

**AGREEMENT FOR THE PREVENTIVE MAINTENANCE SERVICES INCLUDING REPLACEMENT OF PARTS OF ELEVATORS AND ESCALATORS AT OCA ASEANA BUILDING FOR CY 2025**

---

**KNOW ALL MEN BY THESE PRESENTS:**

This Agreement for the procurement of PREVENTIVE MAINTENANCE SERVICES INCLUDING REPLACEMENT OF PARTS OF ELEVATORS AND ESCALATORS AT OCA ASEANA BUILDING, entered into in Pasay City, Philippines, on 20 DEC 2024, between the:

**DEPARTMENT OF FOREIGN AFFAIRS**, (hereafter, the PROCURING ENTITY), with principal office address at 2330 Roxas Blvd., Pasay City, 1300 Metro Manila, represented by its Undersecretary and Alternate Head of the Procuring Entity (HOPE) **HONORABLE CHARLES C. JOSE**,

and

**DEX INTL. CO.** (hereinafter, the CONTRACTOR), a company duly organized and existing under and by virtue of the laws of the Philippines, as evidenced by the submitted Security and Exchange Commission (SEC) dated October 26, 1998 as ANNEX A, with business address at No.1 Kalintaw St. Cor. JP. Rizal, Brgy. San Roque, Proj. 4, Cubao Quezon City represented by **MR. MARK ANTHONY AGGABAO**, who is duly authorized to enter into this Agreement pursuant to the Secretary's Certificate dated 20 December 2024, copy of which is attached as ANNEX B and made an integral part of this AGREEMENT.

**WITNESSETH:**

**WHEREAS**, the PROCURING ENTITY invited bids for the procurement of the Department's PREVENTIVE MAINTENANCE SERVICES INCLUDING REPLACEMENT OF PARTS OF ELEVATORS AND ESCALATORS AT OCA ASEANA BUILDING from January to December 2025 has accepted a bid by the CONTRACTOR to provide the said services in the amount of **One Million Nine Hundred Ninety-Two Thousand Pesos (PhP 1,992,000.00) only**, (hereinafter, the Contract Price) inclusive of all applicable taxes and other lawful charges.

**WHEREAS**, this Agreement, undertaken pursuant to DFA Bids and Awards Committee BAC Resolution No. HO-706-24 dated 19 December 2024, and Notice of Award (ANNEX "C"), complies with the applicable provisions of Republic Act No. 9184 and its Implementing Rules and Regulations;

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the PARTIES agree as follows:

1. The relevant definitions and provisions in the Philippine Bidding Documents which are not otherwise provided herein or in any of the annexes to this Agreement shall form part of the contract;
2. The following Annexes are also attached and made integral parts of this Agreement:
  - 2.1. Annex "D" - Quotation Received
  - 2.2. Annex "E" - Certificate of Availability of Funds (CAF)
  - 2.3. Annex "F" - Terms of Reference

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*kmv*

- 2.4. Annex "G" - General Conditions of the Contract
- 2.5. Annex "H" - Special Conditions of the Contract
- 2.6. Annex "I" - Mayor's Permit
- 2.7. Annex "J" - Income Tax Return

In case of conflict or inconsistencies between or among the provisions of this Agreement and any of the documents annexed to this Agreement, the provisions of the Terms of Reference (ANNEX "F") shall be controlling.

3. The CONTRACTOR shall deliver the goods and services to the PROCURING ENTITY within the period prescribed in the Terms of Reference.
4. The CONTRACTOR shall ensure that each of its personnel/employees assigned to enter and perform work in the premises of the Procuring Entity and to partake in the execution and implementation of this Agreement shall execute and sign a Non Disclosure Agreement to be submitted to the Procuring Entity prior to the commencement of their services. Both Parties hereby agree to keep confidential all information obtained in connection with this Agreement, including any technical drawings and plans, and will implement and maintain safeguards to further ensure and protect the confidentiality of such information. Such confidential information shall not, without the prior written consent of the Procuring Entity, be disclosed or used for purposes other than those necessary for implementing the objectives of this Agreement. This duty of confidentiality shall survive the duration of this Agreement.
5. For and in consideration of the performance of services, the PROCURING ENTITY shall pay the CONTRACTOR the Contract Price in the amount of **One Million Nine Hundred Ninety-Two Thousand Pesos (PhP 1,992,000.00)** by bank transfer from the Land Bank of the Philippines (LBP) through a List of Due and Demandable Accounts Payable (LDDAP) scheme within thirty (30) working days from receipt of the invoice and complete supporting documents. The terms of payment shall be in accordance with the provisions stated in item "X" of the Terms of Reference, which is attached to and made an integral part of this Agreement.
6. In view of the payment through LDDAP, the Contractor shall provide the following to the Procuring Agency:
  - Account Name:
  - Account Number:
  - Bank Name:
  - Bank Branch/Address:
7. The Contractor shall issue an official receipt to the Procuring Agency for the payment made, as proof and acknowledgment of receipt of such payment.
8. This Agreement shall be effective upon compliance with the issued Notice To Proceed (NTP) or upon the signing of this Agreement for a period of twelve (12) months, or until compliance by both Parties of their respective undertakings including the expiration of the Warranties hereunder, whichever occurs last, unless earlier terminated.
9. This Agreement shall be binding on the parties' respective successors or assigns.
10. The general provisions of this Agreement are as follows:
  - a. **Dispute Resolution.** – The Parties shall exert their best effort/s to amicably resolve and settle in good faith any dispute arising out of or in relation to this Agreement through negotiations. In the event that an amicable settlement cannot be reached within sixty (60) days from the date on which either Party





has served written notice thereof on the other party, the Parties agree to settle the matter with finality by submitting the same for arbitration in accordance with the Philippine Dispute Resolution Center, Inc.'s (PDRCI) rules and regulations, and shall be governed by Philippine law. The arbitration proceedings, including all records, documents, pleadings, orders and judgments filed or rendered in pursuant thereto, shall be kept confidential and shall be in the English language. The seat and venue of arbitration shall be Pasay City, Metro Manila, Philippines to the exclusion of all other venues. Nothing in this Agreement shall prevent the Parties from applying to a Philippine court of a competent jurisdiction for provisional or interim measures or injunctive relief as may be necessary to safeguard the property or rights, as may be the subject matter of the dispute.

