange, if the security is listed on an exchange, on SEC Form 23-A indicating the amount of securities of such issuer of which he is the beneficial owner; (ii) within ten (10) calendar days after the close of each calendar month thereafter, if there has been any change in such ownership during the month, file a statement with the SEC and with the exchange, if the security is listed on an exchange, on SEC Form 23-B indicating his ownership at the close of the calendar month and such changes in his ownership as have occurred during that calendar month, and (iii) notify the SEC if his direct or indirect beneficial ownership of securities falls below ten percent (10%), or if he ceases to be an officer or director of the issuer. However, a newly appointed officer, who has no beneficial ownership over the shares of the AMAL Group, shall notify the SEC of such fact within ten (10) calendar days from such appointment.

Mandatory Tender Offer

Pursuant to the SRC and its Implementing Rules and Regulations, it is mandatory for any person or group of persons acting in concert to make a tender offer to all the stockholders of the target corporation before the intended acquisition of:

- 35% of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the Board in a public company in one or more transactions within a period of twelve (12) months;
- 35% of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the Board in a public company directly from one or more stockholders; or
- equity which would result in ownership of over 50% of the outstanding equity securities of a public company.

Pertaining to the first instance, when the securities tendered pursuant to such an offer exceed the number of shares that the acquiring person or group of persons is willing to acquire, the securities shall be purchased from each tendering stockholder on a pro rata basis according to the number of securities tendered by each security holder. In the event that the tender offer is oversubscribed, the aggregate amount of securities to be acquired at the close of such tender offer shall be proportionately distributed to both the selling stockholders with whom the acquirer may have been in private negotiations with and the minority stockholders.

Pertaining to the second instance, the tender offer shall be made for all the outstanding voting shares. The shares pursuant to the private transaction with the stockholders shall not be completed prior to the closing and completion of the tender offer.

Pertaining to the third instance, the acquirer shall be required to make a tender offer for all the outstanding equity securities to all remaining stockholders of the Company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party. The acquirer shall be required to accept all securities tendered.

Further, no mandatory tender is required in:

- purchases of shares from unissued capital shares unless it will result to a 50% or more ownership of shares by the purchaser or such percentage that is sufficient to gain control of the Board;
- purchases from an increase in the authorized capital stock of the target company;
- purchases in connection with a foreclosure proceeding involving a duly constituted pledge or security arrangement where the acquisition is made by a debtor or creditor;
- purchases in connection with a privatization undertaken by the government of the Philippines;
- purchases in connection with corporate rehabilitation under court supervision;
- purchases in an open market at the prevailing market price; or
- purchases resulting from a merger or consolidation.

Fundamental Matters

The Revised Corporation Code provides that certain significant acts may only be implemented with stockholders' approval. The following require the approval of stockholders representing at least two-thirds ($^2/_3$) of the issued and outstanding capital stock (including non-voting preferred shares, if any) of the Company in a meeting duly called for the purpose:

- amendment of the articles of incorporation;
- sale, lease, exchange, mortgage, pledge or other disposition of all or a substantially all of the corporate property;
- incurring, creating or increasing bonded indebtedness;
- increase or decrease of capital stock;
- merger or consolidation of the corporation with another corporation/s;
- investment of corporate funds in any other corporation or business or for any purpose other than the purpose for which the corporation was organized;
- dissolution of the corporation; and
- extension or shortening of corporate term.

The approval of stockholders holding a majority of the outstanding capital stock of a Philippine corporation, including non-voting preferred shares, is required for the adoption or amendment of the by-laws of such corporation.

In addition to the foregoing, the following significant matters require the approval of at least two-thirds ($^2/_3$) of voting stockholders:

- removal of directors;
- declaration or issuance of stock dividends;
- delegation to the board of directors of the power to amend or repeal by-laws or adopt new by-laws;
- management contracts with related parties; and
- ratification of contracts between the corporation and its directors or officers.

Accounting and Auditing Requirements

Philippine stock corporations are required to file copies of their annual financial statements with the SEC. In addition, corporations whose shares are listed on the PSE are also required to file quarterly financial statements for the first three (3) quarters with the SEC and the PSE.

The Board is required to present to stockholders at every annual meeting a financial report, including the audited financial statements, of the Company's operations for the preceding year.

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THE PHILIPPINE STOCK MARKET

The information presented in this section has been extracted from publicly available documents that have not been prepared or independently verified by the Company, or any of their respective subsidiaries, associates or advisors in connection with listing of the Subject Shares.

Brief History

The Philippines initially had two stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulating, governed by its respective Board of Governors elected annually by its members.

Several steps initiated by the Philippine government have resulted in the unification of the two bourses into the PSE. The PSE was incorporated in 1992 by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. The PSE maintains a single, unified trading floor in Bonifacio Global City in Taguig City.

In June 1998, the Philippine SEC granted Self-Regulatory Organization status to the PSE, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On August 8, 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC.

The PSE has an authorized capital stock of ₱120,000,000.00. As of June 30, 2020, the PSE has 85,164,091 issued and outstanding shares, of which 3,513,954 are treasure shares, resulting in 81,650,137 total shares outstanding. Each of the then 184 member-brokers were granted 50,000 Common Shares of the new PSE at a par value of ₱1.00 per share. In addition, a trading right evidenced by a “Trading Participant Certificate” was immediately conferred on each member broker allowing the use of the PSE’s trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President of the PSE. On December 15, 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE’s Main Board or the Small, Medium and Emerging (“SME”) Board. In 2013, the PSE issued Rules on Exchange Traded Funds (“ETF”) which provides for the listing of ETFs on an ETF Board separate from the PSE’s existing boards. Previously, the PSE allowed listing on the First Board, Second Board, or the SME Board. With the issuance by the PSE of Memorandum No. CN-No. 2013-0023 dated June 6, 2013, revisions to the PSE Listing Rules were made, among which changes are the removal of the Second Board listing and the requirement that lock-up rules be embodied in a company’s articles of incorporation of the Issuer. Each index represents the numerical average of the prices of component shares.

The PSE has a benchmark index, referred to as the PSEi (previously “PHISIX”), which as at the date thereof reflects the price movements of selected shares listed on the PSE, based on traded prices of shares from the various sectors. The PSE shifted from full market capitalization to free float market capitalization effective April 3, 2006, simultaneous with the migration to the free float index and the renaming of the PHISIX to PSEi. The PSEi is composed of shares of 30 selected companies listed on the PSE. On July 26, 2010, the PSE launched a new trading system, PSE Trade. In June 2015, the PSE Trade system was replaced by PSE Trade XTS.

In December 2013, the PSE EDGE, a new disclosure system co-developed with the Korea Exchange, went live. The PSE EDGE system provided a dedicated portal for listed company disclosures and also offered a free-to-download mobile application for easy access by investors.

With the increasing calls for good corporate governance, the PSE has adopted an online daily disclosure system to improve the transparency of listed companies and to protect the investing public.

The PSE also launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of ten guidelines embodying principles of good business practice and is based on internationally recognized corporate governance codes and best practices.

The table below sets out movements in the composite index as of the last business day of each calendar year from 1995 to 2019 and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

Table 1: Selected Stock Exchange Data

Year	Composite Index at Closing	Number of Listed Companies	Aggregate Market Capitalization (in ₱Billions)	Combined Value of Turnover (in ₱billions)
1995	2,594.2	205	1,545.7	379.0
1996	3,170.6	216	2,121.1	668.8
1997	1,869.2	221	1,251.3	586.2
1998	1,968.8	222	1,373.7	408.7
1999	2,142.9	225	1,936.5	781.0
2000	1,494.5	229	2,576.5	357.7
2001	1,168.1	231	2,141.4	159.6
2002	1,018.4	234	2,083.2	159.7
2003	1,442.4	236	2,973.8	145.4
2004	1,822.8	235	4,766.3	206.6
2005	2,096.0	237	5,948.4	383.5
2006	2,982.5	239	7,173.2	572.6
2007	3,621.6	244	7,977.6	1,338.3
2008	1,872.9	246	4,069.2	763.9
2009	3,052.7	248	6,029.1	994.2
2010	4,201.1	253	8,866.1	1,207.4
2011	4,372.0	245	8,697.0	1,422.6
2012	5,812.7	254	10,952.7	1,771.7
2013	5,889.8	257	11,931.3	2,546.3
2014	7,230.6	263	14,251.7	2,160.1
2015	6,952.1	216	13,465.1	2,172.5
2016	6,840.6	265	14,438.8	1,929.5
2017	8,558.4	267	17,583.1	1,960.0

2018	7,466.0	267	16,146.7	1,736.8
2019	7,815.3	271	16,710,0	1,770,0

Source: PSE

Trading

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Equities trading on the PSE starts at 9:30 a.m. and ends at 12:00 p.m. for the morning session, and resumes at 1:30 p.m. and ends at 3:30 p.m. for the afternoon session. Trading days are Monday to Friday, except legal and special holidays and days when the BSP clearing house is closed. Commencing on 19 March 2020 on account of the COVID-19 pandemic, trading in the PSE is a continuous session from 9:30AM to 1:00PM daily. Minimum trading lots range from five to 1,000,000 shares depending on the price range and nature of the security traded.

The minimum trading lot for a company's shares is 100 shares. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading. To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, when the price of a listed security moves up by 50% or down by 50% in one day (based on the previous closing price or last posted bid price, whichever is higher), the price of that security is automatically frozen by the PSE, unless there is an official statement from the corporation or a government agency justifying such price fluctuation, in which case the affected security can still be traded but only at the frozen price. If the subject corporation fails to submit such explanation, a trading halt is imposed by the PSE on the listed security the following day. Resumption of trading shall be allowed only when the disclosure of the subject corporation is disseminated, subject again to the trading ban.

In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

i. In case the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50% of the previous day's reference or closing price, or the last adjusted closing price); otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%. All orders breaching the 60.0% static threshold will be rejected by the PSE.

ii. In case the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20% for security cluster A and newly-listed securities; 15% for security cluster B; and 10% for security cluster C); otherwise, such order will be rejected by the PSE.

Non-Resident Transactions

When the purchase or sale of Philippine shares involves a non-resident, whether the transaction is effected in the domestic or foreign market, it will be the responsibility of the securities dealer/broker to register the transaction with the BSP. The local securities dealer/broker shall file with the BSP, within three business days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP rules, all registered foreign investments in Philippine securities including profits and dividends, net of taxes and charges, may be repatriated.

Settlement

The Securities Clearing Corporation of the Philippines ("SCCP") is a wholly-owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on January 17, 2002. It is responsible for:

- Synchronizing the settlement of funds and the transfer of securities through Delivery versus Payment, as well as clearing and settlement of transactions of Clearing Members, who are also trading participants (TP);
- Guaranteeing the settlement of trades in the event of a PSE TP's default through the implementation of its "Fails Management System" and administration of the Clearing and trade Guaranty Fund; and
- Performance of Risk Management and Monitoring to ensure final and irrevocable settlement.

The SCCP settles PSE trades on a three (3) -day rolling settlement environment, which means that settlement of trades takes place three (3) trading days after transaction date ("T+3"). The deadline for settlement of trades is 12:00 n.n. of T+3. Securities sold should be in scripless form and lodged under the book-entry system of the PDTC. Each PSE Broker maintains a Cash Settlement Account with one of the four (4) existing Settlement Banks of SCCP, which are Banco de Oro Unibank, Inc., Rizal Commercial Banking Corporation, Metropolitan Bank and Trust Company, and Union Bank of the Philippines. Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its Central Clearing and Central Settlement ("CCCS") system on May 29, 2006. CCCS employs multilateral netting, whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each Clearing Member. All cash debits and credits are also netted into a single net cash position for each Clearing Member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

Scripless Trading

In 1995, the PDTC (formerly the Philippine Central Depository, Inc.), was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. In December 2006, PDTC was issued a temporary license to operate by the SEC as a depository for equity securities. In 2002, it was issued a permanent license as a depository of equity securities and a temporary license as a depository of debt securities. In September 2003, PDTC was granted a permanent license as a depository of debt securities.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including stockholders' meetings, dividend declarations, and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks, Rizal Commercial Banking Corporation, Banco de Oro Unibank, Inc., Metropolitan Bank and Trust Company, and Union Bank of the Philippines.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which stockholders transfer legal title (but not beneficial title) over their shares of stock in favor of the PCD Nominee Corporation ("PCD Nominee"), a corporation wholly-owned by the PDTC, whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. "Immobilization" is the process by which the warrant or share certificates of lodging holders are canceled by the transfer agent and a new warrant or stock certificate ("Jumbo Certificate") covering all the warrants or shares lodged is issued in the name of the PCD Nominee. This trust arrangement between the participants and PDTC through the PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the SEC. No consideration is paid for the transfer of legal title to the PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g. brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, each beneficial owner of shares, through his participant, will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP, and into the PDTC system. Once it is determined on the settlement date (T+3) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account the participant-buyer, the PSE trades are automatically settled in the PDTC system, in accordance with the PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a stockholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the stockholder the legal title to the shares lodged by surrendering its Jumbo Certificate to a transfer agent, that then issues a new stock certificate in the name of the stockholder and a new Jumbo Certificate to the PCD Nominee for the balance of the lodged shares. The expenses for upliftment are for the account of the uplifting stockholder.

The difference between the depository and the registry would be on the recording of ownership of the shares in the issuing corporation's' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are canceled and a new Jumbo Certificate is issued in the name of PCD Nominee Corp. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of the PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the PCD Nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

Amended Rule on Lodgment of Securities

On June 24, 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009- 0320 that commencing on July 1, 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the SEC, without any jumbo or mother certificate in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III Part A of the Revised Listing Rules.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof to wit:

- For a new company to be listed at the PSE as of July 1, 2009, the usual procedure will be observed but the transfer agent of the corporation shall no longer issue a certificate to PCD Nominee but shall issue a registry confirmation advice, which shall be the basis for the PDTC to credit the holdings of the depository participants on the listing date.

- For an existing listed company, the PDTC shall wait for the advice of the transfer agent that it is ready to accept surrender of PCD Nominee jumbo certificates and upon such advice the PDTC shall surrender all PCD Nominee jumbo certificates to the transfer agent for cancellation. The transfer agent shall issue a registry confirmation advice to PDTC evidencing the total number of shares registered in the name of PCD Nominee in the listed company's registry as of confirmation date.

Further, the PSE apprised all listed companies and market participants on May 21, 2010 through Memorandum No. 2010-0246 that the Amended Rule on Lodgment of Securities under Section 16 of Article III, Part A of the Revised Listing Rules of the PSE shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the PSE.

For listing applications, the amended rule on lodgment of securities is applicable to:

- The offer shares/securities of the applicant company in the case of an initial public offering;

- The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the PSE in the case of a listing by way of introduction;

- New securities to be offered and applied for listing by an existing listed company; and

- Additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof, to wit:

"For new companies to be listed at the PSE as of July 1, 2009 the usual procedure will be observed but the Transfer Agent of the companies shall no longer issue a certificate to PCD Nominee but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the Depository Participants on listing date."

"On the other hand, for existing listed companies, the PDTC shall wait for the advice of the Transfer Agents that it is ready to accept surrender of PCNC jumbo certificates and upon such advice the PDTC shall surrender all PCNC jumbo certificates to the Transfer Agents for cancellation. The Transfer Agents shall issue a Registry Confirmation Advice to PCNC evidencing the total number of shares registered in the name of PCNC in the Company's registry as a confirmation date."

Issuance of Stock Certificates for Certificated Shares

On or after the listing of the shares on the PSE, any beneficial owner of the shares may apply with PDTC through his broker or custodian-participant for a withdrawal from the book-entry system and return to the conventional paper-based settlement. If a stockholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the stockholder the legal title to the shares lodged. The uplifting stockholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are on the account of the uplifting stockholder.

Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company's transfer agent.

Amended Rule on Minimum Public Ownership

Under the amended rules on minimum public ownership promulgated by the PSE and approved by the Philippine SEC, listed companies are required at all times to maintain a minimum percentage of listed securities held by the public of 10% of the listed companies' issued and outstanding shares, exclusive of any treasury shares, or as such percentage as may be prescribed by the PSE. The determination of whether shareholdings are considered public or non-public is based on: (a) the amount of shareholdings and its significance to the total outstanding shares; (b) purpose of investment; and (c) extent of involvement in the management of the company.

The shares held by the following are generally considered as held by the public: (i) individuals whose shares are not of significant size and which are non-strategic in nature; (ii) PSE trading participants (such as brokers) whose shareholdings are non-strategic in nature; (iii) investment funds and mutual funds; (iv) pension funds which hold shares in companies other than the employing company or its affiliates; (v) PCD

Nominee provided that none of the beneficial owners of the shares has significant holdings (i.e., shareholdings by an owner of 10% or more are excluded and considered non-public); and (vi) Social Security funds.

If an investment in a listed company is meant to partake of sizable shares for the purpose of gaining substantial influence on how the company is being managed, then the shareholdings of such investor are considered non-public. Ownership of 10% or more of the total issued and outstanding shares of a listed company is considered significant holding and therefore non-public.

Listed companies which become non-compliant with the minimum public ownership ("MPO") requirement will be suspended from trading for a period of not more than six months and will be automatically delisted if it remains non-compliant with the said requirement after the lapse of the suspension period.

On December 1, 2017, the Philippine SEC issued SEC Memorandum Circular No. 13, Series of 2017 ("SEC MC 13-2017") on the rules and regulations on MPO on initial public offerings.

Under SEC MC 13-2017, companies filing a registration statement pursuant to Sections 8 and 12 of the SRC and with intention to list their shares for trading in an exchange shall apply for registration with a public float of at least 20% of the companies' issued and outstanding shares. It shall, at all times, maintain an MPO of at least 20%. If the MPO of the company falls below 20% at any time after registration, such company shall bring the public float to at least 20% within a maximum period of 12 months from the date of such fall.

Further, notwithstanding the quarterly public ownership report requirement of the PSE, a company shall establish and implement an internal policy and procedure to monitor its MPO and shall immediately report to the Philippine SEC within the next business day if its public float level has fallen below 20%. The company shall submit to the Philippine SEC within ten days after knowledge about the deficiency in its MPO, a time-bound business plan describing the steps that the company will take to bring the public float to at least 20% within a maximum period of 12 months from the date of such decline. The company shall submit to the Philippine SEC a public ownership report and progress report on submitted business plan within 15 days after end of each month until such time that its public float reaches the required level.

The requirement of minimum public ownership shall also form part of the requirement for the registration of securities. Non-compliance with these requirements shall subject publicly listed companies to administrative sanctions, including suspension and revocation of their registration with the Philippine SEC.

PHILIPPINE TAXATION[11]

The following is a general description of certain Philippine tax aspects of the investment in the Company. This discussion is based upon laws, regulations, rulings, income tax conventions, treaties, administrative practices, and judicial decisions in effect at the date of this Prospectus. Subsequent legislative, judicial, or administrative changes or interpretations may be retroactive and could affect the tax consequence to the prospective investor.

The tax treatment applicable to a holder of the Shares may vary depending on such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to invest in the shares and does not purport to deal with the tax consequences applicable to all categories of holders, some of which (such as dealers in securities) may be subject to special rates. This discussion does not provide information regarding the tax aspects of acquiring, owning, holding, or disposing of the shares under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequences in light of particular situations of acquiring, owning, holding, and disposing of the shares in such other jurisdictions.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE SUBJECT SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY LOCAL, NATIONAL, OR FOREIGN TAX LAWS.

As used in this Section, the term "non-resident citizen" is a citizen of the Philippines who (a) establishes to the satisfaction of the Commissioner of Internal Revenue the fact of his physical presence abroad with a definite intention to reside therein, or (b) leaves the Philippines during the taxable year to reside abroad, either as an immigrant or for employment on a permanent basis, or (c) works and derives income from abroad and whose employment thereat requires him to be physically present abroad most of the time during the taxable year, or (d) has been previously considered as a non-resident citizen and who arrives in the Philippines at any time during the taxable year to reside permanently in the Philippines, but shall likewise only be treated as a non-resident citizen for the taxable year in which he arrives in the Philippines with respect to his income derived from sources abroad until the date of his arrival in the Philippines.

A "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof.

A "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen thereof. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a non-resident alien engaged in trade or business in the Philippines; otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a non-resident alien not engaged in trade or business in the Philippines.

A "domestic corporation" is created or organized under the laws of the Philippines; while a "foreign corporation" is one which is not domestic.

[11] The tax matters in this Section is as confirmed by the independent counsel, Atty. Alfredo Rosal, in his opinion on taxation.

A "resident foreign corporation" is a foreign corporation engaged in trade or business in the Philippines; and a "non-resident foreign corporation" is a foreign corporation not engaged in trade or business in the Philippines.

The term "non-resident holder" means a holder of the Shares:

- *who is an individual and who is neither a citizen nor a resident of the Philippines or an entity which is a non-resident foreign corporation; and*
- *should a tax treaty be applicable, whose ownership of the Shares is not effectively connected with a fixed base or a permanent establishment in the Philippines.*

General

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion ("TRAIN Law") took effect. The TRAIN Law amended various provisions of the National Internal Revenue Code of 1997 ("NIRC"), including those on ordinary income tax of individuals, capital gains tax on the sale and disposition of shares of stock, estate tax, donor's tax, and documentary stamp tax. Last March 26, 2021, Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises ("CREATE Law") was signed into law, effectively lowering corporate income tax and other taxes imposed on corporations to help boost economic recovery post-pandemic.

Individual Income Tax

A resident citizen is taxed on income from all sources within and without the Philippines at progressive rates ranging from twenty percent (20%) to thirty-five percent (35%) of net taxable income (other than certain passive income and capital gains which are subject to final taxes). A resident alien, non-resident citizen, or non-resident alien engaged in trade or business in the Philippines is generally subject to an income tax in the same manner and at the same progressive tax rates on taxable income from all sources within the Philippines (other than certain passive income and capital gains which are subject to final taxes).

The tax shall be computed in accordance with and at the rates established in the following schedule:

Tax Schedule effective January 1, 2018 until December 31, 2022:

Not over ₱250,000	0%
Over ₱250,000 but not over ₱400,000	20% of the excess over ₱250,000
Over ₱400,000 but not over ₱800,000	₱30,000 + 25% of the excess over ₱400,000
Over ₱800,000 but not over ₱2,000,000	₱130,000 + 30% of the excess over ₱800,000
Over ₱2,000,000 but not over ₱8,000,000	₱490,000 + 32% of the excess over ₱2,000,000
Over ₱8,000,000	₱2,410,000 + 35% of the excess over ₱8,000,000

Tax Schedule effective January 1, 2023 and onwards:

Not over ₱250,000	0%
Over ₱250,000 but not over ₱400,000	15% of the excess over ₱250,000
Over ₱400,000 but not over ₱800,000	₱22,500 + 20% of the excess over ₱400,000
Over ₱800,000 but not over ₱2,000,000	₱102,500 + 25% of the excess over ₱800,000

Over ₱2,000,000 but not over ₱8,000,000	₱402,500 + 30% of the excess over ₱2,000,000
Over ₱8,000,000	₱2,202,500 + 35% of the excess over ₱8,000,000

A non-resident alien not engaged in trade or business in the Philippines is taxed on gross income from Philippine sources such as interest, cash and/or property dividends, rents, salaries, wages, premiums, annuities, compensation, remuneration, emoluments, or other fixed or determinable annual or periodic or casual gains, profits, and income, and capital gains (other than capital gains from the sale of shares of stock in a domestic corporation and real property) at the rate of twenty-five percent (25%) withheld at source.

Corporate Income Tax

Under the recently passed Republic Act 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act or CREATE law, starting July 1, 2020, a domestic corporation is generally subject to regular corporate income tax at the rate of twenty-five percent (25%) on its taxable income from all income sources within and outside the Philippines except certain passive incomes that are subject to final withholding tax. As an exception, the rate of twenty percent (20%) shall be applied if (a) the domestic corporation's net taxable income is not more than Five Million Pesos (₱5,000,000.00); and (b) if the total assets of the corporation do not exceed One Hundred Million pesos (₱100,000,000.00), excluding the land on which the corporation's office, plant, or equipment are situated.

Taxable net income refers to pertinent items of gross income specified under Section 32 (A) of the NIRC less deductions, if any, authorized by the NIRC or those allowed under special laws, or the optional standard deduction ("OSD") equivalent to an amount not exceeding forty percent (40%) of the corporation's gross sales or gross receipts.

Passive incomes of the domestic corporation are as follows: (a) gross interest income from Philippine currency bank deposits and yield or any other monetary benefit from deposit substitutes, trust funds, and similar arrangements as well as royalties derived from sources within the Philippines which are generally taxed at the lower final withholding tax rate of twenty percent (20%) of the gross amount of such income; (b) interest income from a depository bank under the expanded foreign exchange deposit system which is subject to a final tax of fifteen percent (15%) of such income; (c) net capital gains from the sale, exchange or other disposition of shares of stock in a domestic corporation not traded in the stock exchange which is subject to a final tax of fifteen percent (15%); and (d) capital gains presumed to have been realized on the sale, exchange, or disposition of lands and/or buildings that are treated as capital assets which is subject to final tax of six percent (6%) based on the gross selling price or fair market value, whichever is higher.

A resident foreign corporation (except certain types of corporations enumerated in the NIRC) is subject to a tax of twenty-five percent (25%) of its taxable income (gross income less allowable deductions, or OSD) from all sources within the Philippines except those passive incomes subject to final withholding tax, such as: (a) gross interest income from Philippine currency bank deposits and yield or any other monetary benefit from deposit substitutes, trust funds, and similar arrangements as well as royalties from sources within the Philippines which are generally taxed at the lower final withholding tax rate of twenty percent (20%) of the gross amount of such income; (b) interest income from a depository bank under the expanded foreign currency deposit system which is subject to a final tax at the rate of fifteen percent (15 %) of such income; (c) income derived by a depository bank under the expanded foreign currency deposit system from foreign currency transactions with local commercial banks including branches of foreign banks as authorized by the Bangko Sentral ng Pilipinas (BSP) which is taxed at the rate of ten percent (10%) of such income; and (d) net capital gains from the sale, exchange or other disposition of shares of stock in a domestic corporation not traded in the stock exchange is subject to tax at the final tax rate of fifteen percent (15%).

