

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

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Principal Office (No./Street/Barangay/City/Town)Province)

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C	O	R	.		H	V		D	E	L	A		C	O	S	T	A		S	T	,		M	A	K	A	T	I	
C	I	T	Y																										

Form Type

A	A	F	S
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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

info@paredeslaw.com.ph

Company's Telephone Number/s

8634- 8967

Mobile Number

09178872478

No. of Stockholders

6

Annual Meeting
Month/Day

31st day of May

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Hilario Paredes

Email Address

larryparedes@paredeslaw.com.ph

Telephone Number/s

8634-8967

Mobile Number

09178812676

Contact Person's Address

1701 East Tower Tektite Towers Exchange Road, Ortigas Center Pasig City

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

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

INTEGROSYS CORPORATION
(A Wholly-Owned Subsidiary of Integro Technologies Pte. Ltd.)

FINANCIAL STATEMENTS
December 31, 2024 and 2023



MARIA PATRICIA ALTHEA L. GIANCHAND, CPA
BLK. 1 L LOT 11 PHASE III E-1 KAUNLARAN VILLAGE
CALOOCAN CITY 1400
Mobile: +63 939 9073062
E-Mail: patricia_althea@yahoo.com

REPORT OF INDEPENDENT AUDITOR

The Shareholders and Board of Directors
Integrosys Corporation
18F Philamlife Tower
8767 Paseo de Roxas
Makati City Philippines 1226

Report on the Financial Statements

My Opinion

I have audited the accompanying financial statements of **Integrosys Corporation** (the "Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Integrosys Corporation** as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs).

Basis for Opinion

I conducted my audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report.

I am 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 my audit of the financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

The financial statements of the Company as at and for the year ended December 31, 2023 dated April 12, 2024 were audited by another auditor, whose report thereon expressed an unmodified opinion on those statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards for Small Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I

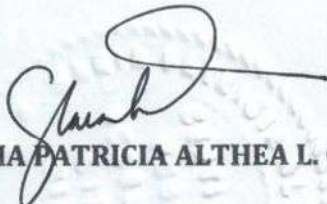
am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audits.

Report on the Supplementary Information Required by Bureau of Internal Revenue

My audit was 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 17 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 management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.



MARIA PATRICIA ALTHEA L. GIANCHAND

CPA License No. 131705

P.T.R. Number 2451987

Issued on January 14, 2025 at Caloocan City

TIN 296-504-750-000

BIR Accreditation No. 05-007532-001-2025

Issued on February 20, 2025; effective until February 19, 2028

BOA/PRC Reg. No. 8470

Issued on August 15, 2023; effective until July 31, 2026

May 28, 2025
Caloocan City



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CALOOCAN CITY 1400
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E-Mail: patricia_althea@yahoo.com

**REPORT OF INDEPENDENT AUDITOR
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
BUREAU OF INTERNAL REVENUE**

The Shareholders and Board of Directors
Integrosys Corporation
18F Philamlife Tower
8767 Paseo de Roxas
Makati City Philippines 1226

I have audited the accompanying financial statements of **Integrosys Corporation** as at and for the year ended December 31, 2024, on which I have rendered my report dated May 28, 2025.

In compliance with Revenue Regulation V-20, I am stating that I have no any financial interest in the Company or any family relationships with its president, manager, or principal shareholder.

MARIA PATRICIA ALTHEA L. GIANCHAND

CPA License No. 131705

P.T.R. Number 2451987

Issued on January 14, 2025 at Caloocan City

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E-Mail: patricia_althea@yahoo.com

**REPORT OF INDEPENDENT AUDITOR
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Shareholders and Board of Directors
Integrosys Corporation
18F Philamlife Tower
8767 Paseo de Roxas
Makati City Philippines 1226

I have audited the financial statements of **Integrosys Corporation** as at and for the year ended December 31, 2024, on which I have rendered my report dated May 28, 2025.

In compliance with Securities Regulation Code Rule 68, As Amended, and based on the certification received from the Company's corporate secretary and the results of my work done, as at December 31, 2024, I am stating that the said Company has one (1) shareholder owning one hundred (100) or more shares.