- b. **Governing Law and Jurisdiction.** – This Agreement shall be governed, construed, and enforced in accordance with Philippine law, rules, and regulations.
- c. **Liability of the Contractor** - The Contractor's liability under this Contract shall be as provided by the laws of the Republic of the Philippines.
- d. **No Employer-Employee Relationship** - This Contract does not establish any employer-employee relationship between the DFA, the Contractor, being an independent contractor, and the latter's employees, agents, representatives, or subcontractors.
- e. **Indemnity** - The Contractor shall hold the DFA free and harmless from, and hereby binds and obligates itself to indemnify the DFA for, any and all liabilities, losses, damages, injuries including death, claims, demands, suits, proceedings, judgments, awards, fines, penalties, and all expenses, legal or otherwise, of whatever kind and nature arising from and by reason of this Contract, due to the fault, negligence, act, omission, delays, conduct, breach of trust, or non-observance or violation of any provision of this Contract by the Contractor and/or of its employees, agents, representatives, or sub-contractor.
- f. **Force Majeure** - The DFA and the Contractor shall not be liable in any way whatsoever for delays or failure in the performance resulting from acts beyond their reasonable control, which may not be overcome by due diligence. Such acts shall include but not be limited to acts of God, strikes, lock outs, labor disputes, material shortages, riots, war, governmental regulation imposed after the fact, flood, fire, earthquake, power outages or other such natural disasters. The obligation of the DFA and the Contractor in so far as they are affected by such occurrence, shall be suspended during the continuance of any inability so caused, and such inability shall not be a breach of this Contract.
- g. **Waiver of Rights** - No failure, omission or delay of any of the Parties in exercising any of its right, privileges and remedies hereunder shall operate as a waiver thereof. No waiver or departure from the terms of this Contract shall be valid unless made in writing and signed by the Party's authorized representative. Such waiver shall be effective only in the specific instance and for the purpose for which it is given.
- h. Neither party nor any of its officers, directors, managers, employees, agents, and representatives shall be liable to the other party or any of its officers, directors, managers, employees, agents, and representatives for any loss, liability, damage or expense arising out of or in connection with the performance of any services contemplated in this Agreement, unless such loss, liability, damage or expense shall be proven to result directly from the



willful misconduct or negligence of such officer, director, manager, employee, agent, or representative.

- i. Any other contract or agreement entered into by the Contractor and a third party for the implementation of this Agreement, shall be exclusively between such parties, to the exclusion of the Procuring Entity. The Contractor warrants that it shall hold free and harmless the Procuring Entity from any and all such suits, and in no event shall it be held liable to such third parties for any special, incidental, indirect, consequential or punitive damages relating to the conduct or completion of the project.
  - j. Both parties warrant that they have not assigned and will not assign to any third party any cause of action, obligation, or demand of any nature whatsoever relating to any matter covered by this Agreement without the prior written consent of the other party.
  - k. This Agreement, the GCC, Special Conditions of the Contract (SCC) and the Terms of Reference encapsulate the full agreement between the Parties and any subsequent alteration, modification or amendment of the aforementioned documents or any of their provisions shall be subject to mutual consent of both Parties and shall be made in writing.
18. Any amendment of the Contract shall be mutually agreed upon by the Parties in writing.
19. The invalidity in whole or in part of any clause in these terms and conditions shall not affect the validity of the remainder of such clause of these terms and conditions. If any term or condition of this Contract is declared invalid or contrary to law, the other terms or conditions that are not covered by such declaration shall remain valid and binding. The Parties shall amend the term or condition declared invalid or contrary to law, to conform to the subject and objective thereof.

IN WITNESS WHEREOF, the Parties through their authorized representatives hereto have signed this AGREEMENT on 20 DEC 2017, in Pasay City, Metro Manila.

**For the Procuring Entity:**

**For the Contractor:**

**DEPARTMENT OF FOREIGN AFFAIRS**

**DEX INTL. CO.**



By: **HON. CHARLES C. JOSE**  
Undersecretary and Alternate Head of the  
Procuring Entity

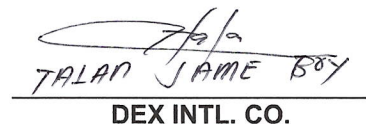


By: **MARK ANTHONY AGGABAO**  
Authorized Representative



MAANARADAT R. MAMAD  
**DFA Chief Accountant**

**WITNESSES**



TALAN JAME BOY  
**DEX INTL. CO.**



**ACKNOWLEDGEMENT**  
Republic of the Philippines

QUEZON CITY 30 JAN 2025

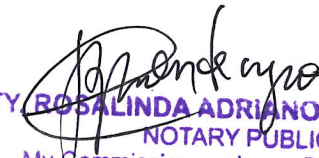
BEFORE ME, a NOTARY PUBLIC for and in the City of Pasay, Philippines, on \_\_\_\_\_, personally appeared **HONORABLE CHARLES C. JOSE**, Undersecretary and Alternate Head of the Procuring Entity of the Department of Foreign Affairs and **MR. MARK ANTHONY AGGABAO**, Authorized Representative of **DEX INTL. CO.**, known to me to be the same persons who executed the foregoing AGREEMENT FOR THE PREVENTIVE MAINTENANCE SERVICES INCLUDING REPLACEMENT OF PARTS OF ELEVATORS AND ESCALATORS AT OCA ASEANA BUILDING for CY 2025 which instrument consists of \_\_\_\_\_ pages including the page on which this acknowledgment is written and the Annexes attached thereto, all pages of which have been signed by said PARTIES and their witnesses, and who acknowledged to me that the same is their free and voluntary act and deed and of the entities they represent.