Generally, a minimum corporate income tax of two percent (2%) of the gross income as of the end of the taxable year is imposed on domestic corporations and resident foreign corporations beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum corporate income tax is greater than the regular corporate income tax for the taxable year. However, with the enactment of the CREATE law, the minimum corporate income tax rate was reduced from two percent (2%) to one percent (1%) for the period between July 1, 2020 to June 30, 2023.

Nevertheless, any excess of the minimum corporate income tax over the regular corporate income tax shall be carried forward and credited against the latter for the three (3) immediately succeeding taxable years. Further, subject to certain conditions, the minimum corporate income tax may be suspended with respect to a corporation that suffers losses on account of a prolonged labor dispute, force majeure, or legitimate business reverses.

A final withholding tax of twenty-five percent (25%) is imposed, as a general rule, upon the gross income received during each taxable year of a non-resident foreign corporation from all sources within the Philippines, subject to the provisions of tax treaties between the Philippines and the country of residence of such foreign corporation.

Tax on Dividends

Cash and property dividends received from a domestic corporation by individual stockholders who are either citizens or residents of the Philippines are subject to a final withholding tax at the rate of ten percent (10%), which shall be withheld by the Company. Cash and property dividends received by non-resident alien individuals engaged in trade or business in the Philippines are subject to a twenty percent (20%) final withholding tax on the gross amount thereof, while cash and property dividends received by non-resident alien individuals not engaged in trade or business in the Philippines or business in the Philippines from a domestic corporation are generally subject to tax at the rate of twenty-five percent (25%) of the gross amount subject, however, to the applicable preferential tax rates under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals.

Cash and property dividends received from a domestic corporation by another domestic corporation or by resident foreign corporations are not subject to tax, while those received by non-resident foreign corporations (i.e. foreign corporations not engaged in trade or business in the Philippines) are generally subject to a final withholding tax at the rate of twenty-five percent (25%) (pursuant to R. A. No. 9337 effective January 2009).

The twenty-five percent (25%) rate for dividends paid to non-resident foreign corporations with countries of domicile having no tax treaty with the Philippines may be reduced to a lower rate of fifteen percent (15%) whenever its country of domicile: (a) imposes no tax on foreign sourced dividends; or (b) allows a credit against the tax due from the non-resident foreign corporation, for taxes deemed to have been paid in the Philippines equivalent to ten percent (10%), which represents the difference between the regular income tax of twenty-five percent (25%) and the fifteen percent (15%) tax on dividends.

Philippine tax authorities have prescribed certain procedures, through an administrative issuance, for availment of tax treaty relief.

Revenue Memorandum Order No. 8-2017 provides for new procedures in claiming preferential tax treaty benefits on dividend income of nonresidents, following a system of self-assessment and automatic withholding of taxes subject to post-reporting validation, in lieu of obtaining a Tax Treaty Relief Application ("TTRA") ruling under Revenue Memorandum Order No. 72-2010. In order to claim tax treaty relief hereunder, the recipient must submit a duly accomplished Certificate of Residence for Tax Treaty Relief ("CORTT") Form to the Company before the dividend income is paid or credited. The CORTT Form serves as the proof of residency of the nonresident recipient. The withholding agent or income payor can withhold at a reduced rate or exempt the nonresident based on the duly accomplished CORTT Form submitted to it. The Company, on its part, must timely file the withholding tax returns and must also submit an original of the CORTT Form (together with the prescribed certificate of residency, as applicable) to the International Tax Affairs Division ("ITAD") of the BIR and to Revenue District Office ("RDO") No. 39 within thirty (30) days after payment of the withholding taxes due on the nonresident's dividend income based on the applicable tax treaty. Failure to submit a CORTT Form to the Company would mean that the nonresident recipient is not claiming any tax treaty relief and, therefore, such income will be subject to the normal tax rate under the NIRC. For these purposes, the CORTT Form shall be valid for two (2) years from the date of issuance, unless a prescribed certificate of residency is used, in which case the date of validity of the prescribed certificate of residency will prevail.

The Company must submit an updated Part II of the CORTT Form within thirty (30) days after payment of the withholding taxes if the CORTT Form filed with the ITAD and RDO No. 39 is used for another dividend payment within its prescribed period of validity.

Compliance check and post-reporting validation on withholding tax obligations and confirmation of appropriateness of availment of treaty benefits shall be part of the BIR's regular audit investigations conducted by the RDO where the Company is registered.

Transfer taxes (e.g. documentary stamp tax, local transfer tax) may be payable if the dividends declared are property dividends, depending on the type of property distributed as dividends.

Stock dividends distributed pro rata to any holder of shares of stock are generally not subject to Philippine income tax. However, the sale, exchange or disposition of shares received as stock dividends by the stockholder is subject to stock transaction tax if the transfer is through a local stock exchange; or if the transfer is made outside of the exchange, capital gains tax; and documentary stamp tax.

Preferential Rates under the Income Tax Treaties

The following table lists some countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

	Dividends	**Stock transaction tax on sale or disposition effected through the PSE (%)[9]**	**Capital Gains tax due on disposition of shares outside the PSE (%)**
Canada	25[1]	0.6	May be exempt[13]

China	15[2]	Exempt[10]	May be exempt[13]
France	15[3]	Exempt[11]	May be exempt[13]
Germany	15[4]	Exempt[12]	May be exempt[13]
Japan	15[5]	0.6	May be exempt[13]
Singapore	25[6]	0.6	May be exempt[13]
United Kingdom	25[7]	0.6	Exempt[14]
USA	25[8]	0.6	May be exempt[13]

Notes:

(1) *15% if the recipient company which is a resident of Canada controls at least 10.0% of the voting power of the company paying the dividends; 25% in all other cases*

(2) *10% if the beneficial owner is a company which holds directly at least 10.0% of the capital of the company paying the dividends; 15% in all other cases.*

(3) *10% if the recipient company (excluding a partnership) holds directly at least 10.0% of the voting shares of the company paying the dividends; 15% in all other cases*

(4) *5% if the recipient company (excluding a partnership) holds directly at least 70.0% of the capital of the company paying the dividends;10.0% if the recipient company (excluding a partnership) holds directly at least 25% of the capital of the company paying the dividends; 15% in all other cases;*

(5) *10% if the recipient company holds directly at least 10.0% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six (6) months immediately preceding the date of payment of the dividends; 15% in all other cases*

(6) *15% if during the part of the paying company's taxable year which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15.0% of the outstanding shares of the voting shares of the paying company were owned by the recipient company; 25% in all other cases.*

(7) *15% if the recipient company is a company which controls directly or indirectly at least 10.0% of the voting power of the company paying the dividends; 25% in all other cases.*

(8) *20% if during the part of the paying corporation's taxable year which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 10.0% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation; 25% in all other cases. Notwithstanding the rates provided under the Republic of the Philippines-United States Treaty with respect to Taxes on Income, corporations which are residents of the United States may avail of the 15.0% withholding tax rate under the tax-sparing clause of the Philippine Tax Code provided certain conditions are met.*

(9) *If the stock transaction tax is not expressly included in the tax treaty, the income recipient will be subject to stock transaction tax at the rate of 0.6% of the gross selling price as provided under Section 127 of the Tax Code as amended by Section 39 of the TRAIN Law.*

(10) *Article 2(1)(b) of the Agreement between the Government of the Republic of the Philippines and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed on November 18, 1999.*

(11) *Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic signed on January 9, 1976 was signed in Paris, France on June 26, 1995.*

(12) *Article 2(3)(a) of the Agreement between the Government of the Republic of the Philippines and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxed on Income and Capital signed on September 9, 2013.*

(13) *Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.*

(14) *Under the tax treaty between the Philippines and the United Kingdom, capital gains on the sale of the shares of a Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.*

Non-resident recipients are no longer required to file a TTRA with the BIR to claim preferential tax treatment on their receipt of dividend income based on the provisions of a tax treaty. In lieu of the TTRA required by Revenue Memorandum Order No. 72-2010, the BIR adopts a self-assessment system and automatic withholding of tax using treaty rates subject to post-reporting validation and compliance checks on the withholding agent. See *"Tax on Dividends"* of the Prospectus.

Pursuant to Revenue Memorandum Order No. 72-2010, when availing of capital gains tax exemption on the sale of shares of stock under an income tax treaty, a tax treaty exemption ruling shall be necessary in order to completely implement the transfer. For sale of shares made outside the PSE, a CAR from the BIR is required before the transfer is registered in the stock and transfer book. The BIR issues the CAR only after verifying that the applicable taxes have been paid. Thus, in lieu of proof of payment of capital gains tax, the tax treaty relief ruling should be submitted to the BIR office for the processing the CAR.

The TTRA shall be filed with the BIR before the first taxable event as defined under RMO 72-2010, which is, in respect of capital gains tax on the sale of shares, before the deadline for the payment of the documentary stamp tax on the sale of shares, or the fifth day following the end of the month when the document transferring ownership was executed. The TTRA's requirements are set out in the applicable tax treaty and BIR Form No. 0901-C. These include, among others, proof of residence in the country that is a party to the tax treaty. Proof of residence consists of a consularized certification from the tax authority of the country of residence of the seller of shares which provides that the seller is a resident of such country under the applicable tax treaty. If the seller is a juridical entity, authenticated certified true copies of its articles of incorporation or association issued by the proper government authority should also be submitted to the BIR in addition to the certification of its residence from the tax authority of its country of residence.

Sale, Exchange, or Disposition of Common Shares Through an Initial Public Offering

Pursuant to the provisions of Section 244 of the NIRC and Section 6 of Republic Act No. 11494, otherwise known as the "Bayanihan to Recover as One Act", the tax on shares of stocks sold, bartered, exchanged or other disposition through Initial Public Offering is repealed. Thus, every sale, barter, exchange or other disposition through IPO of shares of stock in closely held corporations shall no longer be subject to the tax imposed under Section 127 (B) upon the effectivity of Republic Act No. 11494 on September 15, 2020.

The NIRC defines a "closely held corporation" to mean either a corporation with: (a) at least fifty percent (50%) in value of outstanding capital shares; or (b) at least fifty percent (50%) of the total combined voting power of all classes of shares entitled to vote, is owned directly or indirectly by or for not more than twenty (20) individuals, to be determined based on certain rules. For purposes of determining whether the corporation is a closely-held corporation, the stock owned directly or indirectly by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries.

Sale, Exchange, or Disposition of Common Shares

Capital Gains Tax, if the Sale Was Made Outside the PSE

Unless an applicable treaty exempts the sale from tax or provides for preferential rates, pursuant to the TRAIN Law, the net capital gains realized by a person or a corporation (other than a dealer in securities) during each taxable year from the sale, exchange, or disposition of shares outside the facilities of the PSE are subject to capital gains tax at the rate of fifteen percent (15%) of the net capital gains realized.

If an applicable income tax treaty exempts net gains from such sale from capital gains tax, such exemption shall be availed only after an application for tax treaty relief has been filed with and approved by the Bureau of Internal Revenue (“BIR”).

The transfer of shares shall not be recorded in the books of the Company unless the BIR certifies, through the issuance of a Certificate Authorizing Registration (“CAR”), that capital gains tax and documentary stamp taxes relating to the sale or transfer have been paid or, where applicable, tax treaty relief has been confirmed by the International Tax Affairs Division of the BIR in respect of the capital gains tax, or such other conditions to qualify for exemption or reduction in tax rate have been met.

Taxes on Transfer of Shares Listed and Traded at the PSE

Unless an applicable income tax treaty exempts the sale from income and/or percentage tax (please see discussion below on tax treaties), a sale or other disposition of shares of stock listed and traded through the facilities of the PSE by a resident or a non-resident holder, other than a dealer in securities, is generally subject to a percentage tax usually referred to as a stock transaction tax at the rate of six-tenths of one percent (6/10 of 1%) of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed. This tax is required to be collected by and paid to the Government by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax in lieu of capital gains tax. Under certain income tax treaties, the exemptions from capital gains tax may not be applicable to stock transaction tax.

In addition, Value-Added Tax (“VAT”) of 12% is imposed on the gross receipts of dealers in securities (PSE-registered broker), and is generally passed on to the client, the seller or transferor.

The stock transaction tax will not apply if the shares are sold outside the facilities of the PSE, including during a trading suspension. PSE Memorandum CN-No. 2012-0046 dated August 22, 2012 provides that immediately after December 31, 2012, the Philippine SEC shall impose a trading suspension for a period of not more than six months, on shares of a listed company who has not complied with the Rule on Minimum Public Ownership (“MPO”) which requires listed companies to maintain a minimum percentage of listed securities held by the public at ten percent (10%) of the listed companies issued and outstanding shares at all times. Consequently, the sale of such listed company’s shares during the trading suspension may be effected only outside the trading system of the PSE and shall therefore be subject to taxes on the sale of shares that are not listed or traded at the stock exchange (i.e., capital gains tax as discussed in the next section, documentary stamp tax, and/or possibly donor’s tax if the fair market value of the shares of stock sold is greater than the consideration or the selling price, as the amount exceeding the selling price shall be deemed a gift subject to donor's tax under Section 100 of the NIRC).

In connection with the foregoing, the PSE has previously issued Memo Circular No. 2012-0003 which states that listed companies that become non-compliant with the MPO requirement on or after January 1, 2013 shall be suspended from trading for a period of not more than six (6) months, and shall automatically be delisted if it remains non-compliant after the lapse of the trading suspension. The non-compliant company may request for a grace period from the PSE. The PSE may grant the same if it determines that there is a justifiable cause to do so.

Furthermore, BIR Revenue Regulations ("RR") No. 16-2012 requires publicly-listed companies to submit public ownership reports to the BIR within fifteen (15) days after the end of each quarter.

Value Added Tax

A Value-Added Tax of 12% is imposed on the gross receipts derived by dealers in securities from the sale of stock or securities in the Philippines, which is generally passed on to the client.

"Dealer in securities" means a merchant of stock or securities, whether an individual partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who as a merchant, buys securities and sells them to customers with a view to the gains and profits that may be derived therefrom.

Documentary Stamp Tax

Beginning January 1, 2018, the original issue of shares of stock is subject to documentary stamp tax, or DST, of ₱2.00 for each ₱200.00, or a fraction thereof, of the par value, of such shares of stock, and shall be paid and remitted to the BIR by the issuing corporation. On the other hand, the secondary transfer of shares of stock is subject to DST of ₱1.50 on each ₱200.00, or fractional part thereof, of the par value of such shares of stock, and may be paid by any of the parties (vendor or vendee of the shares).

In addition, the borrowing and lending of securities executed under the Securities Borrowing and Lending ("SBL") Program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority will likewise be exempt from DST. However, such securities borrowing and lending agreement should be duly covered by a master securities borrowing and lending agreement acceptable to the appropriate regulatory authority, and should be duly registered and approved by the BIR. Otherwise, such agreement would be subject to the DST on debt instruments at the rate of ₱1.50 on each ₱200.00, or the fractional part thereof, of the issue price of such debt instrument.

Tax Treatment of Securities Borrowing and Lending Transactions Involving Shares of Stock or Securities Listed in the PSE

Section 2 of BIR RR No. 01-2008 states that SBL involves the lending of shares of stocks or securities by the Lender, who owns or controls them, to the Borrower who needs the shares of stocks/securities borrowed to support trading strategies or settlement obligations, in exchange for a collateral and the promise to return the equivalent shares of stocks/securities at the end of the borrowing period. The borrowing period in any agreement cannot be more than two (2) years. Typically, the Borrower will use or dispose of the shares of stocks/securities borrowed strictly in connection with a particular purpose or purposes as herein mentioned. Being fungible in nature, the borrowed shares of stocks/securities are transferred from the Lender to the Borrower. For the duration of the borrowing and lending period under the agreement, the Lender temporarily loses ownership of the shares of stock/securities lent but acquires a contractual right to receive all benefits accruing to the shares of stock/securities. The objective is to put the Lender into the same economic position as the Lender would have been had the securities not been lent. This means that in case of corporate actions like stock rights, dividend declarations, and other benefits accruing to the shares of stock, the Borrower would have to "manufacture" the corresponding benefits thereon and return the same to the Lender as if the shares of stock/securities "never left his hands". Upon demand of the Lender or at the end of the stipulated borrowing period, the Borrower is then obligated to return the equivalent shares of stock/securities and the Lender, in turn, returns the collateral put up by the Borrower. If the borrower fails to return the shares of stock/securities or the equivalent Shares of Stock/Securities, the Lender/Lending Agent, as part of the SBL transactions, may purchase shares of stock/securities from the stock exchange. In effect, SBL is similar to a simple collateralized cash loan transaction. However, instead of cash, what is borrowed are listed shares of stock/securities and what is provided as collateral is either cash, government or equity securities, or standby letter of credit issued by a bank.

Furthermore, Section 5 of the same RR provides that the SBL transactions of shares of stock/securities listed in the PSE, as well as the delivery to, and return by, the Lender/Lending Agent of collateral appurtenant thereto or the Equivalent Shares of Stock/Securities, shall not be subject to the stock transaction tax, capital gains tax, and documentary stamp taxes; provided, that: (1) a valid Master Securities Lending Agreement (MSLA), which is a written contract between the Borrower and the Lender or the Lending Agent embodying the general terms and conditions for the conduct of SBL transactions, is executed by the parties and registered with and approved by the BIR; (2) the SBL Program is in accordance with the rules and regulations of the SEC; and (3) such SBL Program is under the administration and supervision of the PSE. Otherwise, all other applicable taxes prescribed by the Tax Code and special laws shall continue to apply.

Estate and Gift Taxes

Shares issued by a corporation organized under Philippine laws are deemed to have a Philippine situs, and any transfer thereof by way of donation or succession, even if made by a non-resident decedent or donor outside the Philippines, is subject to Philippine estate and donor’s tax.

Beginning January 1, 2018, the transfer of shares upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien, regardless of residence, will be subject to an estate tax of six percent (6%) which is levied on the net estate of the deceased. On the other hand, individuals, whether or not citizen or residents of the Philippines, who transfer shares by way of gift or donation will be liable to donor’s tax of six percent (6%) based on the total gifts in excess of ₱250,000.00 exempt gift made during the calendar year, regardless of the donor’s relationship to the donee(s).

The estate or donor’s taxes payable in the Philippines may be credited with amount of any estate or donor’s taxes imposed by the tax authority of a foreign country, subject to limitations on the amount to be credited, and the tax situs of the donor.

Estate and donor’s taxes, however, shall not be collected in respect of intangible personal property, such as shares of stock: (a) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

In case the shares are transferred for less than an adequate and full consideration in money or money's worth, then the amount by which the fair market value of the Shares exceeded the value of the consideration may be deemed a gift, and donor's taxes may be imposed on the transferor of the Shares, based on Section 100 of the NIRC. The TRAIN Law, however, provided that a transfer of property made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

Taxation Outside the Philippines

Shares of stock issued by a corporation organized under Philippine laws are deemed to have a Philippine situs, and any gain derived from their sale is entirely from Philippine sources; hence, such gain is generally subject to Philippine income tax and the transfer of such shares by gift (donation), or succession, is generally subject to the donor's or estate taxes as above-stated.

As above-mentioned on taxes on transfer of shares through the PSE, unless an applicable income tax treaty exempts the sale from income and/or percentage tax, a sale or other disposition of shares of stock listed and traded through the facilities of the PSE by a resident or a non-resident holder, other than a dealer in securities, is generally subject to a percentage tax usually referred to as a stock transaction tax at the rate of six-tenths of one percent (6/10 of 1%) of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed. This tax is required to be collected by and paid to the Government by the selling stockbroker on behalf of his client.

The tax treatment of a non-resident holder of shares of stock in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such holder's particular situation.

THE COMMENTS ABOVE ARE OF A GENERAL NATURE AND, A SUMMARY OF CERTAIN PHILIPPINE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE SHARES. THEY ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE LEGAL OR TAX ADVICE. EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE SERIES A PREFERENCE SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

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PLAN OF DISTRIBUTION

Up to 39,000,300 Offer Shares (the "Trading Participants and Retail Offer Shares"), or 30% of the Offer Shares, are (subject to re-allocation as described below) being offered and sold by the Underwriter at the Offer Price to all of the PSE Trading Participants and local small investors ("LSIs") in the Philippines (the "Trading Participants and Retail Offer").

At least 91,000,700 or 70% of the Offer Shares (the "Institutional Offer Shares"), are (subject to re-allocation as described below) being offered for sale to certain qualified buyers and other investors in the Philippines, by the Underwriter (the "Institutional Offer"). The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to adjustment as agreed between AMAL and the Underwriter. The Underwriter will underwrite, on a firm commitment basis, the Institutional Offer Shares, and the Trading Participants and Retail Offer Shares. There is no arrangement for the Underwriter to return any of the Offer Shares relating to the Trading Participants and Retail Offer or the Institutional Offer to AMAL.

THE TRADING PARTICIPANTS AND RETAIL OFFER

The Trading Participants and Retail Offer Shares shall (subject to re-allocation as described below) initially be offered by the Underwriter to the PSE Trading Participants and LSIs. Approximately 26,000,200 Offer Shares, or 20% of the Offer Shares, shall be allocated among the PSE Trading Participants. Each PSE Trading Participant shall initially be allocated approximately 206,351 Offer Shares (computed by dividing the Trading Participants and Retail Offer Shares allocated to the PSE Trading Participants among the [126] PSE Trading Participants) and subject to reallocation as may be determined by the Underwriter. In addition, approximately 13,000,100 Offer Shares, or 10% of the Offer Shares, shall be allocated to the LSIs. Upon closing of the Trading Participants and Retail Offer, any allocation of Trading Participants and Retail Offer Shares not taken up by the PSE Trading Participants and the LSIs shall be distributed by the Underwriter to its clients or the general public in the Philippines. Trading Participants and Retail Offer Shares not taken up by the PSE Trading Participants or the LSIs and which are not reallocated to the Institutional Offer, or taken up by the clients of the Underwriter, or the general public, shall be purchased by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement (as defined below).

To facilitate the Trading Participants and Retail Offer, AMAL has appointed ICCP to act as the Underwriter. AMAL and the Underwriter shall enter into an Underwriting Agreement to be dated on or about [●], 2021 (the "Underwriting Agreement"), whereby the Underwriter agrees to underwrite, on a firm commitment basis, the Trading Participants and Retail Offer Shares and Institutional Offer Shares.

LSI Subscription through PSE EASy

A total of up to [13,000,100] Offer Shares, or 10% of the Offer, shall be made available nationwide to LSIs through the PSE Electronic Allocation System or "PSE EASy." An LSI is defined as a subscriber to the Offer who is willing to subscribe to a minimum board lot or whose subscription does not exceed ₱100,000.00. In the case of this Offer, the minimum subscription of LSIs shall be [1,000] shares or [₱1,000.00] while the maximum subscription shall be [100,000] shares or up to [₱100,000.00]. There will be no discount on the Offer Price. The procedure in subscribing to Offer Shares via PSE EASy is indicated in AMAL's Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the Underwriter shall prioritize subscriptions of small investors with amounts lower than the maximum subscription.

All Offer Shares not taken up by the QIBs, the PSE Trading Participants, the LSIs, the general public and the Underwriter's clients shall be purchased by the Underwriter on a firm commitment basis pursuant to the terms and conditions of the Underwriting Agreement. Nothing herein or in the Underwriting Agreement shall limit the rights of the Underwriter to purchase the Offer Shares for its own account.

Investment & Capital Corporation of the Philippines

ICCP is a leading boutique investment house operating in the Philippines. It was established about 33 years ago by a group of prominent business leaders in the Philippines, led by Mr. Guillermo D. Luchangco, ICCP's founder and Chairman. At present, ICCP's shareholders include such business leaders and DBS Bank of Singapore that holds a 20% stake. ICCP offers a spectrum of investment banking services including loan syndications and project finance, bond offerings, private placements, public offering of shares, securitization, financial advisory and mergers & acquisitions. ICCP obtained its license from the SEC to operate as an investment house in the Philippines and is licensed to engage in underwriting and distribution of securities to the public.

The IPO is the only engagement of the Underwriter with AMAL. All services provided by the Underwriter, including in connection with the Offer, have been provided as an independent contractor and not as a fiduciary to AMAL or the Principal Shareholder. The Underwriter does not have any right to designate or nominate a member of the Board. The Underwriter has no direct relationship with AMAL in terms of share ownership and, other than as Underwriter for the Offer, do not have any material relationship with AMAL or the Principal Shareholder.

On or before 12:00 noon on [●], the PSE Trading Participants shall submit to the designated representatives of the Underwriter their respective firm orders and commitments to purchase Trading Participants and Retail Offer Shares.

The Underwriter shall receive from AMAL a fee equivalent to [3.00]% of the gross proceeds of the sale of the Offer Shares, exclusive of the amounts to be paid to the PSE Trading Participants. The underwriting fees shall be withheld by the Underwriter from the proceeds of the Trading Participants and Retail Offer and proceeds from the sale of the Institutional Offer Shares allocated to the Underwriter.

PSE Trading Participants who take up Trading Participants and Retail Offer Shares shall be entitled to a selling fee of 1.00%, inclusive of VAT, of the Trading Participants and Retail Offer Shares taken up and purchased by the relevant PSE Trading Participant. The selling fee, less a withholding tax of 10%, will be paid by the Underwriter to the PSE Trading Participants within ten banking days from the Listing Date.