MARIA PATRICIA ALTHEA L. GIANCHAND

CPA License No. 131705

P.T.R. Number 2451987

Issued on January 14, 2025 at Caloocan City

TIN 296-504-750-000

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May 28, 2025
Caloocan City


STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of the Integrosys Corporation is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the separate 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, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited separate financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Integrosys Corporation, 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 separate financial statements pursuant to financial accounting 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 Integrosys Corporation 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.

Signature 
Vijay Kuppahalli Nagaraja (President / Chairman)

Signature 
Maria Carmellie K. Sumcad (Treasurer)

Signed this day of 28th day of May 2025

Integrosys Corporation
Address: 41F GT Tower International 6813 Ayala Ave cor HV Dela Costa st Bel Air Makati City
Tel: +632 634 8967 Fax: +632 814 9512

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the Integrosys Corporation is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud and 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 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 Management is responsible for overseeing the Company's financial reporting process.

The Management reviews and approves the financial statements including the schedules attached therein, and submits the same to the management.

Maria Patricia Althea Gianchand, the independent auditor appointed by the Management, has audited the separate financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the Management, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature 
Vijay Kuppahalli Nagaraja (President / Chairman)

Signature 
Maria Carmelle K. Sumcad (Treasurer)

Signed this day of 28th day of May 2025

INTEGROSYS CORPORATION
(A Wholly-Owned Subsidiary of Integro Technologies Pte. Ltd.)

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<i>Note</i>	2024	2023
ASSETS			
Current Assets			
Cash	4	P1,689,679	P2,215,594
Trade and other receivables	5	117,054,887	54,948,221
Prepayments and other current assets	6	431,401	765,245
Total Current Assets		119,175,967	57,929,060
Non-current Assets			
Property and equipment - net	7	182,419	235,951
Deferred tax assets	16	1,979,022	1,354,231
Other non-current assets	8	333,021	311,650
Total Non-Current Assets		2,494,462	1,901,832
		P121,670,429	P59,830,892
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	9	P72,914,208	P27,218,179
Due to Parent Company	10	37,116,203	19,383,513
Total Current Liabilities		110,030,411	46,601,692
Non-current Liability			
Deferred revenue	11	6,273,238	5,943,860
		116,303,649	52,545,552
Equity			
Share capital		10,200,000	10,200,000
Deficit		(4,833,220)	(2,914,660)
Total Equity		5,366,780	7,285,340
		P121,670,429	P59,830,892

See Notes to the Financial Statements.

INTEGROSYS CORPORATION
(A Wholly-Owned Subsidiary of Integro Technologies Pte. Ltd.)

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<i>Note</i>	2024	2023
REVENUES	<i>10,11</i>	P71,675,051	P16,551,141
COST OF SERVICES	<i>12</i>	74,118,812	19,052,580
GROSS LOSS		(2,443,761)	(2,501,439)
OPERATING EXPENSES	<i>13</i>	5,082,242	4,679,138
LOSS FROM OPERATIONS		(7,526,003)	(7,180,577)
OTHER INCOME (EXPENSE)	<i>14</i>	4,982,652	(200,315)
LOSS BEFORE INCOME TAX		(2,543,351)	(7,380,892)
INCOME TAX BENEFIT	<i>16</i>	(624,791)	(891,141)
NET LOSS		(P1,918,560)	6,489,751)

See Notes to the Financial Statements.

INTEGROSYS CORPORATION
(A Wholly-Owned Subsidiary of Integro Technologies Pte. Ltd.)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
SHARE CAPITAL		
Common shares – P100 par value		
Authorized – 102,000 shares		
Issued and outstanding – 102,000 shares	P10,200,000	P10,200,000
DEFICIT		
Balance at beginning of year	(2,914,660)	3,575,091
Net loss for the year	(1,918,560)	(6,489,751)
Balance at end of year	(4,833,220)	(2,914,660)
	P5,366,780	P7,285,340

See Notes to the Financial Statements.