The Philippine Government-Issued ID of the Parties were exhibited to me, the same bearing:

NAME	ID No.	PLACE OF ISSUE	DATE OF ISSUE
CHARLES C. JOSE	D00122141A	MANILA	05 SEPT 2023
MARK ANTHONY AGGABAO	D19-15-000975	QUEZON CITY	01-10-2023

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the day, year and in the place above written.

Doc. No. 218  
Page No. 045  
Book No. 21  
Series of 2025

  
**ATTY. ROSALINDA ADRIANO-MONTENEGRO**  
NOTARY PUBLIC  
My Commission expire on Dec. 31, 2025  
Admin. Matter No. NP-067 (2024-2025)  
PTR No. 5555358 01/03/2024-Q.C.  
IBP OR No. 397268 01/05/2024-Q.C.  
ROLL No. 68465  
MCLE Compliance No. VII-0021672 valid until April 14, 2025  
Unit 312 Acre Bldg. 137 Malakas St. Brgy. Central, Quezon City





Republic of the Philippines  
SECURITIES AND EXCHANGE COMMISSION  
SEC Building, EDSA, Mandaluyong City  
Metro Manila

S.E.C. Reg. No. A199816271

KNOW ALL MEN BY THESE PRESENTS:

THIS IS TO CERTIFY that the annexed

Articles of Partnership of:

DEX INTL. CO.

as been presented to the Commission at 2:25 o'clock in the afternoon  
of the 26th day of Oct., 1998, according to Entry No. 27317  
Volume VI, of the Day Book and duly recorded in Folio 10  
of No. 67317 Inscription No. 1, Volume 1351 of  
Book of Partnership of the Securities and Exchange Commission.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the  
of this Commission to be affixed at Mandaluyong City, Metro Manila,  
ppines, this 27th day of October, Nineteen Hundred and  
~~nety-eight~~

  
SONIA M. BALLO  
Director

Corporate and Legal Department

0012424428

CERTIFIED TRUE COPY

BY:  MARK ANTHONY M. AGGABAO  
Authorized Representative



REPUBLIC OF THE PHILIPPINES  
SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills  
City of Mandaluyong, Metro Manila

COMPANY REG. NO. A199816271

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the annexed

Amended Articles of Partnership of

DEX INTL. CO.

has been presented to the Commission at 1:30 o'clock in the afternoon of the 21<sup>st</sup> day of January, 2013, according to Entry No. 193523 of Volume XVIII of the Day Book and duly recorded in Folio 10 Leaf No. 63317 Inscription No. (6) Volume No. 1351 of the Book of Partnership of the Securities and Exchange Commission.

IN TESTIMONY WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 25<sup>th</sup> day of January, Twenty Thirteen.

  
FERDINAND B. SALES

Acting Director

Company Registration and Monitoring Department



CERTIFIED TRUE COPY

BY:   
MARK ANTHONY M. AGGABAO  
Authorized Representative

REPUBLIC OF THE PHILIPPINES)  
CITY MUNICIPALITY OF QUEZON CITY) S.S.

### PARTNERSHIP SECRETARY CERTIFICATE

I, **Edison A. Bernales**, of legal age, **Filipino**, with postal address at **12-E JCRV Bldg. Tomas Morato Ave. cor. Don A. Roces Ave. Brgy Laging Handa, Q.C.**, as **HR Manager** of **DEX INTERNATIONAL CO.**, with office address at **#1 Kalantiaw St. cor. J.P. Rizal Ave., Brgy. San Roque Project 4, Cubao, Quezon City.**, do hereby certify that the following is a true and correct copy of a resolution duly approved at a regular meeting of the Board of Directors of **DEX INTERNATIONAL CO.**, held at the main office on the 19th day of December 2024, and that said resolution is in full force and effect and has not been revoked, and reads as follows:

“RESOLVED AS IT IS HERBY RESOLVED, that **MARK ANTHONY AGGABAO**, whose signature appears below, be granted full power and authority to participate, make, sign, execute, deliver, and receive the contract agreement and any all documents and other writings of whatever nature or kind, transact, execute and perform any all acts necessary with **Department of Foreign Affairs** with Project Title of **“Preventive Maintenance Services including Replacement of Parts of Elevators and Escalators at OCA ASEANA Building”**

I hereby certify to the correctness of the foregoing resolution and that the same is existing and has not been suspended, amended, modified or revoked.

MARK ANTHONY AGGABAO

20 DEC 2024

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_  
at Quezon City Philippines.