All of the Trading Participants and Retail Offer Shares are or shall be lodged with the PDTC and shall be issued to the PSE Trading Participants and LSIs in scripless form. Purchasers of the Trading Participants and Retail Offer Shares may maintain the Trading Participants and Retail Offer Shares in scripless form or opt to have the stock certificates issued to them by requesting an upliftment of the relevant Trading Participants and Retail Offer Shares from the PDTC's electronic system after the Listing Date.

THE INSTITUTIONAL OFFER

The Institutional Offer Shares will be offered for sale to certain qualified buyers and other investors in the Philippines, by the Underwriter.

The allocation of the Offer Shares between the Trading Participants and Retail Offer and the Institutional Offer is subject to further adjustment as may be agreed between AMAL and the Underwriter. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Offer Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under -application in the Trading Participants and Retail Offer and if there is a corresponding over-application in the Institutional Offer, Offer Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.

The Underwriter and its respective affiliates have, from time to time, engaged in, and may in the future engage in, investment banking, financing, private banking, commercial banking or financial consulting activities and other commercial dealings in the ordinary course of business with AMAL, the Principal Shareholder or their respective affiliates. They have received and expect to continue to receive customary fees and commissions for these activities and dealings. In addition, in the ordinary course of business, the Underwriter and their respective affiliates may trade AMAL's securities or the securities of AMAL's affiliates or derivatives relating to the foregoing securities for its and/or its affiliates' own account and/or for the accounts of customers, and may at any time hold a long or short position in such securities.

LOCK-UP

The PSE rules require an applicant company under the SME Board to cause all its existing shareholders to refrain from selling, assigning, encumbering, or in any manner disposing of their shares for a period of one (1) year after the listing of the shares.

A total of 390,000,020 Common Shares held by the Company's existing shareholders, including nominee shareholders and the independent directors, will be subject to such one-year lock-up.

In addition, if there is any issuance of shares or securities (i.e., private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of shares or securities (i.e., convertible bonds, warrants or a similar instrument) completed and fully paid for within six (6) months prior to the start of the offering period, and the transaction price is lower than that of the offer price in the initial public offering, all shares subscribed or acquired shall be subject to a lock-up period of at least one (1) year from listing of the aforesaid shares.

To implement this lock-up requirement, the PSE requires the applicant company to lodge the shares with the PDTC through a Philippine Central Depository ("PCD") participant for the electronic lock-up of the shares or to enter into an escrow agreement with the trust department or custodian unit of an independent and reputable financial institution. See *"Principal Shareholders*" and "*Plan of Distribution*."

Except for the issuance of Offer Shares pursuant to the Offer or Common Shares for distribution by way of stock dividends, the PSE is expected to require the Company, as a condition to the listing of the Common Shares, not to issue new shares in capital or grant any rights to or issue any securities convertible into or exchangeable for, or otherwise carrying rights to acquire or subscribe to, any shares in its capital or enter into any arrangement or agreement whereby any new shares or any such securities may be issued for a period of 180 days after the Listing Date.

REGISTRATION OF FOREIGN INVESTMENTS

The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the Philippine banking system. Upon registration of the investment, proceeds of divestments, or dividends of registered investments are repatriable or remittable immediately and in full through the Philippine banking system, net of applicable tax, without need of BSP approval. The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor. See "*Regulatory and Environmental Matters—Foreign Investment Laws and Restrictions—Registration of Foreign Investments and Foreign Exchange Regulations*."

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MANUAL ON CORPORATE GOVERNANCE

The Company's Manual on Corporate Governance (the "Manual") was approved by the Board of Directors on April 13, 2021. The Manual is a supplement to the Company's Amended By-Laws.

Adoption and Implementation

The Board of Directors approved its Manual on Corporate Governance on April 13, 2021. In accordance with said Manual, AMAL, in the meeting of the stockholders held on April 13, 2021, elected two independent directors, Mr. Samuel V. Poblete and Atty. Joanna May R. Casita, who are qualified as such independent directors under Rule 38 of the Securities Regulations Code.

The Manual also provides for the formation of the following committees: Risk and Audit, Corporate Governance, and Executive.

To measure the level of compliance of the Board of Directors and Management with its Manual on Corporate Governance, the Company is required to submit to the SEC an Integrated Annual Corporate Governance Report (IACGR) detailing the Company's compliance with certain provisions of the Manual.

Furthermore, to ensure the Company's adherence to corporate principles and best practices, the Board is mandated to appoint a Compliance Officer who shall perform the following duties:

- Promote awareness of good corporate governance and accountability within the Company.
- Monitor compliance with the provisions and requirements of the Manual and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation;
- Appear before the Securities and Exchange Commission upon summons on matters relative to corporate governance that need to be clarified;
- Determine violations of the Manual and recommend the appropriate penalty for violations thereof for further review and approval of the Board;
- After the end of each year, update the Integrated Annual Corporate Governance Report and submit the same to the Securities and Exchange Commission;
- Plan and organize seminars for the continuing education of all directors and key officers of the Company, and
- Identify, monitor and control compliance risks.

Independent Directors

The amended By-Laws require the Company to have at least two (2) independent directors in its Board of Directors. The Manual requires certain Board Committees to be chaired by or the membership thereof composed mostly by independent directors. Apart from his fees and shareholdings, an independent director must hold no interests or relationships with the Company that may hinder his independence from the Company or its Management and would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Under the SEC Code of Corporate Governance for Publicly-Listed Companies, an independent director is required to attend board meetings for quorum requirements, unless he is duly notified of the meeting but deliberately and without justifiable cause fails to attend the meeting.

Risk and Audit Committee

The Manual requires that the Risk and Audit Committee be composed of at least three (3) members of the Board of Directors, majority of whom must be independent directors. One of the Independent Director members shall also serve as the Chairman of the Committee. Each member is required to be financially literate, have an adequate understanding of the Company's financial management systems and environment. At least one member of the Committee is required to have accounting or related financial management expertise or relevant business experience as determined by the Board.

At present, the Company has a Risk and Audit Committee composed of Three (3) members, Two (2) of whom are independent directors. An independent director also serves as the Chairperson of the Committee.

The Risk and Audit Committee's duties and responsibilities include:

- Reviewing the adequacy and effectiveness of the Corporation's policies and procedures relating to the identification, analysis, management, monitoring and reporting of financial and non-financial risks;
- Advising the Board, in consultation with Management, on the overall risk management program of the Corporation as it relates to its risk appetite and strategic direction;
- Providing oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation;
- Ensuring that Management sufficiently and swiftly manages risks, (i.e. reduction and mitigation across operating units) especially those categorized as having high impact with high probability of occurring;
- Performing oversight functions over the development of risk management strategies of the corporation; and
- Overseeing the implementation of a Risk Management Plan;
- Reviewing the Risk Management Plan to ensure its conformity with the objectives of the corporation.
- Assisting the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules, and regulations;
- Endorsing the appointment, re-appointment, and removal of the External Auditor;
- Performing oversight functions over the corporation's external auditors and internal auditors, if any;
- Reviewing the annual audit plan to ensure its conformity with the objectives of the corporation;
- Prior to the commencement of the audit, discussing with the external auditor the nature, scope, and expenses of the audit, and, if more than one audit firm is involved, ensure proper coordination in the activity to secure proper coverage and minimize duplication of efforts;
- Organizing an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of his/her engagement and removal;
- Monitoring and evaluating the adequacy and effectiveness of the corporation's internal control system, including financial reporting controls and information technology security;
- Reviewing the reports submitted by the internal and external auditors;
- Reviewing financial statements (i.e. quarterly, mid-year and annual) before submission to the Board considering its completeness and consistency with information known to the Committee and compliance with accounting principles and standards and regulatory requirements;
- Reviewing the impact of significant accounting and reporting issues, including complex or unusual transactions and recent professional and regulatory pronouncements on the financial statements;

- Reviewing with Management and the External Auditors the results of the audit including any difficulties encountered;
- Coordinating, monitoring, and facilitating compliance with laws, rules, and regulations;
- Evaluating and determining the non-audit work, if any, of the external auditor and disallow any non-audit work that will conflict with his duties as external auditor or may pose a threat to his independence; and
- Establishing and identifying the reporting line of the Internal Auditor (if any) to enable him to properly fulfill his duties and responsibilities.

At the last organizational meeting of the Board of Directors held on April 13, 2021, Mr. Samuel V. Poblete was appointed as the Chairman of the Risk and Audit Committee while Atty. Joanna May R. Casita and Ms. Shaela Mae M. Claveria were appointed as members.

Corporate Governance Committee

The Corporate Governance Committee shall have at least three (3) members. The chair of the Corporate Governance Committee shall be an independent director. Vacancies in the Committee shall be filled by the Board.

This Committee shall assist and advise the Board of Directors in performing corporate governance compliance responsibilities in relation with the Corporation's Manual on Corporate Governance, the Philippine Code of Corporate Governance for Publicly-Listed Companies, and disclosure rules of the Securities and Exchange Commission and The Philippine Stock Exchange, Inc.

The Corporate Governance Committee shall:
- Develop and review the Corporation's policies and practices in corporate governance and make recommendations to the Board;
- Review and monitor the training and continuous professional development of Directors and Management;
- Corporation's policies and practices on compliance with legal and regulatory requirements;
- Develop, review, update and monitor the code of conduct and compliance manual applicable to the directors and employees of the Corporation;
- Review the Corporation's compliance with the Corporate Governance Manual, SEC Code of Corporate Governance and PSE Corporate Governance Guidelines; and
- Other functions as set forth in the Corporation's Manual on Corporate Governance and the Corporate Governance Committee Charter.

At the last organizational meeting of the Board of Directors held on April 13, 2021, Atty. Joanna May R. Casita was appointed as the Chairman of the Corporate Governance Committee while Mr. Samuel V. Poblete and Atty. Karlon V. Pambid were appointed as members.

Compliance with Rules on Corporate Governance

The Company is not aware of any material non-compliance with or deviation from its Manual. The Company will continue to monitor compliance with the Rules on Corporate Governance issued by the SEC and will remain committed in ensuring the adoption of other systems and practices of good corporate governance to enhance its value for its stockholders.

Executive Committee

The Executive Committee shall have at least three (3) members. The Chairman of the Board shall be the Chairman of the Committee. The other members of the Committee shall be appointed annually by the Board.

The Executive Committee shall have the power to act on such specific matters within the competence of the Board, as may be delegated to it by the Board, except with respect to: (1) the approval of any action for which stockholders approval is also required; (2) the filling of vacancies in the Board; (3) the amendment or repeal of By-laws or the adoption of new By-laws; (4) the amendment or repeal of any resolution of the Board that which, by its express terms, is not so amendable or repealable; and (5) a distribution of cash dividends to the stockholders, among others.

At the last organizational meeting of the Board of Directors held on April 13, 2021, Hideki Tanifuji was appointed as the Chairman of the Executive Committee while Ms. Dinah B. Ilagan and Christine Joy O. David were appointed as members.

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LEGAL MATTERS

Legal Matters

Certain legal matters as to Philippine law relating to the Offer have been passed upon by Pambid Cruz Law Office, AMAL's legal counsel, and Tan Venturanza Valdez, legal counsel to the Sole Issue Manager, Lead Underwriter, and Sole Bookrunner. Except as disclosed in the immediately succeeding paragraph, each of the foregoing counsel has no shareholding in the Company, or any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of AMAL, in accordance with the standards of independence required in the Code of Professional Responsibility.

Atty. Karlon Pambid is a partner at Pambid Cruz Law Office and is a director of AMAL, holding 3,250 shares.

Pambid Cruz Law Office and Tan Venturanza Valdez themselves do not have and will not receive any direct or indirect interest in the Company or in any of the Company's securities (including options, warrants or rights thereto) pursuant to or in connection with the Offer Shares and has not acted as promoter, underwriter or voting trustee.

INDEPENDENT AUDITORS

Audit Committees Approval Policies and Procedures for Audit, Tax and Other Accounting Services

Independent Auditors

The financial statements of AMAL as of December 31, 2018, 2019, and 2020 were audited by Reyes Tacandong & Co., independent auditors, as stated in their report attached to this Prospectus.

Reyes Tacandong & Co. has acted as AMAL's external auditor covering the years ended December 31, 2018, 2019, and 2020. Belinda B. Fernando is the current audit partner for AMAL and has served as such since 2017. AMAL has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods or any subsequent interim period.

Reyes Tacandong & Co., has neither shareholding in AMAL nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of AMAL. Reyes Tacandong & Co. will not receive any direct or indirect interest in AMAL or its securities (including options, warrants, or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees paid to Reyes Tacandong & Co. for professional services rendered in respect of the audit of our historical financial statements, excluding out-of-pocket expenses incidental to such services and excluding fees directly related to the Offer:

	2018	2019	2020
Audit and Audit Related Fees (in ₱)	275,000	450,000	460,000

There is no arrangement that experts will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

INDEX TO FINANCIAL STATEMENTS

THE ISSUER

Asian Mergers & Acquisition Links, Inc. Unit 8, 3rd Floor
Bonifacio Technology Center 31st Street corner 2nd Avenue,
Crescent Park West BGC, Taguig, Metro Manila 1634

ISSUE MANAGER AND UNDERWRITER

Investment & Capital Corporation of the Philippines
17/F Robinsons Summit Center
6783 Ayala Avenue
1226 Makati City,
Philippines

LEGAL ADVISORS

To the Issuer

Pambid Cruz Law Office
3/F Bonifacio Technology Center
31st St. corner 2nd Ave, Fort Bonifacio
Taguig City 1634

To the Issue Manager and, Underwriter

Tan Venturanza Valdez
2704 East Tower
PSE Centre, Ortigas Center
1605 Pasig City

STOCK AND TRANSFER AGENT

PNB Trust Banking Group
3F Trust Banking Group
PNB Financial Center Pres. D. Macapagal Boulevard
Pasay City,

ESCROW AGENT

PNB Trust Banking Group
3F Trust Banking Group
PNB Financial Center Pres. D. Macapagal Boulevard
Pasay City,

INDEPENDENT AUDITORS

Reyes Tacandong & Co.
8741 Paseo de Roxas
Makati 1226
Metro Manila

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

CS20150953

COMPANY NAME

ASIAN MERGERS AND ACQUISITION LINKS INC.

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

UNIT 8, 3RD FLOOR BONIFACIO TECHNOLOGY CENTER, 31ST STREET CORNER 2ND AVENUE, CRESCENT PARK WEST, BONIFACIO GLOBAL CITY, BRGY. FORT BONIFACIO, TAGUIG 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
asianmanda@gmail.com	(02) 541-6452	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
5	Every second Friday of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Shaela Mae M. Claveria	claveria@asian-ma.com	(02) 865-1069	+63977-811-4614

CONTACT PERSON'S ADDRESS

Unit 8, 3rd Floor Bonifacio Technology Center, 31st Street corner 2nd Avenue, Crescent Park West, Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within 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 shall not excuse the corporation from liability for its deficiencies.

ASIAN MERGERS & ACQUISITION LINKS, INC.
Unit 8 3rd Floor Bonifacio Technology Center
31st St. cor 2nd Ave., Crescent Park West, Fort Bonifacio Global City, Taguig
Tel. No.: +632 865 1069
www.asian-ma.com

March 13, 2019

**STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR SEPARATE FINANCIAL STATEMENTS**

The management of **Asian Mergers and Acquisition Links, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2018 and 2017 in accordance with the prescribed reporting framework indicated therein, and for such internal control as management determines is necessary to enable to 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 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.

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

HIDEKI TANIFUJI
Signature over Printed Name of the Chairman of the Board

HIDEKI TANIFUJI
Signature over Printed Name of the Chief Executive Officer

SHAELA MAE M. CLAVERIA
Signature over Printed Name of the Chief Financial Officer

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ASIAN MERGERS & ACQUISITION LINKS, INC.
Unit 8 3rd Floor Bonifacio Technology Center
31st St. cor 2nd Ave. , Crescent Park West,Fort Bonifacio Global City,Taguig
Tel. No.: +632 865 1069
www.asian-ma.com

March 13, 2019

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The management of **Asian Mergers and Acquisitions Link, Inc.** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended
December 31, 2018. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax returns and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended **December 31, 2018** and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

(a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) Any disparity of figures in the submitted reports arising from the preparation of the financial statements pursuant to Philippine Financial Reporting Standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

(c) The Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

HIDEKI TANJFUJI
Signature and Printed Name of Chairman and President

HIDEKI TANIFUJI
Signature and Printed Name of President

SHAELA MAE M. CLAVERIA
Signature and Printed Name of Treasurer

BUREAU OF INTERNAL REVENUE
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ASIAN MERGERS & ACQUISITION LINKS, INC.
Unit 8 3rd Floor Bonifacio Technology Center
31st St. cor 2nd Ave., Crescent Park West, Fort Bonifacio Global City, Taguig
Tel. No.: +632 865 1069
www.asian-ma.com

March 13, 2019

Reyes Tacandong & Co.
26th Floor Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines

Attention: **Belinda B. Fernando**
Partner-in-charge

This representation letter is provided in connection with your audit of the financial statements of, **Asian Mergers and Acquisitions Link, Inc.** ("the Company") for the years ended December 31, 2018 and 2017. We recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Company and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) for SME.

We understand that the purpose of your audits of our financial statements is to express an opinion thereon and that your audits were conducted in accordance with the Philippine Standards on Auditing (PSA), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

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REVENUE DISTRICT NO. 8 - MAKATI
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A. Financial Statements and Financial Records

1. We acknowledge, as members of management of the Company, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above present fairly, in all material respects, the financial position, financial performance and cash flows of the Company in accordance with PFRS for SME, and are free of material misstatements, including omissions. Our Board of Directors (BOD) have approved and authorized for issue the financial statements as at and for the year ended December 31, 2018 and 2017 on March 13, 2019.

2. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in Note 2 of the financial statements.

3. The accounting policies adopted are consistent with those of the previous reporting year, in line with the adoption of the 2015 amendments to PRFRS for SME which became effective beginning on or after January 1, 2017. The adoption of the said new and revised PFRS for SME did not have any material effect on the financial statements.

4. Each element of the financial statements is properly classified, described and disclosed in accordance with PFRS for SME.

5. As members of management of the Company, we believe that the Company has a system of internal controls adequate to permit the preparation of accurate financial statements in accordance with PFRS for SME.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. The financial statements comply as to form in all material respects with the applicable accounting requirements, including disclosure requirements, of Securities Regulation Code Rule (SRC) No. 68 and the related rules and regulations adopted by the Philippine Securities and Exchange Commission (SEC).

8. Management believes that the significant judgment, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, as well as to the related revenue and expenses, within the next year, and related impact and associated risk in the financial statements as disclosed in Note 3, are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

B. Fraud and Error

1. We acknowledge that we are responsible for the design and implementation of internal controls to prevent and detect fraud and error.

2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Company.

4. All audit adjustments have been discussed with us. There is no significant unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

C. Compliance with Laws and Regulations

1. We have disclosed to you all known actual or possible noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

2. There has been no noncompliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of noncompliance.

D. Completeness of Information

1. We have made available to you all financial records and related data and all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held. Listed in Annex I.
2. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
3. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties as at December 31, 2018. These transactions have been measured and disclosed in Note 11 of the financial statements.
4. The information that we communicated to you in order to identify related parties is complete and the information disclosed in the notes to financial statements is relevant.
5. We have made available to you all signed contracts and related documents pertaining to activities and engagements that were transacted during the year and of the previous years which affected your current year audit.

E. Recognition, Measurement, Classification and Disclosure

1. We believe that the significant assumptions underlying the fair value measurements and disclosures used in the preparation of the financial statements are reasonable and appropriate in the circumstances.
2. We have no plans or intentions that may materially affect the carrying amount or classification of assets and liabilities reflected in the financial statements. Investment property and property was appropriately classified based on current usage and management's intention.
3. We have disclosed to you, and the Company has complied with, all aspects of contractual agreements that could have a material effect in the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
4. The Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Recognized deferred tax assets amounted to nil and ₱0.8 million as at December 31, 2018 and 2017, respectively.

F. Ownership of Assets

1. The Company has satisfactory title to all assets appearing in the statement of financial position, and there are no liens or encumbrances on the Company's assets, nor has any asset been pledged as collateral other than those disclosed in the financial statements. All assets to which the Company has satisfactory title appear in the statements of financial position.

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G. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements in accordance with PFRS for SME.

2. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.

3. We have disclosed to you, and the Company has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of noncompliance.

4. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.

5. We are unaware of any other significant violations or possible violations of laws or regulations aside from those disclosed in the financial statements that the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.

6. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or government authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

H. Commitments

1. As at December 31, 2018 and 2017, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the Company (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfillment of, or inability to fulfill, sales commitments, etc.).

I. Equity

1. We have properly recorded and disclosed in the financial statements the shareholding composition and other disclosures as required by PFRS for SME.

2. All issued shares were paid.

3. The Company intends to use the unappropriated retained earnings as payment for future dividends as at December 31, 2018.

J. Revenues and Expenses

1. We confirm the completeness and existence of recorded interest income and expenses. We have provided to you all information that may affect its proper recognition.

2. We believe that the significant assumptions and estimates underlying the recognition of revenue and expenses, and related disclosures used in the preparation of the financial statements are reasonable and appropriate in the circumstances.

3. No personal expenses of employees and directors have been charged to the revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practices.

K. Income and Non-Income Taxes

1. We acknowledge our responsibility for the tax accounting methods adopted by the Company, which have been consistently applied in the current period, and for the current year income tax provision calculation.

2. We acknowledge our responsibility for the completeness and compliance with tax laws and regulations.

3. We have disclosed to you all tax opinions, correspondence with tax authorities, or other appropriate information that served as support for the accounting for potentially material matters.

L. Going Concern

1. We are not aware of any information that are relevant to the Company's ability to continue as a going concern, including significant conditions and events, and management's plans.

M. Independence and Conflict of Interest

1. We are not aware of any instances where an officer, director, or substantial stockholder of the Company (or any member of their immediate family) has a direct or material indirect business relationship with Reyes Tacandong & Co., or has a substantial ownership interest in, or serves as an officer or director of, any Company (public or private) that has any direct or material indirect business relationship with Reyes Tacandong & Co.

2. There are no instances where any officer or employee of the Company has an interest in a Company with which the Company does business that would be considered a "conflict of interest." Such an interest would be contrary to the Company's policy.

4. We are not aware of any capital lease, material cooperative arrangement, or other business relationship between the Company and Reyes Tacandong & Co.

N. Events after the Reporting Date

1. No events or transactions have occurred since December 31, 2018 or are pending that would have a material effect on the financial statements at that date or for the year then ended, or that are of such significance in relation to the Company's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations, or cash flows of the Company.

2. There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes.

O. Functional Currency

1. We determined that the Company's functional currency is Philippine Peso which is the currency of the primary environment in which the Company operates.

P. Comparative Figures

1. There have been no significant errors or misstatements or changes in accounting policies that would require a restatement of the comparative figures with current year financial statements.

Q. Other Matters

1. The Board of Directors approved to write-off the Company's receivables from Sakura (a related party) amounting to ₱2.3 million. We assessed the collectability of these receivables which proved to be worthless and uncollectible.
2. The accounting records underlying the financial statements accurately and fairly reflect, in reasonable detail, the transactions of the Company.

We understand that your audit were conducted in accordance with PSA and were, therefore, designed primarily for the purpose of expressing an opinion on the financial statements of the Company taken as a whole, and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,

Hideki Tanifuji
Chairman of the Board

Dinah B. Ilagan
Chief Operation Officer

Shaela Mae M. Claveria
Chief Financial Officer

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8 - MAKATI
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ANNEX I

MINUTES OF MEETINGS

- **2018 Minutes:**

Company	Date of Meeting
Asian Mergers and Acquisition Links, Inc.	January 7, 2018 February 9, 2018 March 13, 2018 March 23, 2018 April 3, 2018 April 6, 2018 April 13, 2018 April 20, 2018 April 23, 2018 May 11, 2018 June 29, 2018 July 31, 2018 September 26, 2018 October 17, 2018 October 19, 2018 November 12, 2018 December 20, 2018

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-2 (Group A)
September 27, 2016, valid until September 27, 2019

Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 982 9100
Fax : +632 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE BUREAU OF INTERNAL REVENUE

The Stockholders and the Board of Directors
Asian Mergers and Acquisition Links Inc.
Unit 8, 3rd Floor Bonifacio Technology Center
31st Street corner 2nd Avenue, Crescent Park West
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

We have audited the accompanying financial statements of Asian Mergers and Acquisition Links Inc. (the Company) as at and for the years ended December 31, 2018 and 2017 on which we have rendered our report dated March 13, 2019.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 1022-AR-2 Group A
Valid until March 15, 2020
BIR Accreditation No. 08-005144-004-2017
Valid until January 13, 2020
PTR No. 7334334
Issued January 3, 2019, Makati City

March 13, 2019
Makati City, Metro Manila

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BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
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Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 982 9100
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Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Asian Mergers and Acquisition Links Inc.
Unit 8, 3rd Floor Bonifacio Technology Center
31st Street corner 2nd Avenue, Crescent Park West
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

Report on the Financial Statements

Opinion

We have audited the financial statements of Asian Mergers and Acquisition Links Inc. (the Company), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SME).

Basis for Opinion

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

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 PFRS for SME, 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.

BUREAU OF INTERNAL REVENUE
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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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

We communicate with 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 audits.

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses in Note 15 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Company. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

Belinda B. Fernando

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Issued January 3, 2019, Makati City

March 13, 2019
Makati City, Metro Manila

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8 - MAKATI
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ASIAN MERGERS AND ACQUISITION LINKS, INC.

STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2018	2017
ASSETS			
Current Assets			
Cash	4	**₱32,676,310**	₱301,576
Receivables	5	**18,816,151**	1,567,172
Due from a related party	11	**–**	1,560,640
Other current assets	6	**1,408,104**	684,207
Total Current Assets		**52,900,565**	4,113,595
Noncurrent Assets			
Property and equipment	7	**9,590,679**	8,955,691
Deferred tax asset	14	**–**	751,778
Other noncurrent assets	8	**1,000,221**	50,514
Total Noncurrent Assets		**10,590,900**	9,757,983
		₱63,491,465	₱13,871,578
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	9	**₱3,386,759**	₱2,863,520
Income tax payable		**8,756,818**	–
Total Current Liabilities		**12,143,577**	2,863,520
Noncurrent Liability			
Due to a stockholder	11	**2,861,080**	5,961,797
Total Liabilities		**15,004,657**	8,825,317
Equity			
Capital stock		**10,000,000**	10,000,000
Retained earnings (deficit)	10	**38,486,808**	(4,953,739)
Total Equity		**48,486,808**	5,046,261
		₱63,491,465	₱13,871,578

See accompanying Notes to Financial Statements.

ASIAN MERGERS AND ACQUISITION LINKS INC.

STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31 2018	2017
SERVICE FEE		**₱100,509,858**	₱24,586,791
COST AND EXPENSES			
Salaries and other benefits		**20,087,517**	12,987,514
Rent	13	**3,265,970**	1,014,251
Write-off of due from a related party	11	**2,348,455**	–
Professional fees		**2,182,578**	784,889
Depreciation and amortization	7	**2,101,217**	905,277
Utilities		**1,223,819**	479,563
Transportation and travel		**1,103,652**	1,085,038
Supplies		**1,052,853**	872,942
Communications		**1,043,058**	541,867
Representation		**1,027,216**	1,531,050
Taxes and licenses		**130,604**	43,568
Others		**1,726,619**	621,319
		37,293,558	20,867,278
INTEREST INCOME	4	**36,800**	9,454
OTHER CHARGES	12	**(515,656)**	(669,972)
INCOME BEFORE INCOME TAX		**62,737,444**	3,058,995
PROVISION FOR (BENEFIT FROM) INCOME TAX	14		
Current		**18,545,119**	–
Deferred		**751,778**	(751,778)
		19,296,897	(751,778)
NET INCOME		**43,440,547**	3,810,773
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE INCOME		**₱43,440,547**	₱3,810,773

See accompanying Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 8 - MAKATI
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ASIAN MERGERS AND ACQUISITION LINKS INC.

STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31 2018	2017
CAPITAL STOCK - ₱100 par value			
Authorized, issued and outstanding - 100,000 shares			
Balance at beginning and end of year		**₱10,000,000**	₱10,000,000
RETAINED EARNINGS (DEFICIT)			
Balance at beginning of year		**(4,953,739)**	(8,764,512)
Net income		**43,440,547**	3,810,773
Balance at end of year		**38,486,808**	(4,953,739)
		₱48,486,808	₱5,046,261

See accompanying Notes to Financial Statements.

ASIAN MERGERS AND ACQUISITION LINKS INC.

STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱62,737,444**	₱3,058,995
Adjustments for:			
Depreciation and amortization	7	**2,101,217**	905,277
Loss on write-off of property and equipment	7	**58,356**	669,972
Interest income	4	**(36,800)**	(9,454)
Operating income before working capital changes		**64,860,217**	4,624,790
Decrease (increase) in:			
Receivables		**(17,248,979)**	(1,302,172)
Due from a related party		**1,560,640**	(680,954)
Other current assets		**(615,759)**	62,431
Other noncurrent assets		**(949,707)**	225,541
Increase (decrease) in:			
Accounts and other payables		**523,239**	1,488,304
Due to a stockholder		**(3,100,717)**	2,064,298
Net cash generated from operations		**45,028,934**	6,482,238
Interest received		**36,800**	9,454
Income taxes paid		**(9,788,301)**	–
Net cash provided by operating activities		**35,277,433**	6,491,692
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	7	**(2,902,699)**	(7,518,661)
NET INCREASE (DECREASE) IN CASH		**32,374,734**	(1,026,969)
CASH AT BEGINNING OF YEAR		**301,576**	1,328,545
CASH AT END OF YEAR		**₱32,676,310**	₱301,576

See accompanying Notes to Financial Statements.

ASIAN MERGERS AND ACQUISITION LINKS INC.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Asian Mergers and Acquisition Links Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 15, 2015. The Company's primary purpose is to engage in and provide business consultancy services to the general public in connection with the establishment, merger, consolidation and acquisition of corporations, companies, enterprises, or entities engaged in any legitimate business in the Philippines; provided, that the corporation shall not act as an investment company or securities broker or dealer, shall not exercise the functions of a trust company, and shall not engage in the management of funds, portfolio, securities and other similar assets of managed entities.

On June 21, 2018, the SEC approved the amendment of Articles of Incorporation changing the Company's principal place of business from Unit 25-D, Fort Palm Springs Bldg., 30th St. cor. 1st Ave., Fort Bonifacio Global City, Taguig City to Unit 8, 3rd Floor Bonifacio Technology Center, 31st Street corner 2nd Avenue, Crescent Park West, Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City.

Events After the Reporting Date

On March 4, 2019, the Company incorporated and registered M&A Links Asia SDN. BHD. (the Subsidiary) with the Suruhanjaya Syarikat Malaysia (Companies Commission of Malaysia). The Subsidiary is wholly-owned and intended to establish business operations in Malaysia. As at report date, the Subsidiary has not yet started its commercial operations.

The financial statements of the Company as at and for the years ended December 31, 2018 and 2017 were approved and authorized for issuance by the Board of Directors on March 13, 2019.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SME) issued by the Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Measurement Bases

The financial statements are presented in Philippine Peso (Peso), which is the Company's functional currency. All amounts are rounded to the nearest Peso unit unless otherwise indicated.

The financial statements of the Company have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date.

Standard Issued but not yet Effective

The Philippine Financial Reporting Standard for Small Entities (PFRS for Small Entities) was approved for adoption by the Philippine Financial Reporting Standards Council on December 13, 2017 and by the SEC on March 22, 2018. The PFRS for Small Entities is effective for annual periods beginning on or after January 1, 2019, and is required to be used by entities with total assets of ₱3.0 million to ₱100.0 million or total liabilities of ₱3.0 million to ₱100.0 million.

The PFRS for Small Entities reduced options for accounting treatment, eliminated topics that are not generally relevant to small entities, simplified methods for recognition and measurement, and reduced disclosure requirements.

The Company, which currently prepares its financial statement in accordance with PFRS for SMEs, will adopt the PFRS for Small Entities in its 2019 financial statements. Under prevailing circumstances, the adoption of the new PFRS for Small Entities is not expected to have any material effect on the financial statements of the Company.

Basic Financial Instruments

The Company recognizes a financial asset and a financial liability only when the Company becomes a party to the contractual provisions of the financial instruments.

When a financial asset or financial liability is recognized initially, the Company measures it at the transaction price and subsequently measures it at amortized cost using the effective interest method.

The Company classifies its cash, receivables, due from a related party, rent deposit (included under "other current assets" and "other noncurrent assets" accounts), and other payables (excluding statutory payables) and due to a stockholder as basic financial instruments.

Cash. Cash includes cash on hand and cash in banks which are stated at face value. Cash in banks earn interest at the prevailing bank deposit.

Receivables and Due from a Related Party. Receivables and due from a related party are recognized initially at the transaction price, less allowance for any impairment. An allowance for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term.

Rent Deposit. Rent deposit (included under "Other Current Assets" and "Other Noncurrent Assets" accounts) represents payments for security deposit made in relation to the lease agreements entered into by the Company. These are recognized initially at the transaction price, less allowance for any impairment and are refundable upon termination of the lease agreement. An allowance for impairment is established when there is objective evidence that the Company will not be able to collect all amounts according to the original term.

Accounts and Other Payables and Due to a Stockholder. Accounts and other payables (excluding statutory payables) and due to a stockholder are recognized initially at the transaction price and subsequently measured at the undiscounted amount of cash or other consideration expected to be paid.

Impairment of Basic Financial Assets

The Company assesses at the end of each reporting period whether there is objective evidence of impairment of any financial assets or group of assets that are measured at cost or amortized cost. If there is objective evidence of impairment, an impairment loss is recognized in the statements of comprehensive income immediately.

A financial asset or group of financial assets is deemed impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably.

The impairment loss for an instrument measured at amortized cost is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not been recognized. The amount of the reversal shall be recognized in the statements of comprehensive income.

Derecognition of Basic Financial Instruments
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 contractual rights to receive cash flows from the asset has expired;

- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Company has transferred its right to receive cash flows from the 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.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or 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 the new liability, and the difference in the respective carrying amount is recognized in the statements of comprehensive income.

Other Current Assets

Other current assets mainly consist of prepayments, rent deposit and current portion of deferred input value-added tax (VAT).

Prepayments. Prepayments are expenses paid in advance and recorded as an asset before these are utilized. These are carried at cost and are amortized on a straight-line basis over the period of expected usage, which is equal to or less than 12 months or within the normal operating cycle.

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods. Deferred input VAT with an aggregate acquisition cost (exclusive of VAT) in each of the calendar months exceeding ₱1.0 million are claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million, the total input VAT will be allowable as credit against output VAT in the month of acquisition. Deferred input VAT on capital goods is classified as current assets if it is expected to be claimed against output VAT for no more than 12 months after the reporting date. Otherwise, it is classified as noncurrent asset.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment losses.

The initial cost of property and equipment comprises its purchase price, including taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs, maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted to an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation and amortization are calculated on a straight-line method over the estimated useful lives of the property and equipment.

The estimated useful lives are as follows:

	Number of Years
Transportation equipment	5
Computer equipment	5
Furniture and fixtures	5
Office equipment	5
Leasehold improvements	5 or lease term whichever is lower

The estimated useful lives and depreciation and amortization method are reviewed annually. If there is an indication that there has been a significant change in depreciation and amortization rate, useful life or residual value of an asset, the carrying amount is revised prospectively to reflect the new estimates.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statements of comprehensive income in the period the asset is derecognized.

Fully depreciated assets which are still being used in operations are retained in the accounts until these are no longer in use.

Impairment of Nonfinancial Assets

At each reporting date, nonfinancial assets are reviewed to determine whether there is any indication that nonfinancial assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount, which is the higher of fair value less costs to sell and value in use, of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arms-length transaction less the costs of disposal, while the 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. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the statements of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the nonfinancial assets is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the nonfinancial assets in prior years. A reversal of impairment loss is recognized immediately in the statements of comprehensive income.

Capital Stock

Capital stock represents the par value of shares issued and paid.

Retained Earnings (Deficit)

Retained earnings (deficit) represents the cumulative balance of net income and losses.

Revenue Recognition

Revenue is recognized when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Company, and specific criteria have been met for the Company's activities, as described below.

Service Fee. Revenue is recognized upon successful rendering of related consultancy services as stipulated in a final contract of agreement between parties.

Interest Income. Income is recognized as interest accrues, taking into account the effective yield on the asset.

Cost and Expense Recognition
Cost and expenses are recognized in the statements of comprehensive income when incurred.

Cost and Expenses. These include direct costs incurred when rendering service and operating expenses incurred in administering the business.

Other Charges. Other charges are incidental charges in the normal course of operations and are expensed as incurred.

Operating Leases
The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date. This requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Leases, where the lessor retains substantially all the risks and benefits of ownership, are classified as operating leases. Operating lease payments are recognized as expense in the statements of comprehensive income on a straight-line basis over the lease term.

Foreign Currency Denominated Transactions
Transactions denominated in foreign currencies are initially recorded in Peso using the exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency using the rate of exchange prevailing at the reporting date. Foreign exchange differences between the rate at transaction date and settlement date or reporting date are credited to or charged against profit or loss. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the dates of initial transactions.

Income Taxes

Current Income Tax. Current income tax liabilities for the current and prior periods are measured at the amount expected to be paid to the taxation authorities. The income tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Income Tax. Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all temporary differences and carry forward benefits of 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 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 income 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.

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

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.

Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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 or common significant influence.

Provisions
Provisions, if any, are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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 in the notes to 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 Company's position at the reporting date (adjusting events), are reflected in the financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to financial statements when material.

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3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments and estimates used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results may differ from these estimates.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Determining Functional Currency. The Company determined its functional currency to be the Philippine Peso. The determination of functional currency was based on the primary economic environment in which the Company generates and expends cash.

Accounting for Lease Commitments - The Company as Lessee. The Company has entered into an operating lease agreement covering its office space. The Company has determined that the lessors retain all significant risks and rewards of ownership of the leased properties and has classified the lease as operating lease. Operating lease payments are recognized as expense in the statements of comprehensive income on a straight-line basis.

Rent expense amounted to ₱3.3 million and ₱1.0 million in 2018 and 2017 (see Note 13).

Estimates and Assumptions

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

Assessing Receivables, Due from a Related Party and Rent Deposit for Impairment. The Company maintains allowance for impairment losses on receivables, due from a related party and rent deposit (included under "other current assets" and "other noncurrent assets" accounts) at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Company's relationship with counterparty, the counterparty's payment behavior and known market factors. The Company identifies and provides for specific accounts that are doubtful of collection and reviews the age and status of the remaining receivables and establishes an allowance considering, among others, historical collection and write-off experience.

In 2018, the Company directly wrote-off due from a related party amounting to ₱2.3 million (see Note 11). In 2017, no impairment loss was recognized.

The carrying amount of receivables, due from a related party, and rent deposits are as follows:

	Note	**2018**	2017
Receivables	5	**₱18,816,151**	₱1,567,172
Due from a related party	11	**–**	1,560,640
Rent deposits	13	**1,281,613**	598,635

Estimating the Useful Lives of Property and Equipment. The Company estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The Company reviews annually the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes and anticipated use of the assets.

There were no changes in the estimated useful lives of property and equipment in 2018 and 2017. The carrying amount of the Company's property and equipment amounted to ₱9.6 million and ₱9.0 million as at December 31, 2018 and 2017 (see Note 7).

Assessing Nonfinancial Assets for Impairment. The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case, it will be written down to its recoverable amount. The factors that the Company considers important which could trigger impairment review include significant changes in asset usage, significant decline in market value and obsolescence or physical damage of an asset.

In 2018 and 2017, the Company wrote-off computer equipment with carrying amount of ₱0.1 million and ₱0.7 million, respectively (see Note 12).

The carrying amount of the Company's nonfinancial assets are as follows:

	Note	2018	2017
Property and equipment	7	**₱9,590,679**	₱8,955,691
Other current assets*	6	**1,108,104**	85,572
Other noncurrent assets*	8	**18,608**	50,514

**excluding rent deposit*

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

As at December 31, 2018 and 2017, the Company has recognized deferred tax assets amounting to nil and ₱0.8 million, respectively (see Note 14).

4. Cash

This account consists of:

	2018	2017
Cash on hand	**₱52,795**	₱4,057
Cash in banks	**32,623,515**	297,519
	₱32,676,310	₱301,576

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned amounted to ₱36,800 and ₱9,454 in 2018 and 2017, respectively.

5. Receivables

This account consists of:

	2018	2017
Trade receivables	**₱18,333,645**	₱1,000,000
Advances to employees	**466,506**	567,172
Other receivables	**16,000**	–
	₱18,816,151	₱1,567,172

Trade receivables from customers are unsecured and noninterest-bearing and are generally within 30 days term upon execution of an agreement, contract, note or memoranda.

Advances to employees are cash advances which are unsecured, noninterest-bearing and are settled through salary deduction within one year.

6. Other Current Assets

This account consists of:

	Note	2018	2017
Prepayments		₱1,076,198	₱53,666
Rent deposit	13	300,000	598,635
Deferred input VAT		31,906	31,906
		₱1,408,104	₱684,207

In 2018, the Company wrote-off uncollectible rent deposit from previous lessor amounting to ₱0.3 million (see Note 12).

7. Property and Equipment

The movements in this account are as follows:

	2018					
	Transportation Equipment	Computer Equipment	Furniture and Fixtures	Office Equipment	Leasehold Improvements	Total
Cost						
Balance at beginning of year	₱8,329,602	₱911,808	₱503,744	₱553,597	₱–	₱10,298,751
Additions	819,664	1,246,417	332,300	176,461	327,857	2,902,699
Write-off	–	(69,643)	(6,518)	(9,805)	–	(85,966)
Reclassifications	–	(50,669)	–	(65,070)	–	(115,739)
Balance at end of year	9,149,266	2,037,913	829,526	655,183	327,857	12,999,745
Accumulated Depreciation and Amortization						
Balance at beginning of year	1,088,170	92,961	83,847	78,082	–	1,343,060
Depreciation and amortization	1,520,746	299,593	124,125	119,336	37,417	2,101,217
Write-off	–	(15,089)	(2,716)	(9,805)	–	(27,610)
Reclassifications	–	(7,601)	–	–	–	(7,601)
Balance at end of year	2,608,916	369,864	205,256	187,613	37,417	3,409,066
Carrying amount	₱6,540,350	₱1,668,049	₱624,270	₱467,570	₱290,440	₱9,590,679

	2017				
	Transportation Equipment	Computer Equipment	Furniture and Fixtures	Office Equipment	Total
Cost					
Balance at beginning of year	₱2,239,759	₱1,316,998	₱151,753	₱64,146	₱3,772,656
Additions	6,089,843	587,376	351,991	489,451	7,518,661
Write-off	–	(992,566)	–	–	(992,566)
Balance at end of year	₱8,329,602	₱911,808	₱503,744	₱553,597	₱10,298,751
Accumulated Depreciation and Amortization					
Balance at beginning of year	₱398,402	₱327,998	₱24,425	₱9,552	₱760,377
Depreciation and amortization	689,768	87,557	59,422	68,530	905,277
Write-off	–	(322,594)	–	–	(322,594)
Balance at end of year	1,088,170	92,961	83,847	78,082	1,343,060
Carrying amount	₱7,241,432	₱818,847	₱419,897	₱475,515	₱8,955,691

In 2018 and 2017, the Company wrote-off property and equipment items with carrying amount of ₱0.1 million and ₱0.7 million, respectively (see Note 12).

In 2018, the Company reassessed and reclassified certain property and equipment amounting to ₱0.1 million to supplies expense.

8. Other Noncurrent Assets

This account consists of:

	Note	2018	2017
Rent deposit	13	**₱981,613**	₱–
Noncurrent portion of deferred input VAT		**18,608**	50,514
		₱1,000,221	₱50,514

9. Accounts and Other Payables

This account consists of:

	2018	2017
Accounts payable	**₱1,136,733**	₱328,176
Statutory payables	**2,250,026**	2,535,344
	₱3,386,759	₱2,863,520

Accounts payable mainly include payables to suppliers and service providers. These payables are expected to be settled in the next financial year.

Statutory payables include payables to other government agencies which are payable within 30 days.

10. Retained Earnings

As at December 31, 2018, the Company's unappropriated retained earnings is in excess of its paid-up capital. Under the Philippine Corporation Code (Code), a stock corporation is prohibited from retaining surplus profits in excess of 100% of its paid-up capital, except when justified by any reasons mentioned in the Code.

The Company intends to use the unappropriated retained earnings as payment for future declaration of dividends.

11. Related Party Transactions

In the normal course of business, the Company has the following transactions with related parties:

	Nature of Transactions	Amount of Transactions 2018	Amount of Transactions 2017	Outstanding Balances 2018	Outstanding Balances 2017
Due from a related party					
Entity under common control	Advances for working capital	**₱938,720**	₱721,133	**₱2,348,455**	₱1,560,640
	Write-off of due from a related party	**–**	–	**(2,348,455)**	–
				₱–	₱1,560,640
Due to a stockholder	Advances for working capital	**₱26,060,357**	₱16,529,856	**₱2,861,080**	₱5,961,797

Outstanding balances are unsecured, noninterest-bearing, payable on demand and settlement occurs in cash.

The Company estimates the allowance for doubtful accounts related to its due from a related party based on the assessment of the related party's capacity to meet its financial obligations. In these cases, judgment used was based on the best available facts and circumstances. Allowance for doubtful accounts are provided for the related party that have ceased operations. This assessment is undertaken each financial year by examining the financial position of the related party.

In 2018, the Company directly wrote-off due from a related party amounting to ₱2.3 million.

Key Management Compensation

The compensation of key management personnel amounted to ₱1.8 million and ₱1.6 million in 2018 and 2017, respectively.

12. Other Charges

This account consists of:

	Note	2018	2017
Loss on:			
Write-off of rent deposits	6	**₱298,635**	₱–
Changes in foreign exchange rate		**158,665**	–
Write-off of property and equipment	7	**58,356**	669,972
		₱515,656	₱669,972

13. Operating Lease Agreements

In 2018, the Company leased new office premises for a period of one year, which is subject to renewal or extension at the option of the Company and its lessor. The contract provides for a monthly rental and requires a fixed amount of security deposit.

In 2017, the Company entered into an operating lease agreement with a third party for its office space. The lease agreement is for one year and renewable upon mutual agreement by both parties.

Rent expense charged in the statements of comprehensive income from these contracts amounted to ₱3.3 million and ₱1.0 million in 2018 and 2017, respectively. Rent deposits on lease contracts amounting to ₱1.3 million and ₱0.6 million as at December 31, 2018 and 2017, respectively, are refundable upon termination of the lease agreement (see Note 6 and 8).

14. Income Taxes

In 2018, the provision for current income tax represents regular corporate income tax. The Company has no current tax expense in 2017 due to applied NOLCO from its taxable loss position in prior years.

The Company will be subjected to minimum corporate income tax on the fourth taxable year immediately following the year of its registration with the Bureau of Internal Revenue (BIR).

The Company's NOLCO, incurred in 2016 amounting to ₱2.5 million were claimed as deductions against taxable income in 2018.

The reconciliation between the provisions for (benefit from) income tax at statutory tax rate shown in the statements of comprehensive income is as follows:

	2018	2017
Provision for (benefit from) income tax at statutory rate	**₱18,821,233**	₱917,699
Tax effects of:		
Nondeductible expense	**486,704**	699,310
Interest income already subjected to final tax	**(11,040)**	(2,836)
Change in unrecognized deferred tax asset	**–**	(862,395)
	₱19,296,897	(₱751,778)

The Company's deferred tax asset arising from NOLCO amounted to nil and ₱0.8 million as at December 31, 2018 and 2017, respectively.

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

Revenue Regulations 15-2010

The information required in 2018 by the above regulations is presented below:

Output VAT

Output VAT declared for the year ended December 31, 2018 and the receipts upon which the same was based consist of:

	Net Receipts	Output VAT
Vatable sale of goods and services	₱33,098,597	₱3,971,832
Zero-rated sales	50,764,967	–
Total	83,863,564	3,971,832
Less: Input VAT payments during the year		(2,258,190)
Input VAT applied against output VAT		(1,409,696)
		₱303,946

The difference between the Vatable sale of services above and in the statement of comprehensive income pertains to Vatable and zero-rated sales which remained uncollected as of reporting date.

Input VAT

Movements in input VAT for the year ended December 31, 2018 are shown below.

Input VAT carried over from previous period	₱–
Deferred input VAT carried over from previous period	82,420
Current year's domestic purchases/payments for:	
Domestic purchases of services	944,170
Domestic purchases of goods other than capital goods	433,620
Less: Input tax on purchases of capital goods exceeding ₱1 million deferred for the succeeding period	(50,514)
Total input tax	1,409,696
Applied against output VAT	1,409,696
Balance at end of year	₱–

All Other Local Taxes

All other local taxes paid for the year ended December 31, 2018 consist of the following:

Documentary stamp tax	₱70,853
Business permits and registration fees	38,994
Other permits	20,757
	₱130,604

All other local taxes are presented as part of "Taxes and licenses" account under cost and expenses in the statements of comprehensive income.

Withholding Taxes

Withholding taxes paid and accrued and/or withheld for the year ended December 31, 2018 consist of:

	Paid	Accrued	Total
Withholding tax on compensation	₱147,745	₱505,860	₱653,605
Expanded withholding tax	309,050	43,369	352,419
	₱456,795	₱549,229	₱1,006,024

Tax Assessments and Tax Cases

The Company has no on-going tax assessment with the BIR nor tax case in court or bodies outside the BIR as at and for the year ended December 31, 2018.

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

The Stockholders and the Board of Directors
Asian Mergers and Acquisition Links Inc.
Unit 8, 3rd Floor Bonifacio Technology Center
31st Street corner 2nd Avenue, Crescent Park West
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

We have audited the accompanying financial statements of Asian Mergers and Acquisition Links Inc. (the Company) as at and for the years ended December 31, 2018 and 2017, on which we have rendered our report dated March 13, 2019.

