Interim Financial Statements

September 30, 2023

STATEMENT OF FINANCIAL POSITION September 30, 2023 (In Philippine Peso)

	Notes	2023	2022
ASSETS			
Current Assets			
Cash on Hand and in Bank	3	3,287,350.15	9,119,137.86
Trade and Other Receivables	4	642,619,081.92	329,982,838.22
Inventory	5	31,289,227.58	29,147,290.83
Deffered Debits	6	336,000.00	336,000.00
Other Current Assets	7	4,378,981.00	4,731,901.00
Total Current Assets		681,910,640.65	373,317,167.91
Non Current Assets			
Property, Plant and Equipment - net	8	8,363,722.48	8,666,740.49
Security Deposits		2,250,000.00	2,250,000.00
Total Non Current Assets		10,613,722.48	10,916,740.49
TOTAL ASSETS		692,524,363.13	384,233,908.40
Current Liabilities Accounts Payable - Trade Accounts Payable - Others	9	12,856,158.74 94,875.30	11,290,116.00 128,250.00
Income Tax Payable		-	-
Total Current Liabilities		12,951,034.04	11,418,366.00
Non Current Liabilities			
Advances from a related party	10	172,016,973.08	122,016,973.08
Total Non Current Liabilities		172,016,973.08	122,016,973.08
Total Liabilities		184,968,007.12	133,435,339.08
STOCKHOLDER'S EQUITY Paid-up Capital		12,500,000.00	12,500,000.00
• •		495,056,356.01	238,298,569.32
Retained Earnings		.50,000,000.01	_50,_50,505.02
Retained Earnings Stockholder's Equity		507,556,356.01	250,798,569.32

See accompanying Notes to Financial Statements

STATEMENT OF COMPREHENSIVE INCOME For the first nine (9) months ended September 30, 2023 (In Philippne Peso)

	Notes	2023	2022
SALES		780,603,495.53	429,376,178.12
COST OF SALES	11	458,979,243.30	156,620,833.35
GROSS PROFIT		321,624,252.23	272,755,344.77
OPERATING EXPENSES	12	64,866,465.54	46,734,375.92
NET INCOME BEFORE TAX		256,757,786.69	226,020,968.85
PROVISION FOR INCOME TAX (MCIT)			
PROFIT (LOSS) FOR THE YEAR		256,757,786.69	226,020,968.85
NET INCOME (LOSS)		256,757,786.69	226,020,968.85

See accompanying Notes to Financial Statements

STATEMENT OF CASH FLOWS September 30, 2023 (In Philippine Peso)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before Income Tax	256,757,786.69	226,020,968.85
Depreciation	303,018.01	404,024.25
Operating Income Before Working Capital Changes	257,060,804.70	226,424,993.10
Decrease (Increase) in Current Assets		
Trade and Other Receivables	(312,636,243.70)	(323,670,271.22)
Inventories	(2,141,936.75)	(15,238,023.58)
Other Current Assets	352,920.00	(109,100.00)
Deffered Debits	-	-
Increase (Decrease) in Current & Non-Current Liabilities		
Trade Payables	1,566,042.74	4,044,118.80
Other Payables	(33,374.70)	(159,884.00)
Income Tax Payments		-
Advances from a related party	50,000,000.00	111,000,000.00
Other Non-Current Liabilities		-
Net Cash provided (used) by operations	(5,831,787.71)	2,291,833.10
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Properties, Vehicles, Equipment (Adj)		
Net Cash provided (used) by investing	-	-
FINANCING ACTIVITY		
Loan proceeds - Current		
Loan proceeds - Long-term		
Additional Paid Up Capital		
Net Cash provided (used) by Financing	-	-
NET INCREASE IN CASH	(5,831,787.71)	2,291,833.10
CASH BALANCE, BEGINNING	9,119,137.86	6,827,304.76
NET CASH BALANCE, ENDING	3,287,350.15	9,119,137.86

See accompanying Notes to Financial Statements

STATEMENT OF CHANGES IN EQUITY September 30, 2023 (In Philippine Peso)

	2023	2022
SHAREHOLDER'S EQUITY		
Authorized - 50,000 founded shares at PHP1.00 par value		
Subscribed and paid - 12,500,000 shares		
Paid-Up Capital	12,500,000.00	12,500,000.00
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Retained Earnings		
Balance at beginning of the year	238,298,569.32	12,277,600.47
Net Income (Loss) for the year	256,757,786.69	226,020,968.85
Total Retained Earnings	495,056,356.01	238,298,569.32
TOTAL SHAREHOLDER'S EQUITY	507,556,356.01	250,798,569.32