**EDISON A. BERNALES**  
HR Manager, Dex International Co.  
Affiant

Corporate Secretary Attested to by:

**ALEX V. BERNALES**  
President



SUBSCRIBED AND SWORN TO before me this 20 DEC 2024 day of \_\_\_\_\_ at Quezon City, affiants exhibiting to me their corresponding government issued identification:

Name	Govt Issued IDs	Date Issued	Place of Issue
Alex V. Bernales	Passport – P5643067A	01/17/2018	Manila City
Edison A. Bernales	Passport – P0117233C	05/17/2022	Metro Manila
Mark Anthony Aggabao	Driver's License – D19-15-000975	01/10/2023	Quezon City

Name of Notary Public  
Serial No. of Commission \_\_\_\_\_  
Notary Public for \_\_\_\_\_ Until \_\_\_\_\_  
Roll of Attorney's No.: \_\_\_\_\_  
PTR No. \_\_\_\_\_ [date issued], [place issued]  
IBP No. \_\_\_\_\_ [date issued], [place issued]

Doc. No. 369  
Page No. 035  
Book No. 211  
Series of 20 2024

  
ATTY. ROSALINDA ADRIANO-MONTENEGRO  
NOTARY PUBLIC

My Commission expire on Dec. 31, 2025

Admin. Matter No. NP-067 (2024-2025)

PTR No. 5555358 01/03/2024-Q.C.

IBP OR No. 397268 01/05/2024-Q.C.

ROLL No. 88465

MCLE Compliance No. VII-0021672 valid until April 14, 2025  
Unit 312 Acre Bldg. 137 Malakas St. Brgy. Central, Quezon City



DEPARTMENT OF FOREIGN AFFAIRS  
KAGAWARAN NG UGNAYANG PANLABAS



**BIDS AND AWARDS COMMITTEE**

**BAC Resolution No. HO-706-24**

**RESOLUTION RECOMMENDING, BY REFERENDUM, AWARD OF CONTRACT UNDER SECTION 50 (DIRECT CONTRACTING) FOR THE PROCUREMENT FOR THE PREVENTIVE MAINTENANCE SERVICES (PMS) INCLUDING REPLACEMENT OF PARTS OF THE ELEVATORS AND ESCALATORS AT THE OFFICE OF CONSULAR AFFAIRS (OCA) ASEANA BUILDING FOR CY 2025**

**WHEREAS**, the Office of Asset Management and Support Services ("OAMSS") intends to procure Preventive Maintenance Services ("PMS") including replacement of parts of the Sakura brand elevators and Journey Brand escalators at the Office of Consular Affairs ("OCA") Aseana Building for CY 2025;

**WHEREAS**, the procurement of Preventive Maintenance Services ("PMS") including replacement of parts of the elevators and escalators at OCA Aseana Building for CY 2025 with an Approved Budget for the Contract ("ABC") of *Two Million Pesos* (Php 2,000,000.00) only, is included in the National Expenditure Program ("NEP") for FY 2025 chargeable against OAMSS' FY MOOE, is included in the Department's Indicative Annual Procurement Plan for ("Indicative APP") FY 2025;

**WHEREAS**, Section 50 of the 2016 Revised Implementing Rules and Regulations ("IRR") of Republic Act ("RA") No. 9184, otherwise known as the "Government Procurement Reform Act of 2003", states that Direct Contracting may be resorted to under any of the following conditions, *inter alia*: (c) Those sold by an exclusive dealer or manufacturer, which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained and more advantageous terms to the Government;

**WHEREAS**, after conducting a thorough survey of the industry and determining the supply source/s, the end-user unit determined that there is no suitable substitute in the market that can be obtained at more advantageous terms;

**WHEREAS**, the OAMSS submitted to Bids and Awards Committee ("BAC") the quotation from ***DEX International Company*** for the procurement of Preventive Maintenance Services ("PMS") including replacement of parts of the elevators and escalators at OCA Aseana Building for CY 2025 in the amount of *One Million Nine Hundred Ninety – Two Thousand Pesos* (Php 1,992,000.00) only;

**WHEREAS**, ***DEX International Company***, is the Authorized Distributor to promote, negotiate, tender sell, exhibit and responsible for the after-sale service in behalf of E-feng in the region of the Philippines for sale of the products of Sakura Elevators and is the exclusive parts and service provider of Sakura Elevators per Certification issued by E-Feng Machinery Engineering Co., LTD. on 08 January 2024 which for five (5) years;

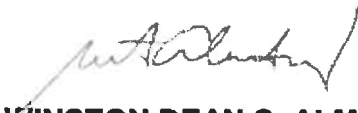
**WHEREAS, *DEX International Company*** is also the authorized exclusive distributor in the Philippines for the complete line of "Journey" brand elevator per authorization letter issued by Suzhou Journey Elevator Co., Ltd. dated 23 November 2023 and valid until 23 November 2028;

**WHEREAS,** the BAC, after taking into consideration all relevant factors, finds that the awarding of the procurement of procurement of Preventive Maintenance Services ("PMS") including replacement of parts of the elevators and escalators at OCA Aseana Building for CY 2025 from the ***DEX International Company***, may be done under Section 50(c) of the 2016 revised IRR of RA 9184;

**NOW, THEREFORE,** we, the Members of the Bids and Awards Committee of the Department, RESOLVE to RECOMMEND to the Alternate Head of the Procuring Entity ("Alternate HoPE") the resort to Section 50 (Direct Contracting) as the alternative method of procurement for the procurement of Preventive Maintenance Services ("PMS") including replacement of parts of the elevators and escalators at OCA Aseana Building for CY 2025 from ***DEX International Company***, subject to the abovementioned requirements, and provided that existing auditing rules and regulations shall be strictly observed by the end-user.