In compliance with Securities Regulations Code Rule 68, as amended, we are stating that the Company has one (1) stockholder owning 100 or more shares.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 1022-AR-2 Group A
Valid until March 15, 2020
BIR Accreditation No. 08-005144-004-2017
Valid until January 13, 2020
PTR No. 7334334
Issued January 3, 2019, Makati City

March 13, 2019
Makati City, Metro Manila

REPORT OF INDEPENDENT AUDITORS ON
SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

The Stockholders and the Board of Directors
Asian Mergers and Acquisition Links Inc.
Unit 8, 3rd Floor Bonifacio Technology Center
31st Street corner 2nd Avenue, Crescent Park West
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Asian Mergers and Acquisition Links Inc. as at and for the years ended December 31, 2018 and 2017, and have issued our report thereon dated March 13, 2019. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Retained Earnings Available for Dividend Declaration as at December 31, 2018 is the responsibility of the Company's management. This schedule is presented for the purpose of complying with the SRC Rule 68, as amended, and is not part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 1022-AR-2 Group A
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BIR Accreditation No. 08-005144-004-2017
Valid until January 13, 2020
PTR No. 7334334
Issued January 3, 2019, Makati City

March 13, 2019
Makati City, Metro Manila

ASIAN MERGERS AND ACQUISITION LINKS INC.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2018

	Amount
Retained earnings available for dividend declaration at beginning of year	₱–
Deficit in the beginning of the year	(4,953,739)
Net income actually incurred during the year	43,440,547
Retained earnings available for dividend declaration at end of year	₱38,486,808

RECONCILIATION:

	Amount
Retained earnings, beginning as shown in the statements of financial position	(₱4,953,739)
Retained earnings available for dividend declaration at beginning of year	₱–
Retained earnings, ending as shown in the statements of financial position	₱38,486,808
Retained earnings available for dividend declaration at end of year	₱38,486,808

Gmail AMAL <asian.acctg.team@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Tue, Jun 30, 2020 at 4:21 PM
To: ASIAN.ACCTG.TEAM@gmail.com
Cc: ASIAN.ACCTG.TEAM@gmail.com

Hi ASIAN_MERGERS,

Valid files

- EAFS009031506ITR2019.pdf
- EAFS009031506AFS2019.pdf
- EAFS009031506OTH2019-01.pdf

Invalid file

- <None>

Transaction Code: **AFS-2019-4RM4X2R40XY2VSP1QYQX2V220P4QN421M**
Submission Date/Time: **Jun 30, 2020 04:21 PM**
Company TIN: **009-031-506**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	5	0	9	5	3	6

COMPANY NAME

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARY

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

UNIT 8, 3RD FLOOR BONIFACIO TECHNOLOGY CENTER, 31ST STREET CORNER 2ND AVENUE, CRESCENT PARK WEST, BONIFACIO GLOBAL CITY, BRGY. FORT BONIFACIO, TAGUIG CITY

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
asianmanda@gmail.com	(02) 8-541-6452	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
5	Every second Friday of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Shaela Mae M. Claveria	claveria@asian-ma.com	(02) 8-865-1069	+63977-811-4614

CONTACT PERSON'S ADDRESS

Unit 8, 3rd Floor Bonifacio Technology Center, 31st Street corner 2nd Avenue, Crescent Park West, Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within 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 shall not excuse the corporation from liability for its deficiencies.

ASIAN MERGERS & ACQUISITION LINKS, INC.

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS"

The management of **ASIAN MERGERS AND ACQUISITION LINKS INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2019 and 2018, 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 in 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.

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

Signature: ______________________________
HIDEKI TANIFUJI
Chairman of the Board

Signature: ______________________________
HIDEKI TANIFUJI
Chief Executive Officer

Signature: ______________________________
SHAELA MAE CLAVERIA
Chief Financial Officer

Signed this 11 th day of MAY 2020.

ASIAN MERGERS & ACQUISITION LINKS, INC.

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN"

The management of **ASIAN MERGERS AND ACQUISITION LINKS INC.** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2019. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited to, the value added tax and/or percentage tax returns, withholding tax returns and any and all other tax returns.

In this regard, the management affirms that the attached audited financial statement for the year ended December 31, 2019 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to Philippine Financial Reporting Standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

(c) the Company has filed/will file all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature: ______________________
HIDEKI TANIFUJI
President

Signature: ______________________
HIDEKI TANIFUJI
Chief Executive Officer or its equivalent

Signature: ______________________
SHAELA MAE CLAVERIA
Chief Financial Officer or its equivalent

Signed this 11th day of MAY 2020.

ASIAN MERGERS & ACQUISITION LINKS, INC.

May 11, 2020

Reyes Tacandong & Co.
26th Floor Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines

Attention: **Belinda B. Fernando**
Partner-in-charge

This representation letter is provided in connection with your audit of the consolidated financial statements of **Asian Mergers and Acquisitions Links Inc. and Subsidiary** ("the Group") for the years ended December 31, 2019 and 2018. We recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

We understand that the purpose of your audits of our consolidated financial statements is to express an opinion thereon and that your audits were conducted in accordance with the Philippine Standards on Auditing (PSA), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

A. Consolidated Financial Statements and Financial Records

1. We acknowledge, as members of management of the Group, our responsibility for the fair presentation of the consolidated financial statements. We believe the consolidated financial statements referred to above give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with PFRS, and are free of material misstatements, including omissions. Our Board of Directors (BOD) have approved and authorized for issue the consolidated financial statements as at and for the year ended December 31, 2019 and 2018 on May 11, 2020
2. The significant accounting policies adopted in the preparation of the consolidated financial statements are appropriately described in Note 2 of the consolidated financial statements.

3. Each element of the consolidated financial statements is properly classified, described and disclosed in accordance with PFRS.

4. As members of management of the Group, we believe that the Group has a system of internal controls adequate to permit the preparation of accurate consolidated financial statements in accordance with PFRS.

5. All transactions have been recorded in the accounting records and are reflected in the consolidated financial statements.

6. The consolidated financial statements comply as to form in all material respects with the applicable accounting requirements, including disclosure requirements of Revised Securities Regulations Code Rule 68 and the related rules and regulations adopted by the Philippine Securities and Exchange Commission (SEC).

7. Management believes that the significant judgment, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, as well as to the related revenue and expenses, within the next year, and related impact and associated risk in the consolidated financial statements as disclosed in Note 3, are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

B. Fraud and Error

1. We acknowledge that we are responsible for the design and implementation of internal controls to prevent and detect fraud and error.

2. We have disclosed to you the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud.

3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Group's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the consolidated financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the consolidated financial statements or otherwise affect the financial reporting of the Group.

4. All audit adjustments have been discussed with us. There is no significant unadjusted audit differences identified during the current audit and pertaining to the latest year presented.

C. Compliance with Laws and Regulations

1. We have disclosed to you all known actual or possible noncompliance with laws and regulations whose effects should be considered when preparing the consolidated financial statements.

2. There has been no noncompliance with requirements of regulatory authorities that could have a material effect on the consolidated financial statements in the event of noncompliance.

D. Completeness of Information

1. We have made available to you all financial records and related data and all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held. Listed in Annex I.

2. There are no material transactions that have not been properly recorded in the accounting records underlying the consolidated financial statements.

3. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties as at December 31, 2019 and 2018. These transactions have been measured and disclosed in Note 13 of the consolidated financial statements.

4. The information that we communicated to you in order to identify related parties is complete and the information disclosed in the notes to consolidated financial statements is relevant.

5. We have made available to you all signed contracts and related documents pertaining to activities and engagements that were transacted during the year and of the previous years which affected your current year audit.

E. Recognition, Measurement, Classification and Disclosure

1. We believe that the significant assumptions underlying the fair value measurements and disclosures used in the preparation of the consolidated financial statements are reasonable and appropriate in the circumstances.

2. We have no plans or intentions that may materially affect the carrying amount or classification of assets and liabilities reflected in the consolidated financial statements. Property and equipment was appropriately classified based on current usage and management's intention.

3. We acknowledge that we are responsible in the estimation of expected credit loss on financial instruments of the Group.

4. We have disclosed to you, and the Group has complied with, all aspects of contractual agreements that could have a material effect in the consolidated financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

5. We believe that the Group has the right to offset its certain due from and to related parties on the same entity, with the same terms and condition and present the same as net due to/from related parties as disclosed in notes to consolidated financial statements.

6. The Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. We believe that sufficient taxable profits are available in the near

foreseeable future against which the Group's recognized deferred tax assets amounting to ₱0.9 million and nil as at December 31, 2019 and 2018, respectively, may be applied.

F. Ownership of Assets

1. The Company has satisfactory title to all assets appearing in the statement of financial position, and there are no liens or encumbrances on the Group's assets, nor has any asset been pledged as collateral other than those disclosed in the consolidated financial statements. All assets to which the Group has satisfactory title appear in the consolidated statements of financial position.
2. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

G. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated financial statements in accordance with PFRS.
2. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
3. We have disclosed to you, and the Group has complied with, all aspects of contractual agreements that could have a material effect on the consolidated financial statements in the event of noncompliance.
4. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.
5. We are unaware of any other significant violations or possible violations of laws or regulations aside from those disclosed in the consolidated financial statements that the effects of which should be considered for disclosure in the consolidated financial statements or as the basis of recording a contingent loss.
6. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or government authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.
7. The Company has no pending tax assessments and/or tax cases as at December 31, 2019.

H. Commitments

1. As at December 31, 2019 and 2018, the Group had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the Group (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfillment of, or inability to fulfill, sales commitments, etc.).

I. Equity

1. We have properly recorded and disclosed in the consolidated financial statements the shareholding composition and other disclosures as required by PFRS.
2. All issued shares were paid.
3. Asian Mergers and Acquisition Links Inc. ("the Parent Company") intends to use the unappropriated retained earnings as payment for future dividends as at December 31, 2019 and 2018.

J. Revenues and Expenses

1. We confirm the completeness and existence of recorded interest income and expenses. We have provided to you all information that may affect its proper recognition.
2. We believe that the significant assumptions and estimates underlying the recognition of revenue and expenses, and related disclosures used in the preparation of the consolidated financial statements are reasonable and appropriate in the circumstances.
3. No personal expenses of employees and directors have been charged to the revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practices.

K. Income and Non-Income Taxes

1. We acknowledge our responsibility for the tax accounting methods adopted by the Group, which have been consistently applied in the current period, and for the current year income tax provision calculation.
2. We acknowledge our responsibility for the completeness and compliance with tax laws and regulations.
3. We have disclosed to you all tax opinions, correspondence with tax authorities, or other appropriate information that served as support for the accounting for potentially material matters.

L. Going Concern

1. We are not aware of any information that are relevant to the Group's ability to continue as a going concern, including significant conditions and events, and management's plans.

M. Independence and Conflict of Interest

1. Based on inquiries we have made of our officers, directors and substantial stockholders, we are not aware of any business relationships between any such officer, director or substantial stockholder, other than one pursuant to which Reyes Tacandong & Co. (RT&Co.) performs professional services. For this purpose, a "substantial stockholder" is a person or entity that owns a beneficial interest of five percent (5%) or more of the Group and is in a decision-making capacity.
2. We are not aware of any reason that RT&Co. would not be considered to be independent for purposes of the Group's audit.

3. There are no instances where any officer or employee of the Group has an interest in a Company with which the Group does business that would be considered a "conflict of interest." Such an interest would be contrary to the Group policy.

N. Events after the Reporting Date

1. The country is currently experiencing a pandemic virus crisis resulting in a slowdown in the Philippine economy because of the mandated lockdowns enforced across the country. While the financial impact is considered a non-adjusting event as at December 31, 2019, the effect on Group operations and financial performance, however, cannot be reasonably determined as at May 11, 2020
2. On February 2020, the Parent Company incorporated and registered Asian M&A Links Company Limited ("the Subsidiary"), a wholly-owned subsidiary intended to establish business operations in Vietnam.
3. On February 21, 2020, shareholders of AMAL Outsource Partners Inc. executed a declaration of trust acknowledging that the Parent Company is the true and beneficial owner of such shares registered under their names.

O. Functional Currency

1. We determined that the Group's functional currency is Philippine Peso which is the currency of the primary environment in which the Group operates.

P. Comparative Figures

1. There have been no significant errors or misstatements or changes in accounting policies that would require a restatement of the comparative figures with current year consolidated financial statements.

Q. Other Matters

1. The Board of Directors approved to write-off the Group's receivables from Sakura (a related party) amounting to ₱59,378. We assessed the collectability of these receivables which proved to be worthless and uncollectible.
2. The accounting records underlying the consolidated financial statements accurately and fairly reflect, in reasonable detail, the transactions of the Group.
3. The income tax return, including all information contained therein, is the responsibility of the Group's management. Accordingly, management is responsible for the completeness and compliance with tax laws and regulations.

We understand that your audit were conducted in accordance with PSA and were, therefore, designed primarily for the purpose of expressing an opinion on the consolidated financial statements of the Group taken as a whole, and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,

Hideki Tanifuji
Chairman of the Board

Shaela Mae M. Claveria
Treasurer

Shaela Mae M. Claveria
Chief Financial Officer

ANNEX I
MINUTES OF MEETINGS

- **2019 Minutes:**

Company	Date of Meeting
Asian Mergers and Acquisition Links Inc.	January 4, 2019 January 7, 2019 January 20, 2019 March 13, 2019 April 2, 2019 April 3, 2019 April 24, 2019 May 10, 2019 June 24, 2019 June 26, 2019 July 8, 2019 August 1, 2019 August 16, 2019 September 4, 2019 September 12, 2019 October 6, 2019 October 13, 2019 October 25, 2019 December 4, 2019 December 12, 2019 December 20, 2019
M&A Links Asia SDN. BHD.	March 4, 2019 March 5, 2019 March 26, 2019 April 18, 2019 June 24, 2019 October 8, 2019 October 9, 2019 December 12, 2019

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

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Makati City 1226 Philippines
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Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Asian Mergers and Acquisition Links Inc.
Unit 8, 3rd Floor Bonifacio Technology Center
31st Street corner 2nd Avenue, Crescent Park West
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

Opinion

We have audited the accompanying consolidated financial statements of Asian Mergers and Acquisition Links Inc. and Subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Group prepared its first consolidated financial statements as at and for the year ended December 31, 2019 as discussed in Note 2.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

- Obtain sufficient 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.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 81207-SEC Group A
Valid until January 29, 2025
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8116474
Issued January 6, 2020, Makati City

May 11, 2020
Makati City, Metro Manila

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019*

	Note	
ASSETS		
Current Assets		
Cash	4	₱19,129,905
Receivables	5	60,321,573
Due from related parties	12	481,193
Other current assets	6	2,694,244
Total Current Assets		82,626,915
Noncurrent Assets		
Property and equipment	8	10,835,913
Deferred tax assets	15	903,933
Total Noncurrent Assets		11,739,846
		₱94,366,761
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	9	₱12,155,001
Due to stockholders	12	22,933,068
Income tax payable		5,199,898
Total Liabilities		40,287,967
Equity		
Capital stock	11	10,000,000
Retained earnings	11	44,265,029
Other comprehensive loss		(186,235)
Total Equity		54,078,794
		₱94,366,761

See accompanying Notes to Consolidated Financial Statements.

*As discussed in Note 1, Asian Mergers and Acquisition Links Inc. obtained control of its subsidiary on March 4, 2019.

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019*

	Note	
SERVICE FEES		₱84,976,983
COST OF SERVICES		
Commission		11,314,351
Professional fees		1,219,895
Depreciation and amortization	8	549,615
		13,083,861
GROSS INCOME		71,893,122
GENERAL AND ADMINISTRATIVE EXPENSES	10	(50,215,854)
INTEREST INCOME	4	50,059
SHARE IN NET LOSS OF AN ASSOCIATE	7	(818,472)
OTHER CHARGES	13	(7,104,469)
INCOME BEFORE INCOME TAX		13,804,386
PROVISION FOR (BENEFIT FROM) INCOME TAX	15	
Current		8,930,098
Deferred		(903,933)
		8,026,165
NET INCOME		5,778,221
OTHER COMPREHENSIVE LOSS (OCL)		
Item to be reclassified to profit or loss -		
Exchange differences on translation of foreign operations		(186,235)
TOTAL COMPREHENSIVE INCOME		₱5,591,986
Total Comprehensive Income Per Share		
Based on weighted average number of shares outstanding	16	₱55.92

See accompanying Notes to Consolidated Financial Statements.

*As discussed in Note 1, Asian Mergers and Acquisition Links Inc. obtained control of its subsidiary on March 4, 2019.

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019*

	Note	
CAPITAL STOCK - ₱100 par value		
Authorized, issued and outstanding - 100,000 shares		
Balance at beginning and end of year		₱10,000,000
RETAINED EARNINGS	11	
Balance at beginning of year		38,486,808
Net income		5,778,221
Balance at end of year		44,265,029
OTHER COMPREHENSIVE LOSS		
Item to be reclassified to profit or loss -		
Cumulative translation adjustments		
Exchange differences on translation of foreign		
operations and balance at end of year		(186,235)
		₱54,078,794

See accompanying Notes to Consolidated Financial Statements.

*As discussed in Note 1, Asian Mergers and Acquisition Links Inc. obtained control of its subsidiary on March 4, 2019.

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019*

	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax		₱13,804,386
Adjustments for:		
Depreciation and amortization	8	3,011,270
Share in net loss of associate accounted for using the equity method	7	818,472
Unrealized foreign exchange loss		427,115
Interest income	4	(50,059)
Operating income before working capital changes		18,011,184
Decrease (increase) in:		
Receivables		(41,505,422)
Other current assets		(5,016,340)
Other noncurrent assets		1,000,221
Increase in accounts and other payables		8,768,242
Net cash used for operations		(18,742,115)
Income taxes paid		(8,756,818)
Interest received		50,059
Net cash used in operating activities		(27,448,874)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	8	(3,232,171)
Increase in due from related parties		(481,193)
Net cash used in investing activities		(3,713,364)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from a stockholder	12	65,245,772
Payments to a stockholder		(47,016,589)
Net cash provided by financing activities		18,229,183
EFFECTS OF EXCHANGE RATE CHANGES ON CASH		(613,350)
NET DECREASE IN CASH		(13,546,405)
CASH AT BEGINNING OF YEAR		32,676,310
CASH AT END OF YEAR		₱19,129,905
NONCASH FINANCIAL INFORMATION		
Additions to property and equipment	12	₱1,024,333
Investment in an associate	12	818,472

See accompanying Notes to Consolidated Financial Statements.

*As discussed in Note 1, Asian Mergers and Acquisition Links Inc. obtained control of its subsidiary on March 4, 2019.

1. Corporate Matters

Corporate Information

Asian Mergers and Acquisition Links Inc. (AMAL or the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 15, 2015. The principal business of AMAL and its subsidiary (collectively referred herein as the "Group") is to provide of business consultancy services.

The Parent Company's primary purpose is to engage in and provide business consultancy services to the general public in connection with the establishment, merger, consolidation and acquisition of corporations, companies, enterprises, or entities engaged in any legitimate business in the Philippines; provided, that the Parent Company shall not act as an investment company or securities broker or dealer, shall not exercise the functions of a trust company, and shall not engage in the management of funds, portfolio, securities and other similar assets of managed entities.

On June 21, 2018, the SEC approved the amendment of Articles of Incorporation changing the Parent Company's principal place of business from Unit 25-D, Fort Palm Springs Bldg., 30th St. cor. 1st Ave., Fort Bonifacio Global City, Taguig City to Unit 8, 3rd Floor Bonifacio Technology Center, 31st Street corner 2nd Avenue, Crescent Park West, Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City.

On August 16, 2019, the Parent Company's stockholders and Board of Directors (BOD) approved the increase in authorized capital stock from ₱10.0 million divided into 100,000 shares at ₱100 per share to ₱150.0 million divided into 150 million shares at ₱1 per share. As at report date, the application for the increase in authorized capital stock and stock split is still in process with the SEC.

On March 4, 2019, M&A Links Asia SDN. BHD. (M&A Links or the Subsidiary) was registered with the Malaysia Registrar of Companies. The Subsidiary is wholly-owned and intended to establish business operations involving consultancy services in Malaysia.

The consolidated financial statements of the Group as at and for the year ended December 31, 2019 was approved and authorized for issue by the BOD on May 11, 2020.

2. Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) issued and approved by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC).

The financial statements of the subsidiary are prepared for the same reporting year as the Parent Company. The Group is using uniformed accounting policies for like transactions and other events in similar circumstances. The consolidated financial statements provide information about the economic activities of the Group. The consolidated financial statements can be obtained at its registered office address.

As discussed in Note 1, in 2019, the Parent Company set up and registered a wholly owned subsidiary in Malaysia. Accordingly, the Group prepared its first consolidated financial statements as at and for the year ended December 31, 2019. No comparative information is available since the Group is in its first year of consolidation.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency. All amounts are rounded to the nearest Philippine Peso except when otherwise indicated.

The consolidated financial statements of the Group have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Further information about the assumptions made in measuring fair value is disclosed in Note 17.

Adoption of New and Amended PFRS

The following new and amended PFRS were adopted by the Group effective for annual periods beginning on or after January 1, 2019:

- PFRS 16, *Leases* – The standard replaced PAS 17, *Leases,* Philippine Interpretation IFRIC 4, *Determining whether an Arrangement contains a Lease,* SIC-15, *Operating Leases-Incentives,* and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.* PFRS 16 requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard provides two recognition exemptions for lessees from this PFRS – leases of low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less).

  At the commencement date of a lease, the lessee shall recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The lessee is required to recognize the interest on the lease liability and to depreciate the right-of-use (ROU) asset.

  The lease liability shall be reviewed when there are changes in the lease term and other events affecting the lease, such as future lease payments resulting from a change in the index or rate used to determine those payments. The remeasurement of the lease liability should be recognized as an adjustment to the ROU asset.

  Lessor accounting under PFRS 16 is substantially unchanged from accounting under PAS 17. Lessors shall continue to classify leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

  The Group used the following practical expedients when applying PFRS 16 to leases previously classified as operating leases under PAS 17.

  - Applied PFRS 16 only to lease agreements that were previously identified as leases applying PAS 17 at the date of initial application.

  - Applied the exemption not to recognize ROU assets and lease liabilities for leases with less than 12 months of lease term.

  - Used hindsight in determining the lease term if the lease agreement contains options to extend or terminate the lease.

The Company elected to use the exemption requirements for short-term leases on the lease of its office and parking spaces and accordingly, the lease payments associated with the relevant leases are expensed on a straight-line basis over the lease term.

- Philippine Interpretation IFRIC 23, *Uncertainty Over Income Tax Treatments* – The interpretation provides guidance on how to reflect the effects of uncertainty in accounting for income taxes under PAS 12, *Income Taxes,* in particular (i) matters to be considered in accounting for uncertain tax treatments separately, (ii) assumptions for taxation authorities' examinations, (iii) determinants of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and (iv) effect of changes in facts and circumstances.

- Amendments to PAS 28, *Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures* – The amendments require entities to use PFRS 9 in accounting for its long-term interests (i.e., preference shares and long-term receivables or loans for which settlement is neither planned nor likely to occur in the foreseeable future) in an associate or joint venture in which the equity method under PAS 28 is not applied. The clarification is relevant because the expected credit loss (ECL) model under PFRS 9 shall be applied to these long-term interests.

The adoption of the foregoing new and amended PFRS did not have any material effect on the consolidated financial statements. Additional disclosures have been included in the notes to consolidated financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS which are not yet effective for the year ended December 31, 2019 and have not been applied in preparing the consolidated financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2020:

- Amendments to References to the Conceptual Framework in PFRS – The amendments include a new chapter on measurement, guidance on reporting financial performance, improved definitions and guidance-in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurements uncertainty in financial reporting. The amendments should be applied retrospectively unless retrospective application would be impracticable or involve undue cost or effort.

- Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material* – The amendments clarify the definition of "material" and how it should be applied by companies in making materiality judgments. The amendments ensure that the new definition is consistent across all PFRS standards. Based on the new definition, an information is "material" if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall 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 amended PFRS is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the notes to consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiary, which it controls as at December 31, 2019. Control is achieved when the Parent Company is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

The subsidiary is consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continues to be consolidated until the date such control ceases. 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 Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

The financial statements of the subsidiary are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When the Parent Company has less than a majority of the voting or similar rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the Parent Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- The contractual arrangement with the other vote holders of the investee;

- Rights arising from other contractual arrangements; or

- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to elements evidencing control.

The assets and liabilities of the foreign subsidiary are translated into presentation currency of the Parent Company at the rate of exchange as at reporting date while the income and expense accounts are translated at the weighted average exchange rates for the year. The resulting translation differences are included in equity under the account "Cumulative translation adjustments."

Financial Assets and Liabilities

Date of Recognition. The Group recognizes a financial asset and financial liability in the consolidated statement of financial position when it becomes a party to those 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. 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 or loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction price 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 of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through other comprehensive income (FVOCI) and, (c) financial assets at FVPL. Financial liabilities, on the other hand, are classified under the following categories: (a) financial liabilities at amortized cost, (b) financial liabilities at FVPL.

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

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.

This category includes cash, receivables, due from related parties and rent deposit (included under "Other current assets" account).

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.

This category includes accounts and other payables (excluding statutory payables and deferred output value-added tax (VAT)) and due to stockholders.

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 the difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

Impairment of Financial Assets at Amortized Cost

The Group recognizes an allowance for ECL for financial assets carried at amortized cost 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 applies the simplified approach in measuring ECL. Simplified approach requires that ECL should always be based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost which mainly comprise of cash in banks, due from related parties and rent deposit, the Group applies the general approach in measuring the ECL. The ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL 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 consolidated statement of comprehensive income.

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.

Offsetting of Financial Assets and Liabilities
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement 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 consolidated statement of financial position.

Other Current Assets
Other current assets mainly consist of rent deposit, prepayments, and current portion of deferred input VAT.

Prepayments. Prepayments are expenses paid in advance and recorded as an asset before these are utilized. These are carried at cost and are amortized on a straight-line basis over the period of expected usage, which is equal to or less than 12 months or within the normal operating cycle.

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods. Deferred input VAT with an aggregate acquisition cost (exclusive of VAT) in each of the calendar months exceeding ₱1.0 million are claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million, the total input VAT will be allowable as credit against output VAT in the month of acquisition. Deferred input VAT on capital goods is classified as current assets if it is expected to be claimed against output VAT for no more than 12 months after the reporting date. Otherwise, it is classified as noncurrent asset.

Investment in an Associate
The Group's investment in an associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, investment in an associate is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate.

The consolidated statement of comprehensive income reflects the share in the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group recognizes its share of loss in associate only up to extent of its interest in the associate. Additional losses and related liability can only be recognized up to the extent that the Group has a legal or constructive obligation to compensate such excess losses. And if the associate reports profit in the subsequent periods, the Group shall recognize its share of profit after its share of losses not recognized.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over an associate, the Group measures and recognizes any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment losses.

The initial cost of property and equipment comprises its purchase price, including import duties and nonrefundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs, maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted to an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated and amortized separately.