3.	CASH		
	This account consist of:	2023	2022
	Cash on Hand	38,119.00	65,344.00
	Cash in Bank	3,249,231.15	9,053,793.86
	TRADE AND OTHER RECEIVABLES	3,287,350.15	9,119,137.86
4.	TRADE AND OTHER RECEIVABLES This account consist of:	2023	2022
	Trade Receivables	642,619,081.92	329,982,838.22
		642,619,081.92	329,982,838.22
5.	MERCHANDISE INVENTORY		
		2023	2022
	Inventory, Beginning Add: Purchases - Local	29,147,290.83 461,121,180.05	13,909,267.25 171,858,856.93
	Foreign	401,121,160.03	-
	Total	490,268,470.88	185,768,124.18
	Less: Cost of Sales	458,979,243.30	156,620,833.35
	Inventory, Ending	31,289,227.58	29,147,290.83
6.	DEFFERED DEBITS	2023	2022
	VAT Payable with debit balance Input Tax on Assets greater than 1M	336,000.00	336,000.00
	Excess Payments of Income Tax		-
		336,000.00	336,000.00
7.	OTHER CURRENT ASSETS	2023	2022
	Prepaid Insurance	46,300.00	48,667.00
	Advances to Officers and Employees	165,378.00	198,533.00
	Advances to Local and Foreign Supplies	4,167,303.00	4,484,701.00
		4,378,981.00	4,731,901.00
8.	PROPERTY, PLANT AND EQUIPMENT	2023	2022
	The carrying amounts as of December 31, 2020 are as follows:	_	-
	Furniture & Fixtures	105,000.00	105,000.00
	Vehicles	9,817,900.00	9,817,900.00
	Office Equipment	502,024.25	502,024.25
	Leasehold Improvements Total Property & Equipment	1,859,716.00 12,284,640.25	1,859,716.00 12,284,640.25
	Total Troperty & Equipment	12,204,040.23	12,204,040.23
	Accumulated Depreciation		
	Furniture & Fixtures	336,000.00	328,000.00
	Vehicles Office Faviorement	3,177,130.09	2,916,000.00
	Office Equipment Leasehold Improvements	35,566.00 372,221.68	28,900.00 345,000.00
	Total Accumulated Depreciation	3,920,917.77	3,617,900.00
	Carrying Value	8,363,722.48	8,666,740.25
9.	TRADE AND OTHER PAYABLES		
	This account consist of:	2023	2022
	Accounts Payable - Trade	12,856,158.74	11,290,116.00
	Accounts Payable - Others	94,875.30	128,250.00
	Total	12,951,034.04	11,418,366.00
10	RELATED PARTY TRANSACTIONS		
-0	Advances from a related party pertain to non-interest bearing cash adva	nces. These advances are	
	unsecured and have no fixed repayment terms.	2023	2022
	• •	172,016,973.08	122,016,973.08
		172,016,973.08	122,016,973.08

11	COST OF SALES	2023	2022
	Beginning Inventory	29,147,290.83	13,909,267.25
	Purchases		
	Local	461,121,180.05	171,858,856.93
	Imported		
	Total Purchases	461,121,180.05	171,858,856.93
	Total Goods Available for Sale	490,268,470.88	185,768,124.18
	Ending Inventory	31,289,227.58	29,147,290.83
	Cost of Sales	458,979,243.30	156,620,833.35
12	OPERATING EXPENSES	2023	2022
	Communication, Light & Water	1,251,291.34	238,722.78
	Depreciation	303,018.01	404,024.25
	Fuel and Oil	1,448,860.44	563,119.00
	Insurance Expense	167,000.00	268,000.00
	Interest Expense	7,287,046.76	9,103,558.75
	Miscellaneous	5,968,328.47	3,854,806.17
	Office Supplies	401,055.82	312,988.12
	Rental	4,986,000.00	6,648,000.00
	Repair and Maintenance	3,455,943.50	677,233.00
	Representation	19,609,465.78	12,360,899.00
	Salaries and Wages	12,773,839.42	10,726,678.85
	13th Month Pay and Other benefits	-	890,000.00
	SSS, HDMF and PHIC Contributions	192,354.75	61,964.00
	Taxes and Lincenses	382,187.50	128,750.00
	Transportation and Travelling Expense	6,441,713.75	423,515.00
	Freight & Handling	198,360.00	72,117.00
	Total Operating Expenses	64,866,465.54	46,734,375.92
13	Stockholder's Equity	2023	2022
	Paid up Capital	12,500,000.00	12,500,000.00
	Retained Earnings	495,056,356.01	238,298,569.32
	Stockholder's Equity	507,556,356.01	250,798,569.32

1. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS 19 - 2011

RR No. 19 - 2011 that prescribes the use of new income tax forms starting with calendar year 2011 became effective on December 9, 2011. Companies are now required to include, as part of the notes to the financial statements, the schedules and information on taxable income and deductions.

Below is the additional information required by RR 19 -2011. This information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

15.01 Revenue

An analysis of the PHARMAGEM MARKETING revenue for the year from continuing operations is as follows:

	2023	2022
Revenue from sale of goods and services	780,603,495.53	429,376,178.12

2. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS 15 - 2011

Revenue Regulations (RR) No. 21 - 2002 prescribing additional procedural and/or documentary requirements in connection with the preparation and submission of financial statements accompanying income tax returns was ammended under RR 15-2010. The amendment that became effective on December 28, 2010 requires the inclusion in the notes to financial statements, information on taxes, duties and license fees paid or accrued during the year