INTEGROSYS CORPORATION
(A Wholly-Owned Subsidiary of Integro Technologies Pte. Ltd.)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<i>Note</i>	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(P2,543,351)	(P7,380,892)
Adjustment for depreciation	7	55,424	34,077
Operating loss before working capital changes		(2,487,927)	(7,346,815)
Decrease (increase) in:			
Trade and other receivables		(62,106,666)	(10,447,849)
Prepayments and other current assets		333,844	(765,245)
Other non-current assets		(21,371)	(P311,650)
Increase (decrease) in:			
Trade and other payables		45,696,029	19,369,817
Deferred revenue		329,378	32,795
Net cash from (used in) operations		(18,256,713)	531,053
CASH FLOWS FROM AN INVESTING ACTIVITY			
Additions to property and equipment	7	(1,892)	(270,028)
CASH FLOWS FROM A FINANCING ACTIVITY			
Advances from Parent Company		17,732,690	-
NET INCREASE (DECREASE) IN CASH		(525,915)	261,025
CASH AT BEGINNING OF YEAR		2,215,594	1,954,569
CASH AT END OF YEAR		P1,689,679	P2,215,594

See Notes to the Financial Statements.

INTEGROSYS CORPORATION
(A Wholly-Owned Subsidiary of Integro Technologies Pte. Ltd.)

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

Integrosys Corporation (the “Company”) was incorporated and registered with the Securities and Exchange Commission on February 8, 2018 with registration number CS201800674 and is principally engaged in the business of information technology and information technology-enabled services including development, marketing, distribution and management of software application, packages, systems and modules and related technical consultancy and training services..

The Company is a wholly-owned subsidiary of Integro Technologies Pte. Ltd. (the “Parent Company”), a company registered in Singapore.

The Company’s registered address is at 18F Philamlife Tower, 8767 Paseo de Roxas, Makati City Philippines 1226.

2. Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with the Philippine Financial Reporting Standard for Small Entities (PFRS for SEs).

The financial statements as at and for the year ended December 31, 2024 were authorized and approved for issuance by the Company’s Board of Directors (BOD) on May 28, 2025.

Basis of Measurement

The financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at amortized cost.

Functional and Presentation Currency

The financial statements are presented in Philippine Peso, which is the Company’s presentation and functional currency. All financial information presented has been rounded off to the nearest peso unless otherwise stated.

Use of Estimates and Judgments

The preparation of the financial statements in conformity with PFRS for SEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as follows:

Critical Accounting Estimates and Assumptions

Estimating allowance for impairment losses on receivables

The Company maintains an allowance for impairment losses on receivables at a level considered adequate to provide for uncollectible receivables. The level of this allowance is evaluated by the Company 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 debtors and, their payment behavior and known market factors. The Company reviews the age and status of the receivable, and identifies accounts that are to be provided with allowance on a regular basis. The amount and timing of recorded expenses for any period would differ if the Company made different judgment or utilized

INTEGROSYS CORPORATION
(A Wholly-Owned Subsidiary of Integro Technologies Pte. Ltd.)

NOTES TO THE FINANCIAL STATEMENTS

different estimates. An increase in the Company's allowance for impairment losses on receivables would increase the Company's recorded operating expenses and decrease current assets.

The Company did not recognize an allowance for impairment losses on receivables in 2024 and 2023.

The carrying amount of trade and other receivables amounted to P117,054,887 and P54,948,221 as at December 31, 2024 and 2023, respectively (see Note 5).

Estimating provisions

The Company, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations in accordance with its policies on provisions and contingencies. In recognizing and measuring provisions, management takes risks and uncertainties into account.

As at December 31, 2024 and 2023, the Company does not have any contingent legal or constructive obligation that requires provision.

Critical Judgments in Applying Accounting Policies

Determination of functional currency

Based on the economic substance of the underlying circumstances relevant to the Parent Company, the functional currency of the Company has been determined to be the Philippine Peso. It is the currency of the primary economic environment in which the Company operates and the currency that mainly influences its revenues and expenses.

Evaluating lease agreements

The Company has entered into a lease agreement as a lessee. The Company has determined that the lessor retains all significant risks and rewards of ownership of the property which is leased out under an operating lease agreement.

Rent expense recognized in profit or loss amounted to P133,846 and P81,960 in 2024 and 2023, respectively (see Note 15).

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

Cash

Cash consists of cash in banks, and is stated at its face value. Cash in banks earns interest at the prevailing deposit interest rates.

Basic Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when the entity becomes a party to its contractual provisions: (a) basic financial instruments and (b) complex financial instruments.

The Company's basic financial instruments consist of cash, trade and other receivables, due to/from related parties, other non-current assets, and trade and other payables as at reporting date.