Depreciation and amortization are calculated on a straight-line method over the estimated useful lives of the property and equipment as follows:

Asset Type	Number of Years
Transportation equipment	5
Computer equipment	5
Furniture and fixtures	5
Office equipment	5
Leasehold improvements	5 or lease term whichever is lower

The estimated useful lives, depreciation and amortization methods are reviewed periodically to ensure that the periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or otherwise disposed of, both the cost and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is recognized in profit or loss.

Fully depreciated and amortized assets are retained as property and equipment until these are no longer in use.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the recoverable amount of these nonfinancial assets. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used. Impairment losses are recognized in the consolidated statement of comprehensive income.

An assessment is made for nonfinancial assets at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. Any 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 and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements comprehensive of income.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and paid.

Retained Earnings. Retained earnings include accumulated results of operations attributable to the Group's stockholders.

OCL

OCL comprises of items of expenses that are not recognized in profit or loss for the year in accordance with PFRS. OCL of the Group pertains to cumulative translation adjustments.

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 also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

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

Service Fee. Revenue is recognized at a point in time upon successful rendering of related consultancy services as stipulated in a final contract of agreement between parties.

Interest Income. Interest income is recognized as the interest accrues taking into account the effective yield on the assets, net of final tax.

Other Income. Income from other sources is recognized when earned during the period.

<u>Cost and Expense Recognition</u>
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.

Cost of Services. Cost of services are recognized as expense when the related services are rendered.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are expensed as incurred.

Other Charges. Other charges are incidental charges in the normal course of operations and are expensed as incurred.

<u>Leases</u>
The Group assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and

ii. the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis of accounting as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

<u>Foreign Currency Translation and Transactions</u>
The functional currency of the Parent Company is the Philippine Peso while its subsidiary and associate is the Malaysian Ringgit and Thailand Baht, respectively. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of the subsidiary and associate are translated into Philippine Peso at the rate of exchange ruling at the reporting date and income and expenses are translated to Philippine Peso at monthly average exchange rates. The exchange differences arising on the translation are taken directly to OCL and presented as a separate component of equity under the "Cumulative translation adjustments" account.

Transactions in foreign currencies are initially recorded in Philippine Peso using the prevailing exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency rate of exchange at the reporting date. Foreign exchange differences between the rate at transaction date and settlement date or reporting date are credited to or charged against profit or loss. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the dates of initial transactions.

Income Taxes

Current Income Tax. Current income tax liability for the current period is measured at the amount expected to be paid to the taxation authorities. The income tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Income Tax. Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except when the taxable temporary difference is associated with interests in associates and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all temporary differences and carry forward benefits of 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 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 income 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.

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

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.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in relation to the underlying transaction either in OCI or directly in equity.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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 or common significant influence.

Provisions
Provisions, if any, are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed 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 consolidated financial position at the reporting date (adjusting events), are reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to exercise judgments, make accounting estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. The judgments and estimates used in the consolidated financial statements are based on management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgment and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Identifying Performance Obligations and Recognizing Revenue from Contracts with Customers under PFRS 15. The Group determined that each of the performance obligations is capable of being distinct. For service revenue, the key performance obligation of the Group is considered to be at a point in time when contractual obligations are fulfilled, as this is deemed to be the time that the customer obtains control of the services.

Service fees recognized amounted to ₱85.0 million in 2019.

Determining Functional Currency. The Group determined its functional currency to be the Philippine Peso. The determination of functional currency was based on the primary economic environment in which the Group generates and expends cash.

Accounting for Lease Commitments- The Group as Lessee. The Group has various lease arrangements for its office and parking spaces covering a period of one year and renewable upon mutual agreement of the Group and its lessor. The Group elected to use the exemption requirements for short-term leases and expensed out lease payments rather than recognize an ROU asset and a lease liability at the date of initial application. PFRS 16 defines a short-term lease as one that has a lease term of 12 months or less without any purchase options. Although the Group's 12-month lease contracts are renewable, it is crucial that extension or termination options are enforceable, (i.e. they can be exercised by a lessee without any consent by the lessor). The renewal options stated in the lease contracts are dependent upon mutual agreement of both parties. Accordingly the lease payments associated with the relevant leases are expensed on a straight-line basis over the lease term.

Rent expense amounted to ₱5.2 million in 2019 (see Note 14).

Determining Control or Significant Influence over an Investee Company. Control is presumed to exist when an investor has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group has assessed it has control over its subsidiary.

On the other hand, significant influence is presumed to exist when an investor holds, directly or indirectly through subsidiaries, 20% or more of the voting power of the investee, unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the entity will be presumed not to have significant influence unless such influence can be clearly demonstrated.

The Group has a 24.99% ownership interest in Asia M&A Partner Co., Ltd as at December 31, 2019 (see Note 7).

Estimates and Assumptions

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

Assessing ECL on Financial Assets at Amortized Cost. The Group estimates ECL on trade receivables using the simplified approach which requires that ECL should always be based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost, the Group applies the general approach in measuring the ECL. The Group assessed that cash in banks are deposited with reputable counterparty banks that possess good credit ratings. For rent deposits (included under "other current assets" account), the Group considered the financial capacity of the lessors to refund the deposits once the lease agreement has been terminated. For related party balances, the Group considered the available liquid assets of the related parties.

The Group assesses that a financial asset is considered credit impaired when one or more events that have a detrimental effect on the estimated future cash flows of the asset have occurred such as significant financial difficulty or debtor cessation of operations.

Allowance for impairment losses on receivables amounted to ₱2.6 million at December 31, 2019 (see Note 5).

In 2019, the Group wrote off due from related parties amounting to ₱59,378 (see Note 12).

The carrying amounts of financial assets at amortized cost as at December 31, 2019 are as follows:

	Note	
Cash in banks	4	₱18,915,976
Receivables	5	60,321,573
Due from related parties	12	481,193
Rent deposits*	14	2,053,744

**Included under "Other current assets" account*

Estimating the Useful Lives of Property and Equipment. The Group estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The Group reviews annually the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes and anticipated use of the assets.

There were no changes in the estimated useful lives of property and equipment in 2019. The carrying amount of the Group's property and equipment amounted to ₱10.8 million as at December 31, 2019 (see Note 8).

Assessing Impairment on Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case, it will be written down to its recoverable amount. The factors that the Group considers important which could trigger impairment review include the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

No impairment loss was recognized in 2019.

The carrying amounts of the Group's nonfinancial assets as at December 31, 2019 are as follows:

	Note	
Property and equipment	8	₱10,835,913
Other current assets*	6	640,500

**Excluding rent deposit.*

Assessing Realizability of Deferred Tax Asset. The Group reviews its deferred tax asset 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 asset to be utilized. The amount of recognized deferred tax asset is based upon the likely timing and level of future taxable profits together with the future tax planning strategies to which the deferred income tax asset can be utilized.

Deferred tax asset amounted to ₱0.9 million as at December 31, 2019 (see Note 15).

4. Cash

As at December 31, 2019, this account consists of:

Cash on hand	₱213,929
Cash in banks	18,915,976
	₱19,129,905

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned amounted to ₱50,059 in 2019.

5. Receivables

As at December 31, 2019, this account consists of:

Trade receivables	₱61,933,150
Advances to employees	302,110
Others	664,390
	62,899,650
Less allowance for impairment losses	2,578,077
	₱60,321,573

Trade receivables from customers are unsecured and noninterest-bearing and are generally collected within 30 days term upon execution of an agreement, contract, note or memoranda.

Advances to employees are cash advances which are unsecured, noninterest-bearing and are settled through salary deduction within one year.

Other receivables are reimbursements due from serviced clients which are usually due within 30 days and are unsecured and noninterest-bearing.

In 2019, the Group provided an allowance for impairment losses amounting to ₱2.6 million (see Note 10).

6. Other Current Assets

As at December 31, 2019, this account consists of:

	Note	
Rent deposits	14	₱2,053,744
Prepayments		435,517
Deferred input VAT		18,611
Others		186,372
		₱2,694,244

7. Investment in an Associate

In April 2019, the Parent Company purchased 4,997 ordinary shares or 24.99% ownership of Asia M&A Partner Co., Ltd., a company primarily engaged in the business of providing consultancy services in Thailand.

Details of the investment as at December 31, 2019 are as follows:

	Amount
Acquisition cost:	
Balance at beginning of year	₱–
Additions	818,472
Balance at end of year	818,472
Accumulated equity in associate:	
Balance at beginning of year	–
Share in net loss	(818,472)
Balance at end of year	(818,472)
Carrying amount	₱–

In 2019, the Group recognized its share in net loss of an associate only up to extent of its interest in the associate of ₱0.8 million.

The financial information of the associate prepared on the historical basis of accounting as at and for the year ended December 31, 2019 is as follows:

	Amount
Current assets	₱12,906,012
Noncurrent assets	1,052,053
Current liabilities	2,137,597
Noncurrent liabilities	12,548,359
Net loss	(4,048,244)
Total comprehensive loss	(4,017,303)

AMAL has not entered into any capital commitments in relation to its investment in an associate and did not receive any dividends from the associate as at December 31, 2019.

8. Property and Equipment

As at December 31, 2019, the composition of and movements in this account are as follows:

	Transportation Equipment	Computer Equipment	Furniture and Fixtures	Office Equipment	Leasehold Improvements	Total
Cost						
Balance at beginning of year	₱9,149,266	₱2,037,913	₱829,526	₱655,183	₱327,857	₱12,999,745
Additions	2,114,490	1,656,283	121,022	306,059	58,650	4,256,504
Balance at end of year	11,263,756	3,694,196	950,548	961,242	386,507	17,256,249
Accumulated Depreciation and Amortization						
Balance at beginning of year	2,608,916	369,864	205,256	187,613	37,417	3,409,066
Depreciation and amortization	1,755,314	164,466	187,180	555,220	349,090	3,011,270
Balance at end of year	4,364,230	534,330	392,436	742,833	386,507	6,420,336
Carrying Amount	₱6,899,526	₱3,159,866	₱558,112	₱218,409	₱–	₱10,835,913

Depreciation and amortization charged to operations in 2019 are as follows:

	Note	
Cost of services		₱549,615
General and administrative expenses	10	2,461,655
		₱3,011,270

9. Accounts and Other Payables

As at December 31, 2019, this account consists of:

Accounts payable	₱829,212
Deferred output VAT	5,233,144
Accrued expenses	4,385,998
Statutory payables	1,694,093
Others	12,554
	₱12,155,001

Accounts payable mainly include payables to suppliers and service providers. These payables are expected to be settled in the next financial year.

Deferred output VAT represents the VAT on services rendered that have not been collected as at reporting date. These become payable to Bureau of Internal Revenue once collected.

Accrued expenses mainly pertain to bonus given for executed final contracts which are noninterest-bearing and are generally settled within one year.

Statutory payables include payables to other government agencies and are due within 30 days.

10. General and Administrative Expenses

As at December 31, 2019, this account consists of:

	Note	
Salaries and other benefits		₱24,132,512
Rent	14	5,209,400
Provision for impairment loss on trade receivables	5	2,578,077
Depreciation and amortization	8	2,461,655
Transportation and travel		2,085,344
Representation		1,933,946
Dues and subscriptions		1,925,496
Professional fees		1,851,452
Communications		1,578,937
Utilities		1,511,906
Taxes and licenses		1,093,356
Supplies		681,829
Write-off of due from a related party	12	59,378
Others		3,112,566
		₱50,215,854

11. Equity

Application for Increase in Authorized Capital Stock and Stock Split

On December 4, 2019, AMAL's stockholders and BOD approved the increase in authorized capital stock from ₱10.0 million divided into 100,000 shares at ₱100 per share to ₱150.0 million divided into 150 million shares at ₱1 per share. Out of the increase of ₱140.0 million, ₱38.0 million of which has been subscribed and will be paid through stock dividends. As at report date, the application for the increase in authorized capital stock and stock split is still in process with the SEC.

The stock split has no dilutive effect on the proportionate percentage ownership of the shareholders.

Retained Earnings

As at December 31, 2019, the Parent Company's unappropriated retained earnings is in excess of its paid-up capital. Under the Philippine Corporation Code (Code), a stock corporation is prohibited from retaining surplus profits in excess of 100% of its paid-up capital, except when justified by any of the reasons mentioned in the Code. The Group intends to use the unappropriated retained earnings for future declaration of dividends.

12. Related Party Transactions

The Group, in its regular conduct of business, has transactions with its related parties. The following tables summarize the transactions with the related parties and outstanding balance arising from these transactions.

	Nature of Transactions	Amount of Transactions	Outstanding Balances
Due from related parties			
Entity under common control	Advances for working capital	₱481,193	₱481,193
Accounts and other payables			
Key management personnel	Commission	₱6,532,748	₱2,813,612
Due to stockholders	Advances for working capital	₱65,245,772	₱21,090,263
	Acquisition of property and equipment	1,024,333	1,024,333
	Investment in an associate	818,472	818,472
			₱22,933,068

Terms and Conditions of Transactions with Related Parties

Outstanding balances are unsecured, noninterest-bearing, collectible or payable on demand and settlement is made in cash.

The Group wrote off due from a related party amounting to ₱59,378 in 2019 (see Note 10). This assessment is undertaken each financial year through examining the consolidated financial position of the related party and the market in which the related party operates. The Group considered the available liquid assets of the related parties.

Key Management Compensation

The compensation of key management personnel amounted to ₱7.1 million in 2019.

13. Other Charges

As at December 31, 2019, this account consists of:

Loss on theft	₱6,287,726
Changes in foreign exchange rate	816,743
	₱7,104,469

In 2019, the Company uncovered an incident of cybercrime offense that facilitated an unauthorized bank transfer which resulted to a loss of ₱6.3 million.

14. Operating Lease Agreements

In 2019, the Group leased new office premises for a period of one year, which is subject to renewal or extension at the option of the Group and its lessor. The contract provides for a monthly rental and requires a fixed amount of security deposit.

Rent expense pertains to short-term leases with remaining lease term of 12 months or less from January 1, 2019. Rent expense charged in the consolidated statement of comprehensive income from these contracts amounted to ₱5.2 million in 2019. Rent deposits on lease contracts amounting to ₱2.1 million as at December 31, 2019 are refundable upon termination of the lease agreement (see Note 6).

15. Income Taxes

The Group's provision for current income tax represents regular corporate income tax in 2019. The Group's effective tax rate is affected by tax rate in foreign subsidiary of 24%.

The reconciliation between the provisions for income tax at statutory tax rate shown and effective tax rate follows:

Provision for income tax at statutory rate	₱4,141,316
Tax effects of:	
Nondeductible expenses	3,643,272
Share in net loss of an associate	245,542
Interest income already subjected to final tax	(3,965)
Provision for income tax at effective rate	₱8,026,165

The components of the Group's deferred tax assets as at December 31, 2019 are as follows:

Allowance for impairment loss	₱773,423
Unrealized foreign exchange loss	130,510
	₱903,933

16. Total Comprehensive Income Per Share and Book Value Per Share Computation

Total comprehensive income per share as at December 31, 2019 is computed as follows:

(a) Total comprehensive income attributable to equity holders of the Parent Company	₱5,591,986
(b) Weighted average number of shares outstanding	100,000
Basic/diluted earnings per share (a/b)	₱55.92

The Group has no dilutive potential common shares outstanding, therefore basic earnings per share is the same as diluted earnings per share.

Book value per share as at December 31, 2019 is computed as follows:

(a) Total equity	₱54,078,794
(b) Total number of shares outstanding at end of year	100,000
Book value per share (a/b)	₱540.79

17. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash, receivables, due from related parties, rent deposits (included under "Other current assets" account), accounts and other payables (excluding statutory payables and deferred output VAT) and due to stockholders. The main purpose of these financial instruments is to provide funds for the Group's operations.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and manage the Group's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Group's activities.

The main risks arising from the financial instruments of the Group are credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of the risks.

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. The Group's exposure to credit risk arises primarily from receivables.

With respect to credit risk arising from cash in banks, receivables, due from related parties and rent deposits (included under "Other current assets" account), the Group's exposure arises from the default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The analyses of financial assets as at December 31, 2019 are as follows:

	12-month ECL	Lifetime ECL	Purchased or Credit-impaired	Lifetime ECL Simplified Approach	Total
Cash in banks	₱18,915,976	₱–	₱–	₱–	₱18,915,976
Receivables	–	–	–	62,899,650	62,899,650
Due from related parties	481,193	–	–	–	481,193
Rent deposits*	2,053,744	–	–	–	2,053,744
	₱21,450,913	₱–	₱–	₱62,899,650	₱84,350,563

**Included under "Other current assets" account.*

Credit Quality of Financial Assets. The credit quality of the Group's financial assets is being managed by using internal credit ratings such as high grade and standard grade.

High Grade - pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions, companies and government agencies.

Standard grade - include financial assets that are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from counter party.

The table below shows the credit quality per class of financial assets as at December 31, 2019:

	Neither Past Due Nor Impaired		Past Due But		
	High Grade	Standard Grade	Not Impaired	Impaired	Total
Cash in banks	₱18,915,976	₱–	₱–	₱–	₱18,915,976
Receivables	32,990,938	302,110	27,028,525	2,578,077	62,899,650
Due from related parties	481,193	–	–	–	481,193
Rent deposits*	2,053,744	–	–	–	2,053,744
	₱54,441,851	₱302,110	₱27,028,525	₱2,578,077	₱84,350,563

**Included under "Other current assets" account.*

With the exception of receivables, which are always subject to lifetime ECL, the Group's financial assets at amortized cost have been subjected to 12-month ECL because there is no significant increase in credit risk.

Significant Increase in Credit Risk. 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 reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Default. The Group considers a financial asset in default when contractual payments are 90 days past due, unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Generally, receivables are written off if collection cannot be made despite exhausting all extra-judicial and legal means of collection.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Management is responsible for liquidity, funding as well as settlement management. In addition, liquidity and funding risk, related processes and policies are overseen by the management. The Group manages its liquidity risk based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The Group also maintains a balance between continuity of funding and flexibility. The policy of the Group is to first exhaust lines available from related parties before local bank lines are availed of. The Group seeks to manage its liquid funds through cash planning on a weekly basis. The Group uses historical figures and experiences and forecasts from its cash receipts and disbursements. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities.

The tables below summarize the maturity profile of the Group's financial liabilities based on undiscounted cash flows as at December 31, 2019:

	On Demand	Less than 1 Year	More than 1 Year up to 3 Years	More than 3 Years	Total
Accounts and other payables*	₱–	₱5,227,764	₱–	₱–	₱5,227,764
Due to stockholders	22,269,023	–	664,045	–	22,933,068
	₱22,269,023	₱5,227,764	₱664,045	₱–	₱28,160,832

**Excluding statutory payables and deferred output VAT amounting to ₱6.9 million.*

Fair Value Measurement

The carrying amounts of the Group's financial instruments approximate their fair values due to their short-term nature and maturities or its demand feature. There were no transfers between levels in the fair value hierarchy as at December 31, 2019.

Capital Management

The primary objective of the Group's capital management is to ensure that the Group has sufficient funds in order to support its business, pay existing obligations and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, based on changes in economic conditions. To manage or adjust the capital structure, the Group may obtain additional advances from the Group's stockholders or adjust the return of capital to the Group's stockholders. The Group considers its equity as its economic capital. No changes were made in the objectives, policies or processes in 2019. The Group monitors capital using the monthly cash position report and financial statements. The Group is not subject to externally-imposed capital requirements.

18. Event After the Reporting Period

The country is currently experiencing a pandemic virus crisis resulting in a slowdown in the Philippine economy because of the mandated lockdowns enforced across the country. While the financial impact is considered a non-adjusting event as at December 31, 2019, the effect on Group operations and financial performance, however, cannot be reasonably determined as at report date.

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

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

The Stockholders and the Board of Directors
Asian Mergers and Acquisition Links Inc.
Unit 8, 3rd Floor Bonifacio Technology Center
31st Street corner 2nd Avenue, Crescent Park West
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

We have audited the accompanying consolidated financial statements of Asian Mergers and Acquisition Links Inc. (the Company) and Subsidiary as at and for the year ended December 31, 2019, on which we have rendered our report dated May 11, 2020.

In compliance with Revised Securities Regulations Code Rule 68, we are stating that the Company has one (1) stockholder owning one hundred (100) or more shares.

REYES TACANDONG & CO.

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 81207-SEC Group A
Valid until January 29, 2025
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8116474
Issued January 6, 2020, Makati City

May 11, 2020
Makati City, Metro Manila

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-3 (Group A)
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Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

The Stockholders and the Board of Directors
Asian Mergers and Acquisition Links Inc.
Unit 8, 3rd Floor Bonifacio Technology Center
31st Street corner 2nd Avenue, Crescent Park West
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Asian Mergers and Acquisition Links Inc. and Subsidiary as at and for the year ended December 31, 2019, and have issued our report thereon dated May 11, 2020. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Supplementary Schedule of Retained Earnings Available for Dividend Declaration as at December 31, 2019 is the responsibility of the Group's management. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic consolidated financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

REYES TACANDONG & CO.

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 81207-SEC Group A
Valid until January 29, 2025
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8116474
Issued January 6, 2020, Makati City

May 11, 2020
Makati City, Metro Manila

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARY

PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2019

	Amount
Retained earnings available for dividend declaration as shown in the separate financial statements at beginning of year	₱38,486,808
Net income earned during the year	9,757,821
Movement in deferred tax assets	(903,933)
Net income actually earned during the year	8,853,888
Retained earnings available for dividend declaration at end of year	₱47,340,696

RECONCILIATION:

	Amount
Retained earnings, beginning as shown in the separate statements of financial position	₱38,486,808
Retained earnings, ending as shown in the separate statements of financial position	₱48,244,629
Deferred tax assets at end of year	(903,933)
Retained earnings available for dividend declaration at end of year	₱47,340,696

The Parent Company intends to apply the unappropriated retained earnings against the planned declaration of stock dividends upon approval by SEC of its application for increase in authorized capital stock.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 5 0 9 5 3 6

COMPANY NAME

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARIES

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

UNIT 8, 3RD FLOOR BONIFACIO TECHNOLOGY CENTER, 31ST STREET CORNER 2ND AVENUE, CRESCENT PARK WEST, BONIFACIO GLOBAL CITY, BRGY. FORT BONIFACIO, TAGUIG CITY

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
david@asian-ma.com	(02) 8-865-1069	09173227901

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
5	Every second Friday of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Shaela Mae M. Claveria	claveria@asian-ma.com	(02) 8-865-1069	+63977-811-4614

CONTACT PERSON'S ADDRESS

Unit 8, 3rd Floor Bonifacio Technology Center, 31st Street corner 2nd Avenue, Crescent Park West, Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

NOTE 1*: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within 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 shall not excuse the corporation from liability for its deficiencies.*

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Asian Mergers and Acquisition Links Inc.
Unit 8, 3rd Floor Bonifacio Technology Center
31st Street corner 2nd Avenue, Crescent Park West
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

Opinion

We have audited the accompanying consolidated financial statements of Asian Mergers and Acquisition Links Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Emphasis of Matter

In March 2020, the novel coronavirus was declared to be a global pandemic resulting to a slowdown in the Philippine economy because of mandated lockdowns all over the country. This resulted to a decline in the Group's service revenue in 2020. The Group, however, has continued to tap potential clients and expects a positive outlook from its on-going projects. Moreover, the Group's stockholder has continued to provide the necessary financial support to sustain its operations (see Note 1). Accordingly, our opinion is not modified in respect of this matter.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

- Obtain sufficient 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 audits.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 81207-SEC Group A
Issued January 30, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8534275
Issued January 5, 2021, Makati City

March 5, 2021
Makati City, Metro Manila

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2020**	2019
ASSETS			
Current Assets			
Cash	4	**₱19,955,689**	₱19,129,905
Receivables	5	**1,162,682**	60,321,573
Due from related parties	14	**694,757**	481,193
Other current assets	6	**8,586,760**	2,694,244
Total Current Assets		**30,399,888**	82,626,915
Noncurrent Assets			
Investment in an associate	7	**–**	–
Advances for investment purposes	14	**11,000,300**	–
Property and equipment	8	**8,189,849**	10,835,913
Deferred tax assets	17	**15,458,422**	903,933
Other noncurrent assets	9	**430,185**	–
Total Noncurrent Assets		**35,078,756**	11,739,846
		₱65,478,644	₱94,366,761
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	10	**₱7,941,598**	₱12,155,001
Due to stockholders	14	**28,845,066**	22,933,068
Income tax payable		**–**	5,199,898
Total Current Liabilities		**36,786,664**	40,287,967
Noncurrent Liability			
Retirement liability	13	**50,042**	–
Total Liabilities		**36,836,706**	40,287,967
Equity			
Capital stock	11	**32,500,000**	10,000,000
Retained earnings (Deficit)		**(3,331,562)**	44,265,029
Other comprehensive loss		**(526,500)**	(186,235)
Total Equity		**28,641,938**	54,078,794
		₱65,478,644	₱94,366,761

See accompanying Notes to Consolidated Financial Statements.

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31 2020	2019
SERVICE FEES		**₱10,748,380**	₱84,976,983
COST OF SERVICES			
Commission		**5,262,768**	11,314,351
Professional fees		**1,235,934**	1,219,895
Depreciation and amortization	8	**717,627**	549,615
		7,216,329	13,083,861
GROSS INCOME		**3,532,051**	71,893,122
GENERAL AND ADMINISTRATIVE EXPENSES	12	**(66,457,701)**	(50,215,854)
INTEREST INCOME	4	**27,027**	50,059
SHARE IN NET LOSS OF AN ASSOCIATE	7	**–**	(818,472)
OTHER INCOME (CHARGES) - Net	15	**827,140**	(7,104,469)
INCOME (LOSS) BEFORE INCOME TAX		**(62,071,483)**	13,804,386
PROVISION FOR (BENEFIT FROM) INCOME TAX	17		
Current		**79,597**	8,930,098
Deferred		**(14,554,489)**	(903,933)
		(14,474,892)	8,026,165
NET INCOME (LOSS)		**(47,596,591)**	5,778,221
OTHER COMPREHENSIVE LOSS (OCL)			
Item to be reclassified to profit or loss -			
Exchange differences on translation of foreign operations		**(340,265)**	(186,235)
TOTAL COMPREHENSIVE INCOME (LOSS)		**(₱47,936,856)**	₱5,591,986
Total Comprehensive Income (Loss) Per Share			
Based on weighted average number of shares outstanding	18	**(₱0.47)**	₱55.92

See accompanying Notes to Consolidated Financial Statements.