**ADOPTED,** this 19<sup>th</sup> day of December 2024, Pasay City.

  
**EDGAR B. BADAJOS**  
BAC Chairperson

  
**WINSTON DEAN S. ALMEDA**  
BAC Vice Chairperson

  
**MARCO ANGELO FELIX L. LOPEZ**  
BAC Member

  
**REVIN JED M. AMBOJIA**  
BAC Provisional Member

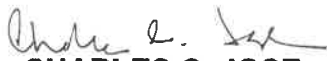
  
**PATRICK JOHN U. HILADO**  
Representative of the End-user



*Page 3 of BAC Resolution No. HO-706-24*

*Approved: '*

*By the Authority of the Secretary for Foreign Affairs:*

A handwritten signature in dark ink, appearing to read "Charles C. Jose", is positioned above the printed name.

**CHARLES C. JOSE**

Undersecretary  
and Alternate Head of the Procuring Entity



DEPARTMENT OF FOREIGN AFFAIRS  
KAGAWARAN NG UGNAYANG PANLABAS



NOTICE OF AWARD

19 December 2024

Sir/Madam:

Please be informed that, upon the recommendation of the Bids and Awards Committee ("BAC") of the Department of Foreign Affairs ("DFA") as contained in its Resolution No. **HO-706-24**, the DFA is awarding the contract on the following project/procurement to your firm, **DEX International Company**:

Project Title	End-User Unit
<b>PROCUREMENT FOR THE PREVENTIVE MAINTENANCE SERVICES (PMS) INCLUDING REPLACEMENT OF PARTS OF THE ELEVATORS AND ESCALATORS AT THE OFFICE OF CONSULAR AFFAIRS (OCA) ASEANA BUILDING FOR CY 2025</b>	OAMSS

The contract has a total cost of *One Million Nine Hundred Ninety – Two Thousand Pesos* (PhP 1,992,000.00) only, inclusive of taxes and other lawful charges.

This award and the implementation of the project/procurement are subject to the signing of a contract and compliance with all applicable accounting and auditing rules and regulations.

Very truly yours,

**CHARLES C. JOSE**  
Undersecretary

and Alternate Head of the Procuring Entity

**DEX International Company**  
1 Kalantiaw San Roque District 3  
Quezon City

2330 Roxas Blvd., Pasay City, 1300 Philippines  
Tel. No. 834 - 4000  
[www.dfa.gov.ph](http://www.dfa.gov.ph)



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FOREIGN AFFAIRS  
Tel No.: 8834-4220


Date: 06 December 2024

**REQUEST FOR QUOTATIONS OF PRICES**

Sir / Madam:

Please submit your lowest price quotation for the following items individually described below, subject to the following conditions:

1. Quotations submitted to this office will be considered final offer. In the event that the price is acceptable, a property accomplished and approved PURCHASE ORDER or JOB ORDER will be served to the supplier/contractor. The delivery date will be indicated in the in the Purchase/Job Order.
2. The Department hereby reserves the right to reject any/all offers; and accept any/all offers it may consider most economical and advantageous to the Government.
3. Goods/Services supplied delivered shall be subject to the usual inspection by the Department's Internal Audit or duly authorized representative and
4. Payment will only be effective by strict compliance with the usual prescribed accounting and auditing requirements.

ITEM NO.	PARTICULARS	ABC			
	PREVENTIVE MAINTENANCE SERVICES INCLUDING REPLACEMENT OF PARTS OF ELEVATORS AND ESCALATORS AT OCA ASEANA BUILDING	Php 2,000,000.00			
A.	MAINTENANCE SERVICES	QTY.	UNIT	UNIT COST	TOTAL COST
1.	Twice a month Maintenance Services of Elevators and Escalators ( January to December 2024)				
	a. Elevators	3	units	Php 54,000 .00	Php 648,000 .00
	b. Escalators	4	units	Php 72,000 .00	Php 864,000 .00
	TOTAL				1,512,000 .00
B.	REPLACEMENT OF PARTS	QTY.	UNIT	Unit Cost	COST
1.	Labor and Materials for the replacement of defective Elevator/Escalator parts/components	1	lot	Php 480,000.00	Php 480,000.00
	TOTAL				480,000.00
	PROPOSED TOTAL COST (A+B)	Php 1,992,000 .00			
Conformé:					
Company Name : DEX INTERNATIONAL CO.					
Company Address : #1 Kalantiao St. Cor JP Rizal, Brgy San Roque Proj 4, Cubao, OC.					
Contact No. : 09178503402					
Contact Person : MARK ANTHONY AGLABAO 					

Prepared by:

Approved by:

  
**ROCY MAE M. SACERNA**  
Engineer III, OAMSS-EMD

  
**JASON JOVENCIO A. ANASARIAS**  
Director, OAMSS-EMD





No.1 - Kalantiaw St., Cor. J.P. Rizal Ave., Brgy San Roque, Proj.4, Cubao, Quezon City, Metro Manila Philippines  
Tel. Nos.: 0632 - 9126157/ 9115907/ 4398980 Fax : 0632 - 9126398

EL.PMQ-12/2024/078

December 12, 2024

**DEPARTMENT OF FOREIGN AFFAIRS**

2330 Roxas Boulevard, Pasay City

Attention: **ASSEC. PATRICK JOHN U. HILADO**  
Assistant Secretary, OAMSS

Subject: **PREVENTIVE MAINTENANCE SERVICES INCLUDING REPLACEMENT OF PARTS  
OF ELEVATOR AND ESCALATORS AT OCA ASEANA BUILDING**

Dear Sir;

Good day

We are pleased to submit herewith our best offer of monthly preventive maintenance and replacement of elevator parts of said elevator for your consideration.