(a) Initial recognition and subsequent measurement

On initial recognition, a basic financial instrument is measured at transaction price (including transaction costs), unless the arrangement is in effect a financing transaction. In this case, it is

INTEGROSYS CORPORATION
(A Wholly-Owned Subsidiary of Integro Technologies Pte. Ltd.)

NOTES TO THE FINANCIAL STATEMENTS

measured at present value of the future payment discounted using a market rate of interest for a similar debt instrument. Basic financial instruments are subsequently measured at amortized cost using the effective interest rate method. Other financial instruments such as investments in listed shares of stock are measured at fair value at each reporting date.

(b) Impairment of financial instruments measured at cost or amortized cost

At each reporting date, the Company assesses whether there is objective evidence of impairment on any financial assets that are measured at cost or amortized cost. Where there is any objective evidence of impairment, an impairment loss is recognized in the statement of receipts over expenses through profit or loss.

For an instrument measured at amortized cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. Where an asset is measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset in a sale at the reporting date.

(c) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the related assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized only when these are extinguished – that is, when the obligation is discharged, cancelled, or has expired.

(d) Offsetting

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

Prepayments and Other Current Assets

Prepayments and other current assets are expenses paid in cash and recorded as assets before they are used or consumed, as the service or benefit will be received in the future. Prepayments and other current assets expire and are recognized as expense either with the passage of time or through use or consumption.

Prepayments and other current assets are classified in the statements of financial position as current assets when the cost of goods or services related to the prepayments are expected to be incurred within one (1) year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Creditable Withholding Tax

Creditable withholding tax represents taxes withheld by the Company's customers in accordance with the tax regulation, which remains unutilized as at the end of the reporting period. These can be utilized by the Company as deduction from future income tax obligations.

Related Party Relationships and Transactions

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

INTEGROSYS CORPORATION
(A Wholly-Owned Subsidiary of Integro Technologies Pte. Ltd.)

NOTES TO THE FINANCIAL STATEMENTS

Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost. The Company does not recognize a provision for future operating losses.

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

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

Equity

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Equity instruments are measured at the fair value of the cash or other resources received or receivable. If payment is deferred and the time value of money is material, the initial measurement is on present value basis.

Retained earnings (Deficit)

Retained earnings (deficit) represent accumulated gains and losses of the Company in current and prior periods.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from rendering of services

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the outcome of the transaction can be estimated reliably. Revenue and cost are recognized when the related services have been performed in accordance with the terms and conditions of the agreement at the end of the reporting date.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statements of financial position as an asset.

Costs and expenses in the statements of income are presented using the function of expense method. Cost of services are expenses incurred that are associated with the services rendered. Operating expenses are costs attributable to administrative and other business activities of the Company.

Operating Leases

A lease is classified as an operating lease if it does not transfer substantially all of the risks and rewards incidental to ownership to the lessee. The Company, as a lessee, recognizes lease payments under operating leases (excluding costs and services such as insurance and maintenance) as an expense to profit or loss in the period in which they are incurred.

INTEGROSYS CORPORATION
(A Wholly-Owned Subsidiary of Integro Technologies Pte. Ltd.)

NOTES TO THE FINANCIAL STATEMENTS

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. The Company measures a current tax liability (asset) at the amount it expects to pay (recover) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted as of the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and the carry forward benefits of unused net operating loss carry-over (NOLCO). Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against to which the asset can be utilized. A valuation allowance against deferred tax assets is recognized so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit. The net carrying amount of a deferred tax asset is reviewed at each reporting date and such valuation allowance is adjusted to reflect the current assessment of future taxable profits.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Events After the Reporting Period

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

4. Cash

This account consists of cash in banks amounting to P1,689,679 and P2,215,594 as at December 31, 2024 and 2023, respectively.

5. Trade and Other Receivables

This account consists of:

	<i>Note</i>	2024	2023
Trade receivables			
Third parties		P75,527,569	P4,896,699
Related party	10	37,736,296	27,472,110
Advances to employees		-	216,050
Other receivables		3,791,022	22,363,362
		P117,054,887	P54,948,221

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Trade receivables are usually collectible within a 30-day period.

Advances to employees are collected through salary deduction to employees.

Other receivables pertains to non-trade receivables.

Management believes that the carrying amounts of the Company's trade and other receivables approximate their fair values.