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31	
	Note	**2020**	2019
CAPITAL STOCK	11		
Balance at beginning of year		**₱10,000,000**	₱10,000,000
Additions		**22,500,000**	–
Balance at end of year		**32,500,000**	10,000,000
RETAINED EARNINGS (DEFICIT)			
Balance at beginning of year		**44,265,029**	38,486,808
Net income (loss)		**(47,596,591)**	5,778,221
Balance at end of year		**(3,331,562)**	44,265,029
OTHER COMPREHENSIVE LOSS			
Item to be reclassified to profit or loss - Cumulative translation adjustments			
Balance at beginning of year		**(186,235)**	–
Exchange differences on translation of foreign operations		**(340,265)**	(186,235)
Balance at end of year		**(526,500)**	(186,235)
		₱28,641,938	₱54,078,794

See accompanying Notes to Consolidated Financial Statements.

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**(₱62,071,483)**	₱13,804,386
Adjustments for:			
Loss on write-off of receivables	5	**10,526,940**	–
Depreciation and amortization	8	**3,166,025**	3,011,270
Loss on write-off of surety deposits	15	**638,819**	–
Unrealized foreign exchange loss		**271,064**	427,115
Interest income s	4	**(27,027)**	(50,059)
Loss on write-off of property and equipment	8	**13,966**	–
Loss on write-off of due from a related party	14	**1,423**	59,378
Share in net loss of associate accounted for using the equity method	7	**–**	818,472
Operating income (loss) before working capital changes		**(47,480,273)**	18,070,562
Decrease (increase) in:			
Receivables		**48,631,951**	(41,505,422)
Other current assets		**(6,610,932)**	(5,016,340)
Other noncurrent assets		**(430,185)**	1,000,221
Increase (decrease) in:			
Accounts and other payables		**(4,213,403)**	8,768,242
Retirement liability		**50,042**	–
Net cash used for operations		**(10,052,800)**	(18,682,737)
Income taxes paid		**(5,199,898)**	(8,756,818)
Interest received		**27,027**	50,059
Net cash used in operating activities		**(15,225,671)**	(27,389,496)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances for investment purposes	14	**(11,000,300)**	–
Increase in due from related parties		**(5,270,982)**	(540,571)
Acquisitions of property and equipment	8	**(533,927)**	(3,232,171)
Cash used in investing activities		**(16,805,209)**	(3,772,742)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from a stockholder	14	**44,885,903**	65,245,772
Payments to a stockholder		**(17,043,360)**	(47,016,589)
Proceeds from issuance of new shares	11	**5,625,450**	–
Net cash provided by financing activities		**33,467,993**	18,229,183
EFFECTS OF EXCHANGE RATE CHANGES ON CASH		**(611,329)**	(613,350)
NET INCREASE (DECREASE) IN CASH		**825,784**	(13,546,405)
CASH AT BEGINNING OF YEAR		**19,129,905**	32,676,310
CASH AT END OF YEAR		**₱19,955,689**	₱19,129,905
NONCASH FINANCIAL INFORMATION	14		
Debt-to-equity conversion		**₱16,874,550**	₱–
Assignment of due from a related party		**5,055,995**	–
Additions to property and equipment		**–**	1,024,333
Investment in an associate		–	818,472

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Matters

Corporate Information

Asian Mergers and Acquisition Links Inc. (AMAL or the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 15, 2015. The principal business of AMAL and its subsidiaries (collectively referred herein as the "Group") is to provide business consultancy services.

The Parent Company's primary purpose is to engage in and provide business consultancy services to the general public in connection with the establishment, merger, consolidation and acquisition of corporations, companies, enterprises, or entities engaged in any legitimate business in the Philippines; provided, that the Parent Company shall not act as an investment company or securities broker or dealer, shall not exercise the functions of a trust company, and shall not engage in the management of funds, portfolio, securities and other similar assets of managed entities.

The Parent Company's registered office address is at Unit 8, 3rd Floor Bonifacio Technology Center, 31st Street corner 2nd Avenue, Crescent Park West, Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City.

Status of Operations

In March 2020, the novel coronavirus was declared to be a global pandemic resulting to a slowdown in the Philippine economy because of mandated lockdowns all over the country. This resulted to a decline in the Group's service revenue in 2020. The Group, however, has continued to tap potential clients and expects for a positive outlook from its on-going projects. Moreover, the Group's stockholder has continued to provide the necessary financial support to sustain its operations.

Increase in Authorized Capital Stock and Stock Split

On December 4, 2019, the Parent Company's stockholders and Board of Directors (BOD) approved the increase in authorized capital stock from ₱10.0 million divided into 100,000 shares at ₱100 per share to ₱150.0 million divided into 150 million shares at ₱1 per share.

On December 11, 2020, the Parent Company's stockholders and BOD approved the amendment in the previous increase in authorized capital stock from ₱150.0 million divided into 150 million shares at ₱1 per share to ₱100.0 million divided into one (1) billion shares at ₱0.10 per share.

AMAL filed the application for a 1,000-for-1 stock split and increase in authorized capital stock with the SEC. On December 28, 2020, the SEC approved its application, whereby its capital stock would be ₱100.0 million divided into 1 billion common shares at ₱0.10 per share. The stock split has no dilutive effect on the proportionate percentage ownership of the shareholders.

AMAL's Subsidiaries as at December 31, 2020 and 2019

On March 4, 2019, AMAL incorporated and registered M&A Links Asia SDN. BHD. (M&A Links Asia) with the Malaysia Registrar of Companies. M&A Links Asia is wholly-owned and intended to establish business operations in Malaysia.

On February 3, 2020, AMAL incorporated and registered Asian M&A Links Co., Ltd. (Asian M&A Links) with the Department of Planning and Investment in Vietnam. Asian M&A Links is wholly-owned and intended to establish business operations in Vietnam.

The Parent Company and its subsidiaries are collectively referred herein as the "Group".

The consolidated financial statements of the Group as at and for the years ended December 31, 2020 and 2019 were approved and authorized for issue by the BOD on March 5, 2021.

2. **Summary of Significant Accounting Policies**

Basis of Preparation

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) issued and approved by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee (IFRIC).

As of December 31, 2020 and 2019, AMAL qualifies as a small entity based on the criteria set by the SEC. However, the Parent Company availed of the exemption from the mandatory adoption of PFRS for Small Entities on the basis that the Group is in the process of preparing for its planned issuance of equity instruments in the public market. Accordingly, the Group prepared its consolidated financial statements in accordance with full PFRS starting January 1, 2019.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company. The Group is using uniform accounting policies for like transactions and other events in similar circumstances. The consolidated financial statements provide information about the economic activities of the Group. The consolidated financial statements can be obtained at its registered office address.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency. All amounts are rounded to the nearest Philippine Peso except when otherwise indicated.

The consolidated financial statements of the Group have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Further information about the assumptions made in measuring fair value is disclosed in Note 19.

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS.

Effective for annual periods beginning on or after January 1, 2020:

- Amendments to References to the Conceptual Framework in PFRS – The amendments include new concepts affecting measurement, presentation and disclosure and derecognition; improved definitions and guidance-in particular the definition of an asset and a liability; and clarifications in important areas, such as the roles of stewardship, prudence, measurement uncertainty and substance over form in financial reporting.

- Amendments to PFRS 3 - *Definition of a Business* – This amendment provides an improved definition of a "business" which emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. To be considered a business, 'an integrated 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 an output'. The clarification is important because an acquirer may recognize goodwill (or a bargain purchase) when acquiring a business but not a group of assets. An optional simplified assessment (the concentration test) has been introduced to help companies determine whether an acquisition is of a business or a group of assets.

- Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material* – The amendments clarify the definition of "material" and how it should be applied by companies in making materiality judgments. The amendments ensure that the new definition is consistent across all PFRS standards. Based on the new definition, an information is "material" if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Effective for annual periods beginning on or after June 1, 2020 -

- Amendments to PFRS 16, Leases – *Covid-19 Related Rent Concessions* – The amendments provide practical expedient to lessees from applying the requirements on lease modifications under PFRS 16 for eligible rent concessions that is a direct consequence of COVID-19 pandemic. A lessee may elect not to assess whether eligible rent concessions from a lessor is a lease modification. A lessee that makes this election account for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment. The amendments do not affect lessors. Earlier application of the amendments is permitted.

The adoption of the foregoing amended PFRS did not have any material effect on the consolidated financial statements. Additional disclosures have been included in the notes to consolidated financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at December 31, 2020 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* – The amendments replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendment included an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* or IFRIC 21, *Levies,* instead of the Conceptual Framework. The requirement would ensure that the liabilities recognized in a business combination would remain the same as those recognized applying the current requirements in PFRS 3. The amendment also added an explicit statement that contingent assets acquired in a business combination should not be recognized by an acquirer. The amendments should be applied prospectively.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are fist applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS 2018 to 2020 Cycle:

  - Amendments to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendments apply to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

  - Amendments to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

Effective for annual periods beginning on or after January 1, 2023 -

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the notes to consolidated financial statements, as applicable.

Basis of Consolidation
The consolidated financial statements include the accounts of the Parent Company and its subsidiaries, which it controls as at December 31, 2020. Control is achieved when the Parent Company is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continues to be consolidated until the date such control ceases. 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 Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When the Parent Company has less than a majority of the voting or similar rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the Parent Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; or
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to elements evidencing control.

The assets and liabilities of the foreign subsidiaries are translated into presentation currency of the Parent Company at the rate of exchange as at reporting date while the income and expense accounts are translated at the weighted average exchange rates for the year. The resulting translation differences are included in equity under the account "Cumulative translation adjustments."

Financial Assets and Liabilities

Date of Recognition. The Group recognizes a financial asset and financial liability in the consolidated statements of financial position when it becomes a party to those 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. 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 or loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction price 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 of Financial Instruments. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at fair value through other comprehensive income (FVOCI) and, (c) financial assets at FVPL. Financial liabilities, on the other hand, are classified under the following categories: (a) financial liabilities at amortized cost, (b) financial liabilities at FVPL.

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

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.

This category includes cash, receivables, due from related parties, rent deposit (included under "Other current assets" account), surety bond deposit (included under "Other noncurrent assets" account), and advances for investment purposes.

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.

This category includes accounts and other payables [excluding statutory payables and deferred output value-added tax (VAT)] and due to stockholders.

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 the difference between the previous amortized cost of the financial asset and fair value is recognized in other comprehensive income (OCI).

Impairment of Financial Assets at Amortized Cost
The Group recognizes an allowance for expected credit loss (ECL) for financial assets carried at amortized cost 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 applies the simplified approach in measuring ECL. Simplified approach requires that ECL should always be based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost which mainly comprise of cash in banks, due from related parties and rent deposit, the Group applies the general approach in measuring the ECL. The ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL 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 consolidated statements of comprehensive income.

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.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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 consolidated statements of financial position.

Other Current Assets

Other current assets mainly consist of creditable withholding taxes (CWT), rent deposit, prepayments, and current portion of deferred input VAT.

CWT. CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation. CWT is stated at its net realizable amount.

Prepayments. Prepayments are expenses paid in advance and recorded as an asset before these are utilized. These are carried at cost and are amortized on a straight-line basis over the period of expected usage, which is equal to or less than 12 months or within the normal operating cycle.

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods. Deferred input VAT with an aggregate acquisition cost (exclusive of VAT) in each of the calendar months exceeding ₱1.0 million are claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million, the total input VAT will be allowable as credit against output VAT in the month of acquisition. Deferred input VAT on capital goods is classified as current assets if it is expected to be claimed against output VAT for no more than 12 months after the reporting date. Otherwise, it is classified as noncurrent asset.

Investment in an Associate

The Group's investment in an associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, investment in an associate is carried in the consolidated statements of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate.

The consolidated statements of comprehensive income reflects the share in the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group recognizes its share of loss in associate only up to extent of its interest in the associate. Additional losses and related liability can only be recognized up to the extent that the Group has a legal or constructive obligation to compensate such excess losses. And if the associate reports profit in the subsequent periods, the Group shall recognize its share of profit after its share of losses not recognized.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over an associate, the Group measures and recognizes any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment losses.

The initial cost of property and equipment comprises its purchase price, including import duties and nonrefundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs, maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted to an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated and amortized separately.

Depreciation and amortization are calculated on a straight-line method over the estimated useful lives of the property and equipment as follows:

Asset Type	Number of Years
Transportation equipment	5
Computer equipment	5
Furniture and fixtures	5
Office equipment	5
Leasehold improvements	5 or lease term, whichever is shorter

The estimated useful lives, depreciation and amortization methods are reviewed periodically to ensure that the periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or otherwise disposed of, both the cost and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is recognized in profit or loss.

Fully depreciated and amortized assets are retained as property and equipment until these are no longer in use.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the recoverable amount of these nonfinancial assets. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used. Impairment losses are recognized in the consolidated statements of comprehensive income.

An assessment is made for nonfinancial assets at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount.

Any 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 and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements comprehensive of income.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and paid.

Retained Earnings (Deficit). Retained earnings (deficit) include accumulated results of operations attributable to the Group's stockholders.

OCL

OCL comprises of items of expenses that are not recognized in profit or loss for the year in accordance with PFRS. OCL of the Group pertains to cumulative translation adjustments.

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 also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in all of its revenue sources.

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

Service Fee. Revenue is recognized at a point in time upon successful rendering of related consultancy services as stipulated in a final contract of agreement between parties.

Interest Income. Interest income is recognized as the interest accrues taking into account the effective yield on the assets, net of final tax.

Other Income. Income from other sources is recognized when earned during the period.

Cost and Expense Recognition

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.

Cost of Services. Cost of services are recognized as expense when the related services are rendered.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are expensed as incurred.

Other Charges. Other charges are incidental charges in the normal course of operations and are expensed as incurred.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. Short-term employee benefits given by the Group to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses and non-monetary benefits.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Liability. The Group has an unfunded, noncontributory defined benefit plan covering all qualified employees. The retirement expense is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Group recognizes service costs, comprising of current service costs and interest cost in profit or loss. Interest cost is calculated by applying the discount rate to the retirement liability.

Current service costs are recognized in profit or loss when there is an increase in retirement liability resulting from employee service in the current period.

The present value of the retirement liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Leases

The Group assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and

ii. the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis of accounting as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Foreign Currency Translation and Transactions

The functional currency of the Parent Company is the Philippine Peso while its subsidiaries and associate is the Vietnam Dong, Malaysian Ringgit and Thailand Baht. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of the subsidiaries and associate are translated into Philippine Peso at the rate of exchange ruling at the reporting date and income and expenses are translated to Philippine Peso at monthly average exchange rates. The exchange differences arising on the translation are taken directly to OCL and presented as a separate component of equity under the "Cumulative translation adjustments" account.

Transactions in foreign currencies are initially recorded in Philippine Peso using the prevailing exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency rate of exchange at the reporting date. Foreign exchange differences between the rate at transaction date and settlement date or reporting date are credited to or charged against profit or loss. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the dates of initial transactions.

Income Taxes

Current Tax. Current tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except when the taxable temporary difference is associated with interests in associates and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all temporary differences and carryforward benefits of unused tax credits from the excess of minimum corporate income tax (MCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward benefits of MCIT and NOLCO 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 assets 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 assets to be recovered.

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

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.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in relation to the underlying transaction either in OCI or directly in equity.

Related Party Transactions
A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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 or common significant influence.

Provisions
Provisions, if any, are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed 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 consolidated financial position at the reporting date (adjusting events), are reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to exercise judgments, make accounting estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. The judgments and estimates used in the consolidated financial statements are based on management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Identifying the Performance Obligations and Recognizing Revenue from Contracts with Customers under PFRS 15. The Group determined that each of the performance obligations is capable of being distinct. For service revenue, the key performance obligation of the Group is considered to be at a point in time when contractual obligations are fulfilled, as this is deemed to be the time that the customer obtains control of the services.

Service fees recognized amounted to ₱10.7 million and ₱85.0 million in 2020 and 2019, respectively.

Determining the Functional Currency. The Group determined its functional currency to be the Philippine Peso. The determination of functional currency was based on the primary economic environment in which the Group generates and expends cash.

Accounting for the Lease Commitments- The Group as Lessee. The Group has various lease arrangements for its office and parking spaces covering a period of one year and renewable upon mutual agreement of the Group and its lessor. The Group elected to use the exemption requirements for short-term leases and expensed out lease payments rather than recognize a right-of-use asset and a lease liability at the date of initial application. PFRS 16 defines a short-term lease as one that has a lease term of 12 months or less without any purchase options. Although the Group's 12-month lease contracts are renewable, it is crucial that extension or termination options are enforceable, (i.e. they can be exercised by a lessee without any consent by the lessor). The renewal options stated in the lease contracts are dependent upon mutual agreement of both parties. Accordingly the lease payments associated with the relevant leases are expensed on a straight-line basis over the lease term.

Rent expense amounted to ₱6.4 million and ₱5.2 million in 2020 and 2019, respectively (see Note 16).

Determining Control or Significant Influence over an Investee Company. Control is presumed to exist when an investor has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group has assessed it has control over its subsidiaries.

On the other hand, significant influence is presumed to exist when an investor holds, directly or indirectly through subsidiaries, 20% or more of the voting power of the investee, unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the entity will be presumed not to have significant influence unless such influence can be clearly demonstrated.

The Group has assessed that it has significant influence on its 24.99% owned associate, Asia M&A Partner Co., Ltd, as at December 31, 2020 and 2019 (see Note 7).

Estimates and Assumptions

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

Assessing the ECL on Financial Assets at Amortized Cost. The Group estimates ECL on trade receivables using the simplified approach which requires that ECL should always be based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost, the Group applies the general approach in measuring the ECL. The Group assessed that cash in banks are deposited with reputable counterparty banks that possess good credit ratings. For rent deposits (included under “other current assets” account), the Group considered the financial capacity of the lessors to refund the deposits once the lease agreement has been terminated. For surety bond deposit, the Group assessed that the deposit was made with a reputable bonding company duly accredited by the government agency. For related party balances and advances for investment purposes, the Group considered the available liquid assets of the related parties.

The Group assesses that a financial asset is considered credit impaired when one or more events that have a detrimental effect on the estimated future cash flows of the asset have occurred such as significant financial difficulty or debtor cessation of operations.

The Group recognized provision for impairment losses amounting to ₱9.0 million and ₱2.6 million in 2020 and 2019, respectively. Allowance for impairment losses on receivables amounted to ₱10.2 million and ₱2.6 million as at December 31, 2020 and 2019, respectively (see Note 5).

In 2020, the Group assessed that it can no longer collect certain receivables from customers. Accordingly, the Group wrote-off these receivables and recognized loss amounting to ₱10.5 million (see Note 12).

In 2020 and 2019, the Group wrote-off due from related parties amounting to ₱1,423 and ₱59,378, respectively (see Note 14).

The carrying amounts of financial assets at amortized cost are as follows:

	Note	**2020**	2019
Cash in banks	4	**₱19,928,821**	₱18,915,976
Receivables	5	**1,162,682**	60,321,573
Due from related parties	14	**694,757**	481,193
Rent deposits*	6	**1,893,545**	2,053,744
Surety bond deposit**	9	**379,042**	–
Advances for investment purposes	14	**11,000,300**	–

**Included under “Other current assets” account*

***Included under “Other noncurrent assets” account*

Estimating the Useful Lives of Property and Equipment. The Group estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The Group reviews annually the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes and anticipated use of the assets.

There were no changes in the estimated useful lives of property and equipment in 2020 and 2019. The carrying amount of the Group's property and equipment amounted to ₱8.2 million and ₱10.8 million as at December 31, 2020 and 2019, respectively (see Note 8).

Assessing the Impairment on Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case, it will be written down to its recoverable amount. The factors that the Group considers important which could trigger impairment review include the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

No impairment loss was recognized in 2020 and 2019.

The carrying amounts of the Group's nonfinancial assets are as follows:

	Note	**2020**	2019
Property and equipment	8	**₱8,189,849**	₱10,835,913
Other current assets*	6	**6,693,215**	640,500
Long-term prepaid expense**	9	**51,143**	–

**Excluding rent deposit.*
***Included under "Other noncurrent assets" account.*

Assessing the 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 amount of recognized deferred tax assets is based upon the likely timing and level of future taxable profits together with the future tax planning strategies to which the deferred tax assets can be utilized.

Recognized deferred tax assets amounted to ₱15.5 million and ₱0.9 million as at December 31, 2020 and 2019, respectively. Unrecognized deferred tax assets amounting to ₱3.0 million and ₱0.5 million as at December 31, 2020 and 2019, respectively pertain to unabsorbed tax losses of the subsidiaries. Management has assessed that it is not probable that the subsidiaries will have sufficient future taxable income that will allow these deferred tax assets to be utilized (see Note 17).

4. Cash

This account consists of:

	2020	2019
Cash on hand	**₱26,868**	₱213,929
Cash in banks	**19,928,821**	18,915,976
	₱19,955,689	₱19,129,905

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned amounted to ₱27,027 and ₱50,059 in 2020 and 2019, respectively.

5. Receivables

This account consists of:

	2020	2019
Trade receivables	**₱10,229,597**	₱61,933,150
Advances to employees	**504,063**	302,110
Others	**658,619**	664,390
	11,392,279	62,899,650
Less allowance for impairment losses	**10,229,597**	2,578,077
	₱1,162,682	₱60,321,573

Trade receivables from customers are unsecured, noninterest-bearing and are generally collected within 30 day term upon execution of an agreement, contract, note or memoranda.

Advances to employees are cash advances which are unsecured, noninterest-bearing and are settled through salary deduction within one year.

Other receivables are reimbursements due from serviced clients which are usually due within 30 days and are unsecured and noninterest-bearing.

Movements in allowance for impairment losses are as follows:

	Note	2020	2019
Balance at beginning of year		**₱2,578,077**	₱–
Reversals	15	**(1,308,480)**	–
Provisions for impairment losses	12	**8,960,000**	2,578,077
Balance at end of year		**₱10,229,597**	₱2,578,077

In 2020, the Group assessed that it can no longer collect certain receivables from customers. Accordingly, the Group wrote-off these receivables and recognized loss amounting to ₱10.5 million.

6. Other Current Assets

This account consists of:

	Note	2020	2019
CWT		**₱5,674,090**	₱–
Rent deposits	16	**1,893,545**	2,053,744
Prepayments		**859,882**	435,517
Deferred input VAT		**–**	18,611
Others		**159,243**	186,372
		₱8,586,760	₱2,694,244

7. Investment in an Associate

In April 2019, the Parent Company purchased 4,997 ordinary shares at ₱0.8 million or 24.99% ownership of Asia M&A Partner Co., Ltd., a company primarily engaged in the business of providing consultancy services in Thailand.

In 2019, the Group recognized its share in net loss of an associate only up to extent of its interest in the associate of ₱0.8 million.

The condensed financial information of the associate prepared on the historical basis of accounting are as follows:

	2020	2019
Current assets	**₱10,222,558**	₱12,906,012
Noncurrent assets	**717,380**	1,052,053
Current liabilities	**1,737,920**	2,137,597
Noncurrent liabilities	**11,878,616**	12,548,359
Net loss	**(10,973,826)**	(4,048,244)
Total comprehensive loss	**(11,122,499)**	(4,017,303)

The Group has not incurred any contingent liabilities in relation to this investment nor does the associate itself has any contingent liabilities for which the Group is contingently liable as at December 31, 2020 and 2019.

The Group has not entered into any capital commitments in relation to its investment in an associate and did not receive any dividends from the associate in 2020 and 2019.

8. Property and Equipment

The composition of and movements in this account are presented below:

	2020					
	Transportation Equipment	**Computer Equipment**	**Furniture and Fixtures**	**Office Equipment**	**Leasehold Improvements**	**Total**
Cost						
Balance at beginning of year	**₱11,263,756**	**₱3,694,196**	**₱950,548**	**₱961,242**	**₱386,507**	**₱17,256,249**
Additions	**160,882**	**220,036**	**80,289**	**56,995**	**15,725**	**533,927**
Write-off	**(15,938)**	**–**	**–**	**(10,828)**	**–**	**(26,766)**
Balance at end of year	**11,408,700**	**3,914,232**	**1,030,837**	**1,007,409**	**402,232**	**17,763,410**
Accumulated Depreciation and Amortization						
Balance at beginning of year	**4,364,230**	**534,330**	**392,436**	**742,833**	**386,507**	**6,420,336**
Depreciation and amortization	**1,985,364**	**763,006**	**200,755**	**201,175**	**15,725**	**3,166,025**
Write-off	**(7,203)**	**–**	**–**	**(5,597)**	**–**	**(12,800)**
Balance at end of year	**6,342,391**	**1,297,336**	**593,191**	**938,411**	**402,232**	**9,573,561**
Carrying Amount	**₱5,066,309**	**₱2,616,896**	**₱437,646**	**₱68,998**	**₱–**	**₱8,189,849**

	2019					
	Transportation Equipment	Computer Equipment	Furniture and Fixtures	Office Equipment	Leasehold Improvements	Total
Cost						
Balance at beginning of year	₱9,149,266	₱2,037,913	₱829,526	₱655,183	₱327,857	₱12,999,745
Additions	2,114,490	1,656,283	121,022	306,059	58,650	4,256,504
Balance at end of year	11,263,756	3,694,196	950,548	961,242	386,507	17,256,249
Accumulated Depreciation and Amortization						
Balance at beginning of year	2,608,916	369,864	205,256	187,613	37,417	3,409,066
Depreciation and amortization	1,755,314	164,466	187,180	555,220	349,090	3,011,270
Balance at end of year	4,364,230	534,330	392,436	742,833	386,507	6,420,336
Carrying Amount	₱6,899,526	₱3,159,866	₱558,112	₱218,409	₱–	₱10,835,913

Depreciation and amortization charged to operations are as follows:

	Note	**2020**	2019
Cost of services		**₱717,627**	₱549,615
General and administrative expenses	12	**2,448,398**	2,461,655
		₱3,166,025	₱3,011,270

In 2020, the Group wrote-off property and equipment items with carrying amount of ₱13,966 (see Note 15).