No.	Qty	Units	Description		Price per unit	Total Price
<b>Twice a month Maintenance Services of Elevators and Escalators January to December 2025</b>						
1.]	12	months	2 units 1150kg capacity x 4 stops Service Elevator	@P	54,000.00 Php	648,000.00
			1 unit 1150kg capacity x 4 stops Passenger Elevator			-
			at DFA South Wing Annex Building			-
			Rated speed: 1.5m/s, Gearless with double break			-
2.]	12	months	Escalator, Indoor type	@P	72,000.00 Php	864,000.00
			capacity: min. of 6000 persons/hr			-
			Rated speed: 0.5 m/s			-
<b>Total Price for 12 visit a year :</b>						<b>Php 1,512,000.00</b>
<b>Replacement of Parts</b>						
3.]	1	lot	Labor and Materials for the replacement of	@P	480,000.00 Php	480,000.00
			Defective Elevator and Escalator parts/components			
<b>Total Price :</b>						<b>Php 480,000.00</b>

**Over all Total Price : Php 1,992,000.00**

**I. MAINTENANCE SERVICE:**

1. The service under this offer shall consist of monthly inspection, adjustment and lubrication of machinery, motors, control parts and accessory equipment, including the hoisting/traction and governor ropes, guide rails, switches and electrical wirings.
2. In addition, minor repair not exceeding one (1) day work shall be included in this offer. In the event where major repair works should be undertaken, such will be charged separately, provided that both parties consented in writing.
3. Consumable materials (i.e. lubricant, gear oil, grease, contact cleaner, etc.) needed during the month of preventive check-up shall be provided by the CONTRACTOR at its own expense.
4. The OWNER agrees that the cost of replacement parts found defective due to normal wear and tear or

damaged due to abnormal operating conditions and the cost of the necessary labor for such replacement and repairs requiring changes and/or alterations, deviations or additions to the original design of the subject matter of this agreement, will be cover of contract budget. However, the CONTRACTOR must obtain the OWNER's approval in writing of the CONTRACTOR'S quotation for the necessary labor and replacement parts before the actual initiation of work, provided that, the OWNER shall not be restricted to buy such replacement parts from the CONTRACTOR only.

If the allocated budget for the elevator and escalator parts are consumed, we send separate quotation and for the Owners Account.

5. The OWNER must not utilize the unit during the CONTRACTOR's inspection.

## II. TIME OF SERVICING

- a. That all regular services will be undertaken by the CONTRACTOR during CONTRACTOR's regular working hours of 8:00AM to 5:00PM within regular working days from Monday to Saturday in accordance with existing government regulations and as coordinated/agreed upon with DEPARTMENT OF FOREIGN AFFAIRS for a specific schedule per month.
- b. All out-of-service calls received during working days except Sunday shall be responded within 1 day after receipt of said back call.
- c. All inspection service shall be done during CONTRACTOR's regular working days. If overtime becomes necessary, it will be charged separately in accordance with labor laws on overtime rates.
- d. Emergency calls shall be provided (i.e. entrapment of personnel inside the elevator) during regular working hours and OWNER

## III. SERVICE FEES

### (PREVENTIVE MAINTENANCE)

- a. The service fee for preventive maintenance shall be **ONE MILLION ONE HUNDRED FIFTY TWO THOUSAND (Php 1,152,000.00)** covering Twelve (12) months duration of contract. and **FOUR HUNDRED EIGHTY THOUSAND PESOS ONLY (Php 480,000.00)** for the Replacement Parts of Elevators and Escalators.

## IV. TERMS OF PAYMENTS

- a. Payment shall be due **Thirty (30 days)** from the date receipt of billing for every completion of the month of preventive maintenance and elevator parts.
- b. Should the OWNER fails to make payment within the prescribed time, the CONTRACTOR, upon written notice to the OWNER will have right suspend any service until and unless payments for the service fees due have been received by the CONTRACTOR with corresponding interest of 1 %- 2% per month for overdue accounts. Provided, further, that the OWNER shall not be held liable for any consequences when such delay was due to cases beyond its control.

## V. MAINTENANCE PLAN

- a. Provide the necessary expertise, tools, instruments and materials
- b. Submit progress report of accomplishment during the period of engagement
- c. Submit Completion Certificate after Preventive Maintenance

## VI. REMARKS:

- a. Schedule of Preventive Maintenance shall be during regular working days only, for working holidays according to date shall be arrange and agreed upon by both parties.

Thank you for giving us the opportunity to quote on your requirements and we shall look forward to receiving your valued order soon.

Very truly yours,

**DEX INTERNATIONAL CO.**



**HENRY DEL ROSARIO**

Elevator Division Manager

**DEPARTMENT OF FOREIGN AFFAIRS**

---

Accepted and Confirmed



DEPARTMENT OF FOREIGN AFFAIRS  
KAGAWARAN NG UGNAYANG PANLABAS

**OFFICE OF FINANCIAL MANAGEMENT SERVICES**

**CERTIFICATE OF AVAILABILITY OF BUDGET**  
**(Based on the FY 2025 National Expenditure Program)**

This is to certify that the amount of **TWO MILLION PESOS ONLY (Php2,000,000.00)** is included in the National Expenditure Program (NEP) for FY 2025 to cover the procurement of Preventive Maintenance Services for the elevators and escalator at DFA OCA-ASEANA FY 2025, chargeable against **OAMSS' MOOE**. This availability is subject to the release of FY 2025 General Appropriations Act (GAA).