6. Prepayments and Other Current Assets

This account consists of:

	2024	2023
Prepaid taxes	P431,401	P288,972
Final withholding VAT	-	476,273
	P431,401	P765,245

Prepaid taxes mainly consists of creditable withholding taxes which represent taxes withheld by the Company's customers in accordance with the tax regulations, which remained unutilized as of the end of the reporting period. These can be utilized by the Company as deduction from future income tax obligations.

7. Property and Equipment

A reconciliation of the carrying amounts of property and equipment, the gross carrying amounts, and accumulated depreciation and amortization of property and equipment are shown below:

	<i>Note</i>	Office Equipment	Software	Total
Cost:				
January 1, 2023		P -	P -	P -
Additions		255,528	14,500	270,028
December 31, 2023		255,528	14,500	270,028
Additions		-	1,892	1,892
December 31, 2024		255,528	16,392	271,920
Accumulated depreciation and amortization:				
January 1, 2023		-	-	-
Provision	15	31,419	2,658	34,077
December 31, 2023		31,419	2,658	34,077
Provision	15	51,106	4,318	55,424
December 31, 2024		82,525	6,976	89,501
Carrying Amount:				
December 31, 2023		P224,109	P11,842	P235,951
December 31, 2024		P173,003	P9,416	P182,419

None of the property and equipment are pledged as collateral for any financial liabilities as at December 31, 2024 and 2023.

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8. Other Non-Current Assets

This account consists of:

	<i>Note</i>	2024	2023
Security deposit	15	P310,000	P -
Guarantee bond		23,021	311,650
		P333,021	P311,650

Guarantee bond pertain to performance security fee to certain customers and is refundable upon completion of the contract.

9. Trade and Other Payables

This account consists of:

	2024	2023
Trade payables	P59,506,198	P14,764,487
Accrued expense	10,091,870	10,010,156
Output VAT	2,786,191	1,662,740
Due to employees	434,550	672,424
Due to government agencies	95,399	108,372
	P72,914,208	P27,218,179

Trade payables are payable within a 60-day period.

Accrued expense consists mainly of professional and legal fees.

Due to government agencies consist mainly of payable to government agencies such as the Bureau of Internal Revenue, SSS, HDMF and PHIC.

Management believes that the carrying amounts of the Company's trade and other payables approximate their fair values.

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10. Related Party Transactions

In the normal course of business, the Company has transactions with related parties as follows:

Category / Transaction	Year	Net amount of the transaction for the year	Outstanding balance		Terms and conditions
			Due from related parties	Due to related parties	
Integro Technologies Pte. Ltd. (Parent Company)					
• Revenues	2024	P10,333,349	P37,736,296	P -	This pertains to reimbursement of allocable share of the costs incurred by the Company in providing the services to the Parent Company.
	2023	8,238,540	27,472,110	-	
• Advances	2024	17,732,690	-	37,116,203	The Parent Company grants non-interest bearing unsecured cash advances to the Company. Balances are due and demandable , and expected to be settled in cash.
	2023	19,118,969	-	19,383,513	

The Company has no key management personnel compensation as it is paid by the Parent Company.

Outstanding balances at year-end are unsecured and settlement occurs in cash. There are no provisions for doubtful accounts related to outstanding balances. There have been no guaranties provided or received for any related party receivables or payables.

11. Revenues

This account consists of:

	Note	2024	2023
Third party		P61,341,702	P8,312,601
Related party	<i>10</i>	10,333,349	8,238,540
		P71,675,051	P16,551,141

Revenues from third party:

The Company entered into a service contract with a customer to provide software maintenance and support services. The term of the contract is for three (3) years starting from October 27, 2022 until October 26, 2025. Service fee shall be paid at the start of the period per year amounting to SGD192,082.

Revenues from third parties amounted to P61,341,702 and P8,312,601 in 2024 and 2023, respectively. Deferred revenues pertain to the unamortized portion of the revenues billed to the customer, which amounted to P6,273,238 and P5,943,860 as at December 31, 2024 and 2023, respectively.