Fully depreciated property and equipment with aggregate cost of ₱0.8 million and ₱0.4 million as at December 31, 2020 and 2019, respectively, are still being used by the Group.

9. Other Noncurrent Assets

This account consists of:

	2020
Surety bond deposit	₱379,042
Long-term prepaid expense	51,143
	₱430,185

Surety bond deposit pertains to the Group's deposit with National Labor Relations Commission in relation to labor cases involving the Group. The Group's management and legal counsel believe that the eventual liabilities under these lawsuits or claims, if any, will not have a material adverse effect on the financial statements.

Long-term prepaid expense are noncurrent portion of expenses paid in advance and amortized over a period of more than 12 months.

10. Accounts and Other Payables

This account consists of:

	2020	2019
Accounts payable	**₱1,777,484**	₱829,212
Accrued expenses	**3,214,326**	4,385,998
Statutory payables	**1,970,299**	1,694,093
Deferred output VAT	**960,000**	5,233,144
Others	**19,489**	12,554
	₱7,941,598	₱12,155,001

Accounts payable mainly include payables to suppliers and service providers. These payables are unsecured, noninterest bearing and are expected to be settled in the next financial year.

Accrued expenses mainly pertain to bonus given to consultants for completed contracts which are noninterest-bearing and are generally settled within one year.

Statutory payables include payables to other government agencies and are due within 30 days.

Deferred output VAT represents the VAT on services rendered that have not been collected as at reporting date. These become payable to Bureau of Internal Revenue once collected.

11. Equity

Capital Stock

The composition of AMAL's capital stock consisting of all common shares are as follows:

	2020		2019	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized				
Beginning of year	**100,000**	**₱10,000,000**	100,000	₱10,000,000
Effect of Increase and stock split	**999,900,000**	**–**	–	–
End of year	**1,000,000,000**	**₱100,000,000**	100,000	₱10,000,000
Issued and Outstanding				
Beginning of year	**100,000**	**₱10,000,000**	100,000	₱10,000,000
Effect of stock split	**99,900,000**	**–**	–	–
Additions	**225,000,000**	**22,500,000**	–	–
End of year	**325,000,000**	**₱32,500,000**	100,000	₱10,000,000

Increase in Authorized Capital Stock and Stock Split

On December 4, 2019, the Parent Company's stockholders and BOD approved the increase in authorized capital stock from ₱10.0 million divided into 100,000 shares at ₱100 per share to ₱150.0 million divided into 150 million shares at ₱1 per share.

On December 11, 2020, the Parent Company's stockholders and Board of Directors (BOD) approved the amendment in the previous increase in authorized capital stock from ₱150.0 million divided into 150 million shares at ₱1 per share to ₱100.0 million divided into one (1) billion shares at ₱0.10 per share.

AMAL filed the application for a 1,000-for-1 stock split and increase in authorized capital stock with the SEC. On December 28, 2020, the SEC approved its application, whereby its capital stock would be divided into 1 billion common shares at ₱0.10 per share. The stock split has no dilutive effect on the proportionate percentage ownership of the shareholders.

Debt-to-Equity Conversion

On December 14, 2020, AMAL entered into a Subscription Agreement for the subscription of ₱22.5 million divided into 225.0 million common shares at ₱0.10 per share from the approved 1,000-for-1 stock split and increase in authorized capital stock. Twenty-five percent (25%) of the subscription in the amount of ₱5.6 million has been paid in cash by the subscribers.

On December 28, 2020, the BOD approved and accepted the assignment made by an individual-stockholder to apply portion of his outstanding advances to the Group as payment for the remaining unpaid subscription amounting to ₱16.9 million (see Note 14).

Retained Earnings

As at December 31, 2019, the Parent Company's unappropriated retained earnings is in excess of its paid-up capital. Under the Philippine Corporation Code (Code), a stock corporation is prohibited from retaining surplus profits in excess of 100% of its paid-up capital, except when justified by any of the reasons mentioned in the Code. In 2020, the Parent Company increased its authorized capital stock and subscribed to the new shares which addressed the excess.

12. General and Administrative Expenses

This account consists of:

	Note	**2020**	2019
Salaries and other benefits		**₱26,888,844**	₱24,132,512
Write-off of trade receivables	5	**10,526,940**	–
Provision for impairment loss on trade receivables	5	**8,960,000**	2,578,077
Rent	16	**6,362,300**	5,209,400
Depreciation and amortization	8	**2,448,398**	2,461,655
Outsourced services		**1,772,729**	118,738
Taxes and licenses		**1,531,330**	1,093,356
Dues and subscriptions		**1,430,589**	1,925,496
Communications		**1,332,796**	1,578,937
Professional fees		**1,263,722**	1,851,452

(forward)

	Note	2020	2019
Utilities		**₱1,054,671**	₱1,511,906
Transportation and travel		**916,958**	2,085,344
Supplies		**408,977**	681,829
Representation		**123,635**	1,933,946
Write-off of due from a related party	14	**1,423**	59,378
Others		**1,434,389**	2,993,828
		₱66,457,701	₱50,215,854

13. Retirement Liability

The Group has an unfunded, noncontributory defined benefit retirement plan covering all its qualified employees which provides for retirement fund equal to one-half month's salary for every year of credited service.

Retirement expense recognized in the consolidated statements of comprehensive income amounting to ₱50,042 pertains to current service cost recognized in 2020.

As of December 31, 2020, the present value of retirement liability recognized in the consolidated statements of financial position amounted to ₱50,042.

The principal actuarial assumptions used to determine the retirement liability of the Group are discount rate and salary increase rate. In 2020, discount rate and salary increase rate used are 3.7% and nil, respectively.

As of December 31, 2020, the sensitivity analysis based on reasonably possible changes of the assumptions are as follows:

	Change in Assumption	Effect on Retirement liability
Discount rate	+100 bps	(₱29,425)
	-100 bps	(20,134)
Salary increase rate	+100 bps	(19,683)
	-100 bps	(29,809)

The average duration of the defined benefit obligation as at December 31, 2020 is 19.3 years.

The Group did not obtain actuarial report as at December 31, 2020. Management has assessed that the recognized retirement liability would not significantly differ from the amount that would have been recognized had an actuarial valuation been obtained.

14. **Related Party Transactions**

The Group, in its regular conduct of business, has transactions with its related parties. The following tables summarize the transactions with the related parties and outstanding balance arising from these transactions.

		Amount of Transactions		Outstanding Balances	
	Nature of Transactions	**2020**	2019	**2020**	2019
Due from related parties					
Entity under common control	Advances for working capital	**₱213,864**	₱481,193	**₱694,757**	₱481,193
Advances for investment purposes					
Stockholder	Advances for future investment	**₱11,000,300**	₱–	**₱11,000,300**	₱–
Accounts and other payables					
Key management personnel	Commission	**₱2,927,361**	₱6,532,748	**₱1,530,087**	₱2,813,612
Due to stockholders	Advances for working capital	**₱44,885,903**	₱65,245,772	**₱28,845,066**	₱21,090,263
	Acquisition of property and equipment	**–**	1,024,333	**–**	1,024,333
	Investment in an associate	**–**	818,472	**–**	818,472
				₱28,845,066	₱22,933,068

Terms and Conditions of Transactions with Related Parties

Outstanding balances are unsecured, noninterest-bearing, collectible or payable on demand and settlement is made in cash.

The Group wrote-off due from a related party amounting to ₱1,423 and ₱59,378 in 2020 and 2019, respectively (see Note 12). An assessment of collectibility of these accounts is undertaken each financial year by examining the consolidated financial position of the related parties and the market in which the related parties operate. The Group considered the available liquid assets of the related parties.

Advances for Investment Purposes

In 2020, the Parent Company deposited ₱11.0 million through a treasurer-in-trust account for the capitalization requirements of Sakura Lending Investor Inc., a wholly-owned domestic subsidiary in the process of incorporation. As at report date, the Parent Company is still working on the SEC registration requirements of Sakura.

Key Management Compensation

The compensation of key management personnel for the years ended 2020 and 2019 follows:

	2020	2019
Short-term employee benefits	**₱4,811,361**	₱6,490,911
Post-employment benefits	**50,042**	–
	₱4,861,403	₱6,490,911

There are no share-based payments, termination benefits and other long-term benefits provided to the key management personnel of the Group.

Debt-to-Equity Conversion
On December 14, 2020, AMAL entered into a Subscription Agreement for the subscription of ₱22.5 million divided into 225.0 million common shares at ₱0.10 per share from the approved 1,000-for-1 stock split and increase in authorized capital stock. Twenty-five percent (25%) of the subscription in the amount of ₱5.6 million has been paid in cash by the subscribers.

On December 28, 2020, the BOD approved and accepted the assignment made by an individual stockholder to apply portion of his outstanding advances to the Group as payment for the remaining unpaid subscription amounting to ₱16.9 million (see Note 11).

Assignment of Related Party Receivables
In 2020, AMAL made advances to M&A Links Asia amounting to 100,000 USD for its working capital. Conversely, AMAL owes a stockholder for working capital advances provided by the stockholder to AMAL. In December, 2020, the parties agreed to execute a Deed of Assignment, directly assigning the receivables of AMAL from M&A Links Asia to the stockholder.

BIR Revenue Regulations 19-2020
In July 2020, the BIR issued Revenue Regulations (RR) No. 19-2020, prescribing the use of the new BIR Form 1709, *Information Return on Related Party Transactions*, and the required documentary attachments which include, but not limited to, the transfer pricing documentation.

Subsequently, the BIR issued RR No. 34-2020 prescribing the guidelines and procedures for the submission of BIR Form 1709, transfer pricing documentation, and other supporting documentation. Under RR No. 34-2020, the following are required to file and submit the BIR Form 1709:

a) Large taxpayers;
b) Taxpayers enjoying tax incentives;
c) Taxpayers reporting net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years; and
d) A related party, which has transactions with the above.

The Parent Company is covered by the requirements and procedures for related party transactions provided under criteria (d) of the RR No. 34-2020 and is required to file and submit related party transaction form as at and for the year ended December 31, 2020. However, the Parent Company did not meet the materiality threshold criteria provided by RR No. 34-2020 for the submission of the transfer pricing documentations and other supporting documents.

15. **Other Income (Charges) -** Net

This account consists of:

	Note	**2020**	2019
Reversal of allowance for impairment losses	5	**₱1,308,480**	₱–
Write-off of rent deposits	16	**(638,819)**	–
Forfeited commissions		**447,838**	–
Foreign exchange loss - net		**(276,393)**	(816,743)
Write-off of property and equipment	8	**(13,966)**	–
Loss on theft		**–**	(6,287,726)
		₱827,140	(₱7,104,469)

In 2019, the Group uncovered an incident of cybercrime offense that facilitated an unauthorized bank transfer which resulted to a loss of ₱6.3 million.

16. **Operating Lease Agreements**

In 2020 and 2019, the Group leased new office premises for a period of one year, which is subject to renewal or extension at the option of the Group and its lessor. The contract provides for a monthly rental and requires a fixed amount of security deposit.

Rent expense pertains to short-term leases with remaining lease term of 12 months or less from January 1, 2019. Rent expense charged in the consolidated statements of comprehensive income from these contracts amounted to ₱6.4 million and ₱5.2 million in 2020 and 2019, respectively. Rent deposits on lease contracts amounting to ₱1.9 million and ₱2.1 million as at December 31, 2020 and 2019, respectively, are refundable upon termination of the lease agreement (see Note 6).

In 2020, the Group wrote-off irrecoverable rent deposits amounting to ₱0.6 million (see Note 15).

17. **Income Taxes**

In 2020, the Group's provision for current income tax pertains to MCIT. The current income tax represents RCIT in 2019. The Group's effective tax rate is affected by tax rate in foreign subsidiaries.

The reconciliation between the provisions for income tax at statutory tax rate shown and effective tax rate follows:

	2020	2019
Provision for income tax at statutory rate	**(₱17,714,182)**	₱4,141,316
Change in unrecognized deferred tax assets	**2,449,292**	544,491
Tax effects of:		
Nondeductible expenses	**796,584**	3,098,781
Interest income already subjected to final tax	**(6,586)**	(3,965)
Share in net loss of an associate	**–**	245,542
Provision for income tax at effective rate	**(₱14,474,892)**	₱8,026,165

On September 30, 2020, the BIR issued RR No. 25-2020 to implement Section 4 (bbbb) of Republic Act No. 11494 (Bayanihan to Recover as One Act), 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. As such, the NOLCO incurred in 2020 amounting to ₱40.3 million will be allowed as deduction from future taxable income until 2025.

On November 26, 2020, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Bill was approved by the Senate of the Philippines. Under the CREATE Bill, domestic corporations will be subject to 25% or 20% regular corporate income tax (RCIT) depending on the amount of total assets or total amount of taxable income. In addition, minimum corporate income tax (MCIT) shall be computed at 1% of gross income for a period of three (3) years. The changes in the income tax rates shall retrospectively become effective beginning July 1, 2020.

On February 3, 2021, the Senate and the Congress of the Philippines ratified the bill through a bicameral conference. As of date, the CREATE Bill is pending approval of the President which will still go over the tax measures for possible changes or insertions.

The income tax rates used in preparing the financial statements as at and for the year ended December 31, 2020 are 30% and 2% for RCIT and MCIT, respectively.

If the bill is approved, this will result to a reduction in its recognized deferred income tax amounting to ₱2.5 million.

The components of the Group's recognized deferred tax assets are as follows:

	2020	2019
NOLCO	**₱12,079,660**	₱–
Allowance for impairment loss	**3,068,879**	773,423
Unrealized foreign exchange loss	**215,273**	130,510
MCIT	**79,597**	–
Retirement liability	**15,013**	–
	₱15,458,422	₱903,933

The components of the Group's unrecognized deferred tax assets are as follows:

	2020	2019
Unabsorbed tax losses	**₱2,975,171**	₱539,859
Unabsorbed capital allowances	**18,612**	4,632
	₱2,993,783	₱544,491

These were not recognized by the subsidiaries because management has assessed that it is not probable that there will be sufficient future taxable profit against which the deferred tax assets can be utilized.

18. Total Comprehensive Income (loss) Per Share and Book Value Per Share Computation

Total comprehensive income per share is computed as follows:

	2020	2019
(a) Total comprehensive income (loss) attributable to equity holders of the Parent Company	**(₱47,936,856)**	₱5,591,986
(b) Weighted average number of shares outstanding	**101,849,315**	100,000
Basic/diluted earnings (loss) per share (a/b)	**(₱0.47)**	₱55.92

The Group has no dilutive potential common shares outstanding, therefore basic earnings (loss) per share is the same as diluted earnings (loss) per share.

Book value per share is computed as follows:

	2020	2019
(a) Total equity	**₱28,641,938**	₱54,078,794
(b) Total number of shares outstanding at end of year	**325,000,000**	100,000
Book value per share (a/b)	**₱0.09**	₱540.79

19. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash, receivables, due from related parties, rent deposits (included under "Other current assets" account), surety bond deposit (included under "Other noncurrent assets" account), advances for investment purposes, accounts and other payables (excluding statutory payables and deferred output VAT) and due to stockholders. The main purpose of these financial instruments is to provide funds for the Group's operations.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and manage the Group's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Group's activities.

The main risks arising from the financial instruments of the Group are credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of the risks.

Credit Risk

Credit risk is the risk of financial loss when a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from receivables.

With respect to credit risk arising from cash in banks, receivables, due from related parties, rent deposits (included under "Other current assets" account), surety bond deposit (included under "Other noncurrent assets" account) and advances for investment purposes, the Group's exposure arises from the default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The analyses of financial assets are as follows:

	2020				
	12-month ECL	**Lifetime ECL**	**Purchased or Credit-impaired**	**Lifetime ECL Simplified Approach**	**Total**
Cash in banks	**₱19,928,821**	**₱**	**₱–**	**₱–**	**₱19,928,821**
Receivables	**–**	**–**	**–**	**11,392,279**	**11,392,279**
Due from related parties	**694,757**	**–**	**–**	**–**	**694,757**
Rent deposits*	**1,893,545**	**–**	**–**	**–**	**1,893,545**
Surety bond deposit**	**379,042**	**–**	**–**	**–**	**379,042**
Advances for investment purposes	**11,000,300**	**–**	**–**	**–**	**11,000,300**
	₱33,896,465	**₱–**	**₱–**	**₱11,392,279**	**₱45,288,744**

**Included under "Other current assets" account.*
***Included under "Other noncurrent assets" account.*

	2019				
	12-month ECL	Lifetime ECL	Purchased or Credit-impaired	Lifetime ECL Simplified Approach	Total
Cash in banks	₱18,915,976	₱–	₱–	₱–	₱18,915,976
Receivables	–	–	–	62,899,650	62,899,650
Due from related parties	481,193	–	–	–	481,193
Rent deposits*	2,053,744	–	–	–	2,053,744
	₱21,450,913	₱–	₱–	₱62,899,650	₱84,350,563

**Included under "Other current assets" account.*

Credit Quality of Financial Assets. The credit quality of the Group's financial assets is being managed by using internal credit ratings such as high grade and standard grade.

High Grade - pertains to a counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions, companies and government agencies.

Standard grade - includes financial assets that are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from counter party.
The table below shows the credit quality per class of financial assets:

	2020				
	Neither Past Due Nor Impaired		**Past Due But**		
	High Grade	**Standard Grade**	**Not Impaired**	**Impaired**	**Total**
Cash in banks	**₱19,928,821**	**₱–**	**₱–**	**₱–**	**₱19,928,821**
Receivables	**–**	**504,063**	**658,619**	**10,229,597**	**11,392,279**
Due from related parties	**694,757**	**–**	**–**	**–**	**694,757**
Rent deposits*	**1,893,545**	**–**	**–**	**–**	**1,893,545**
Surety bond deposit**	**379,042**	**–**	**–**	**–**	**379,042**
Advances for investment purposes	**11,000,300**	**–**	**–**	**–**	**11,000,300**
	₱33,896,465	**₱504,063**	**₱658,619**	**₱10,229,597**	**₱45,288,744**

**Included under "Other current assets" account.*
***Included under "Other noncurrent assets" account.*

	2019				
	Neither Past Due Nor Impaired		Past Due But		
	High Grade	Standard Grade	Not Impaired	Impaired	Total
Cash in banks	₱18,915,976	₱–	₱–	–	₱18,915,976
Receivables	32,990,938	302,110	27,028,525	2,578,077	62,899,650
Due from related parties	481,193	–	–	–	481,193
Rent deposits*	2,053,744	–	–	–	2,053,744
	₱54,441,851	₱302,110	₱27,028,525	₱2,578,077	₱84,350,563

**Included under "Other current assets" account.*

With the exception of receivables, which are always subject to lifetime ECL, the Group's financial assets at amortized cost have been subjected to 12-month ECL because there is no significant increase in credit risk.

Significant Increase in Credit Risk. 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 reporting date with the risk of a default occurring on the financial instrument on the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Default. The Group considers a financial asset in default when contractual payments are 90 days past due, unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Generally, receivables are written off if collection cannot be made despite exhausting all extra-judicial and legal means of collection.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Management is responsible for liquidity, funding as well as settlement management. In addition, liquidity and funding risk, related processes and policies are overseen by the management. The Group manages its liquidity risk based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility.

The Group also maintains a balance between continuity of funding and flexibility. The policy of the Group is to first exhaust lines available from related parties before local bank lines are availed of. The Group seeks to manage its liquid funds through cash planning on a weekly basis. The Group uses historical figures and experiences and forecasts from its cash receipts and disbursements. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities.

The tables below summarize the maturity profile of the Group's financial liabilities based on undiscounted cash flows:

	2020				
	On Demand	**Less than 1 Year**	**More than 1 Year up to 3 Years**	**More than 3 Years**	**Total**
Accounts and other payables*	**₱–**	**₱5,011,299**	**₱–**	**₱–**	**₱5,011,299**
Due to stockholders	**22,754,915**	**–**	**6,090,151**	**–**	**28,845,066**
	₱22,754,915	**₱5,011,299**	**₱6,090,151**	**₱–**	**₱33,856,365**

**Excluding statutory payables and deferred output VAT aggregating to ₱2.9 million.*

	2019				
	On Demand	Less than 1 Year	More than 1 Year up to 3 Years	More than 3 Years	Total
Accounts and other payables*	₱–	₱5,227,764	₱–	₱–	₱5,227,764
Due to stockholders	22,269,023	–	664,045	–	22,933,068
	₱22,269,023	₱5,227,764	₱664,045	₱–	₱28,160,832

**Excluding statutory payables and deferred output VAT aggregating to ₱6.9 million.*

Fair Value Measurement

The carrying amounts of the Group's financial instruments approximate their fair values due to their short-term nature and maturities or its demand feature. There were no transfers between levels in the fair value hierarchy as at December 31, 2020 and 2019.

Capital Management

The primary objective of the Group's capital management is to ensure that the Group has sufficient funds in order to support its business, pay existing obligations and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, based on changes in economic conditions. To manage or adjust the capital structure, the Group may obtain additional advances from the Group's stockholders or adjust the return of capital to the Group's stockholders. The Group considers its equity as its economic capital. No changes were made in the objectives, policies or processes in 2020 and 2019. The Group monitors capital using the monthly cash position report and financial statements. The Group is not subject to externally-imposed capital requirements

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

The Stockholders and the Board of Directors
Asian Mergers and Acquisition Links Inc.
Unit 8, 3rd Floor Bonifacio Technology Center
31st Street corner 2nd Avenue, Crescent Park West
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

We have audited the accompanying consolidated financial statements of Asian Mergers and Acquisition Links Inc. (the Company) and Subsidiaries as at and for the years ended December 31, 2020 and 2019, on which we have rendered our report dated March 5, 2021.

In compliance with the Revised Securities Regulations Code Rule 68, we are stating that the Group has five (5) stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 81207-SEC Group A
Issued January 30, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-004-2019
Valid until October 16, 2022
PTR No. 8534275
Issued January 5, 2021, Makati City

March 5, 2021
Makati City, Metro Manila

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

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**REPORT OF INDEPENDENT AUDITORS ON
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
Asian Mergers and Acquisition Links Inc. and Subsidiaries
Unit 8, 3rd Floor Bonifacio Technology Center
31st Street corner 2nd Avenue, Crescent Park West
Bonifacio Global City, Brgy. Fort Bonifacio, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Asian Mergers and Acquisition Links Inc. and Subsidiaries (the Group) as at and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated March 5, 2021. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Supplementary Schedule of Financial Soundness Indicators as at December 31, 2020 and 2019 is the responsibility of the Group's management. The supplementary schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic consolidated financial statements. The supplementary schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until August 15, 2021
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PTR No. 8534275
Issued January 5, 2021, Makati City

March 5, 2021
Makati City, Metro Manila

ASIAN MERGERS AND ACQUISITION LINKS INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
December 31, 2020 and 2019

Below is a schedule showing financial soundness indicators in 2020 and 2019

Ratio	Formula	2020	2019
Current Ratio			
	Total current assets	**₱30,399,888**	₱82,626,915
	Divided by: Total current liabilities	**36,786,664**	40,287,967
	Current Ratio	**0.83**	2.05
Acid Test Ratio			
	Total current assets	**₱30,399,888**	₱82,626,915
	Less: Other current assets	**8,586,760**	2,694,244
	Quick assets	**21,813,128**	79,932,671
	Divide by: Total current liabilities	**36,786,664**	40,287,967
	Acid Test Ratio	**0.59**	1.98
Solvency Ratio			
	Net income (loss) after depreciation and amortization	**(₱47,596,591)**	₱5,778,221
	Add: Depreciation and amortization	**3,166,025**	3,011,270
	Net income (loss) before depreciation and amortization	**(44,430,566)**	8,789,491
	Divided by: Total liabilities	**36,836,706**	40,287,967
	Solvency Ratio	**(1.21)**	0.22
Debt-to-Equity Ratio			
	Total liabilities	**₱36,836,706**	₱40,287,967
	Divided by: Total equity	**28,641,938**	54,078,794
	Debt-to-Equity Ratio	**1.29**	0.74
Asset-to-Equity Ratio			
	Total assets	**₱65,478,644**	₱94,366,761
	Divided by: Total equity	**28,641,938**	54,078,794
	Asset-to-Equity Ratio	**2.29**	1.74
Interest Rate Coverage Ratio	NA		
Return on Equity			
	Net income (loss)	**(₱47,596,591)**	₱5,778,221
	Divided by: Total equity	**28,641,938**	54,078,794
	Return on Equity	**(1.66)**	0.11
Return on Assets			
	Net income (loss)	**(₱47,596,591)**	₱5,778,221
	Divided by: Total assets	**65,478,644**	94,366,761
	Return on Assets	**(0.73)**	0.06
Net Profit Margin			
	Net income (loss)	**(₱47,596,591)**	₱5,778,221
	Divided by: Revenue	**10,748,380**	84,976,983
	Net Profit Margin	**(4.43)**	0.07