**PAOLO V. DE LEON**  
Acting Budget Officer

10 - 24 - 0133

**BUDGET DIVISION-CAB**  
**18 October 2024**



Republic of the Philippines  
**DEPARTMENT OF FOREIGN AFFAIRS**  
**Bids and Awards Committee**  
2330 Roxas Boulevard, Pasay City

**TERMS OF REFERENCE**  
**PREVENTIVE MAINTENANCE SERVICES INCLUDING REPLACEMENT OF**  
**PARTS OF ELEVATORS AND ESCALATORS AT OCA ASEANA BUILDING**

**APPROVED BUDGET FOR THE CONTRACT**  
**ABC 2,000,000.00**

<b>I.</b>	<b>BACKGROUND</b>  The Department of Foreign Affairs intends to procure preventive maintenance services for the three (3) unit elevators and four (4) unit escalators located at the DFA Office of Consular Affairs (OCA)-Aseana Building for CY 2025. These elevators and escalators have been installed and used since August 2022 and were under the warranty of the contractor until August 2024.  In this regard, to ensure the continuous operation and prolong the life span of the abovementioned equipment, conducting continuous monthly preventive maintenance services is necessary.						
<b>II.</b>	<b>OBJECTIVE</b>  To maintain the safe operation and working condition of the elevators and escalators in view of optimizing their performance and usefulness and mitigate the effects of obsolescence.						
<b>III.</b>	<table><tr><th><b>SCOPE OF WORK</b></th><th><b>Statement of Compliance</b></th></tr><tr><td>The Contractor shall:  a) Submit a quotation within the ABC inclusive of all applicable taxes. In addition, the costing of each particulars shall not exceed to the approved budget below:<ul style="list-style-type: none"><li>• Maintenance Services: <b>Php 1,520, 000.00</b></li><li>• Replacement of defective Elevator/Escalator parts/components: <b>Php 480,000.00</b></li></ul> <b>The allocated budget for Replacement of defective Elevator and Escalator parts/components is consumable</b> where all the necessary parts and/or accessories of the aforementioned equipment that require replacement during the maintenance period will be charged. <b>The Contractor shall only be paid with the amount of the parts and/or components delivered and installed.</b> Moreover, the Contractor shall submit quotations for defective/unserviceable parts and/or components to be replaced per elevator or escalator unit subject for assessment and approval of OAMSS-EMD based on the service/breakdown reports submitted prior to delivery and installation;</td><td><i>comply</i></td></tr><tr><td>b) Provide <b>twice a month preventive maintenance services</b> to be conducted by a duly qualified elevator servicemen for the purpose of inspection,</td><td><i>comply</i></td></tr></table>	<b>SCOPE OF WORK</b>	<b>Statement of Compliance</b>	The Contractor shall:  a) Submit a quotation within the ABC inclusive of all applicable taxes. In addition, the costing of each particulars shall not exceed to the approved budget below: <ul style="list-style-type: none"><li>• Maintenance Services: <b>Php 1,520, 000.00</b></li><li>• Replacement of defective Elevator/Escalator parts/components: <b>Php 480,000.00</b></li></ul> <b>The allocated budget for Replacement of defective Elevator and Escalator parts/components is consumable</b> where all the necessary parts and/or accessories of the aforementioned equipment that require replacement during the maintenance period will be charged. <b>The Contractor shall only be paid with the amount of the parts and/or components delivered and installed.</b> Moreover, the Contractor shall submit quotations for defective/unserviceable parts and/or components to be replaced per elevator or escalator unit subject for assessment and approval of OAMSS-EMD based on the service/breakdown reports submitted prior to delivery and installation;	<i>comply</i>	b) Provide <b>twice a month preventive maintenance services</b> to be conducted by a duly qualified elevator servicemen for the purpose of inspection,	<i>comply</i>
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b) Provide <b>twice a month preventive maintenance services</b> to be conducted by a duly qualified elevator servicemen for the purpose of inspection,	<i>comply</i>						