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12. Cost of Services

This account consists of:

	2024	2023
Project costs	P41,068,155	P381,071
Salaries and wages	27,295,431	17,068,518
Employees welfare	3,463,898	4,098
13 th month pay	1,839,468	1,338,933
SSS, PHIC, and HDMF contributions	451,860	259,960
	P74,118,812	P19,052,580

13. Operating Expenses

This account consists of:

	<i>Note</i>	2024	2023
Professional fees		P1,740,250	P1,406,400
Representation		701,289	550,533
Transportation and travel		430,396	571,538
Employee benefits		299,984	412,677
Taxes and licenses		171,297	84,824
Rent	15	133,846	81,960
Communications		68,915	54,635
Depreciation	7	55,424	34,077
Subscription fees		45,488	38,564
Office supplies		8,997	53,563
Insurance		3,434	3,434
Outside services		-	1,156,667
Miscellaneous		1,422,922	230,266
		P5,082,242	P4,679,138

Miscellaneous includes penalties and charges amounting to P1,248,635 and P1,379 in 2024 and 2023, respectively.

14. Other Income (Expenses)

This account consists of net foreign exchange gains (losses) amounting to P4,982,652 and (P200,315), in 2024 and 2023, respectively.

15. Lease Agreement

The Company leases its office premises from a third party for a period of one (1) year renewable on such terms and conditions as shall be mutually acceptable between the parties.

The lease agreement required a security deposit amounting to P310,000 and nil as at December 31, 2024 and 2023, respectively, which is refundable upon termination of the contract.

Rent expense recognized in profit or loss amounted to P133,846 and P81,960 in 2024 and 2023, respectively.

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16. Income Taxes

Income tax benefit in 2024 and 2023 amounted to P624,791 and P891,141, respectively.

The reconciliation of the income tax expense computed at statutory income tax rate to the actual expense shown in the statements of income is as follows:

	2024	2023
Loss before income tax	(P2,543,351)	(P7,380,892)
Income tax using statutory rate	(508,670)	(1,476,178)
Income tax effects of:		
Non-deductible expenses	942,507	78,100
Unrealized foreign exchange losses (gains) - net	(1,058,628)	43,848
Applied NOLCO		463,089
	(P624,791)	(891,141)

The Company recognized deferred tax assets on NOLCO amounting to P1,979,022 and P1,354,231 as at December 31, 2024 and 2023 respectively.

The Company has NOLCO that can be claimed as deduction from future taxable income as follows:

Year incurred	Amount incurred	Amount applied	Amount expired	Remaining balance	Valid until
2024	P3,123,956	P -	P -	P3,123,956	2027
2023	6,771,153	-	-	6,771,153	2026
	P9,895,109	P -	P -	P9,895,109	

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

I. Revenue Regulation No. 15-2010

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

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

A. Value-Added Tax (VAT)

Output VAT declared and the revenues upon which the same was based for the year ended December 31, 2024 consists of:

	Gross amount	Output VAT
Subject to 12% VAT		
Sales to government	P62,383,406	P7,486,009

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Movements in input VAT for the year ended December 31, 2024 are as follows:

Balance at beginning of the year	P476,273
Add: Current year's domestic purchases for:	
Capital goods exceeding P1 million	-
Capital goods not exceeding P1 million	-
Goods other than capital goods	-
Domestic purchase of services	224,315
Payments made	6,429,349
VAT withheld on sales to government	356,072
Less: Claims for output VAT credit	7,486,009
Balance at end of the year	P -

B. Withholding Taxes

Details of withholding taxes for the year ended December 31, 2024 are as follows:

	Accrued	Paid	Total
Withholding tax on compensation	P336,492	P6,895,819	P7,232,311
Expanded withholding tax	936	39,390	40,326
	P337,428	P6,935,209	P7,272,637

C. All Other Local and National Taxes

All other local and national taxes paid for the year ended December 31, 2024 consist of:

Business permit	161,784
Sanitary permit	5,000
Community tax certificate	4,313
Barangay clearance	200
	P171,297

The above local and national taxes are lodged under Taxes and Licenses account in operating expenses.

D. Tax Contingencies

The Company received a Letter of Authority (eLA202300042074) from the BIR on August 21, 2024 for the examination of the books of accounts and accounting records for all internal revenue taxes for the taxable year 2023. The said Letter of Authority was replaced with eLA202400019659 on April 11, 2025 due to change in BIR personnels. As of the reporting date, this is not yet settled.

Information on custom duties and tariff fees and excise tax is not applicable since there are no transactions that the Company would be subject to these taxes.