	<p>examining, servicing, lubricating, adjusting, calibrating, and cleaning all the elevator and escalator components, such as but not limited to the items listed in <b>ANNEX A</b> including the cleaning and repair of machine rooms, during the standard service maintenance schedule;</p> <p>c) Provide at its own expense all miscellaneous supplies, such as grease oil, lubricants, hydraulic oil, and cleaning materials, during servicing and maintenance work;</p> <p>d) Provide necessary labor for the dismantling and replacement of defective parts. <b>The parts to be replaced must be new, genuine, and compatible with the model of the elevators and escalators installed in the Department's premises;</b></p> <p>e) Conduct the necessary repair/replacement of defective parts and/or components <b>within seven (7) days from the date of the inspection report.</b> In the event that the repair shall exceed the aforementioned repair period regardless of the reason, the Contractor shall notify the OAMSS in writing stating the cause of the delay and its proposed workaround;</p> <p>f) In the event that the downtime of the equipment exceeds the following number of days, as stated below, it is understood that it may result in a billing deduction equivalent to the following:</p> <table border="1"> <thead> <tr> <th>No.</th><th>Equipment Downtime Period from the date of Breakdown Report</th><th>Deduction</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Eight (8) to Fifteen (15) days</td><td>Equivalent to one-time visitation cost of a particular elevator or escalator</td></tr> <tr> <td>2.</td><td>Sixteen (16) to Thirty (30) days</td><td>Equivalent to one-month visitation cost of particular elevator or escalator</td></tr> <tr> <td>3.</td><td>Beyond Thirty (30) days.  One (1) to fifteen (15) days Sixteen (16) to thirty (30) days</td><td>Equivalent to the one-month visitation cost plus additional one-time visitation cost of a particular elevator or escalator for every 15 days of delay</td></tr> </tbody> </table> <p>g) Immediately repair/replace the defective push buttons of the elevators <b>within three (3) days from the receipt of a report from the Engineering and Maintenance Division.</b></p> <p>h) In case of <b>emergency and breakdowns</b>, the Contractor shall immediately send a technician during regular working hours, weekends, regular holidays and declared holidays, immediately send the Contractor's skilled and competent technician/s <b>to take appropriate action necessary to render the services on the units/s and/or rescue all passengers safely, in close coordination with the Department's technical personnel and safety officer personnel. It is understood that a technician must report to the</b></p>	No.	Equipment Downtime Period from the date of Breakdown Report	Deduction	1.	Eight (8) to Fifteen (15) days	Equivalent to one-time visitation cost of a particular elevator or escalator	2.	Sixteen (16) to Thirty (30) days	Equivalent to one-month visitation cost of particular elevator or escalator	3.	Beyond Thirty (30) days.  One (1) to fifteen (15) days Sixteen (16) to thirty (30) days	Equivalent to the one-month visitation cost plus additional one-time visitation cost of a particular elevator or escalator for every 15 days of delay	<p>comply</p> <p>comply</p> <p>comply</p> <p>comply</p> <p>comply</p> <p>comply</p>
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	<p><b>Department within six (6) hours from the time the emergency occurred. Failure to send a technician within said time shall subject the Contractor a corresponding deduction in their payments as penalty.</b></p> <p>i) Immediately repair and/or replace the parts to avoid long periods of downtime not requiring changes and/or alterations, deviations or additions to the original design of the equipment and accessories not exceeding ONE HUNDRED THOUSAND PESOS (Php 100,000.00). The cost of which shall be added to the monthly billing payments chargeable against the allocated budget for the <b>Replacement of defective Elevator parts/components</b> mentioned in <u>ANNEX A</u>. Furthermore, the "Contractor" shall secure an approved quotation from OAMSS-EMD to be attached in the billing accompanied by official receipts. Moreover, the "Contractor" shall notify the Office of Asset Management and Support Services- Engineering and Maintenance Division (OAMSS-EMD) and the Office of Fiscal Management Services (OFMS) prior to the installation and retained by OAMSS-EMD for purposes of verification and audit;</p> <p>j) In case a major breakdown occurs and the cost of replacement parts and necessary labor exceeds ONE HUNDRED THOUSAND PESOS (Php 100,000.00), shall notify the Procuring Entity thru OAMSS-EMD and secure prior written approval of such quotations for the necessary labor and replacement parts before the actual initiation of work;</p> <p>k) <b>In case the allocated budget for the Replacement of defective Elevator parts/components has been consumed, and there are still necessary parts/components to be replaced, it is understood that the exceeded cost shall be for the procuring Entity's Account;</b></p> <p>l) Immediately report to the Procuring Entity thru OAMSS-EMD any abnormal operation and/or stoppage of any equipment and the Contractor shall provide the necessary servicemen to correct the abnormal operation and/or the equipment back in operation;</p> <p>m) Submit an official report to the Engineering and Maintenance Division of OAMSS the status of each elevator and the findings and recommendations of the technicians per inspection; and,</p> <p>n) The Contractor shall only be paid depending on the number of maintenance services rendered.</p>	<p>comply</p> <p>comply</p> <p>comply</p> <p>comply</p> <p>comply</p> <p>comply</p>
IV.	<p><b>TECHNICAL SPECIFICATIONS</b></p> <p>Attached as <u>ANNEX B</u> is the technical specifications of the three (3) unit Elevators and four (4) unit Escalators installed at the OCA Aseana Building.</p>	comply
V.	<p><b>CONTRACTOR'S QUALIFICATIONS</b></p> <p>a. At least ten (10) years of experience upon commencement of the contract, in the installation, operation, Preventive Maintenance (PM) and repair services of elevator;</p> <p>b. With experience in the installation and/or maintenance of Sakura brand Elevators and Journey Escalators;and/or,</p>	<p>comply</p> <p>comply</p>







## ***Section IV. General Conditions of Contract***

### **Notes on the General Conditions of Contract**

Section IV. General Conditions of Contract (GCC) should be read in conjunction with Section V. Special Conditions of Contract (SCC) and other documents listed therein. Both the GCC and the SCC enumerates all the rights and obligations of the parties.

It is understood that the Bidder, by submitting a bid for the Project, has understood and agrees to all the terms and conditions contained in both the GCC and the SCC.

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## **1. Definitions**

1.1. In this Contract, the following terms shall be interpreted as indicated:

- (a) “The Contract” means the agreement entered into between the Procuring Entity and the Supplier, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- (b) “The Contract Price” means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations.
- (c) “The Goods” means all of the supplies, equipment, machinery, spare parts, other materials and/or general support services which the Supplier is required to provide to the Procuring Entity under the Contract.
- (d) “The Services” means those services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract.
- (e) “GCC” means the General Conditions of Contract contained in this Section.
- (f) “SCC” means the Special Conditions of Contract.
- (g) “The Procuring Entity” means the organization purchasing the Goods, as named in the SCC.
- (h) “The Procuring Entity’s country” is the Philippines.
- (i) “The Supplier” means the individual contractor, manufacturer distributor, or firm supplying/manufacturing the Goods and Services under this Contract and named in the SCC.
- (j) The “Funding Source” means the organization named in the SCC.
- (k) “The Project Site,” where applicable, means the place or places named in the SCC.
- (l) “Day” means calendar day.
- (m) The “Effective Date” of the contract will be the date of receipt by the Supplier of the Notice to Proceed or the date provided in the Notice to Proceed. Performance of all obligations shall be reckoned from the Effective Date of the Contract.
- (n) “Verified Report” refers to the report submitted by the Implementing Unit to the Head of the Procuring Entity setting forth its findings as to the existence of grounds or causes for termination and explicitly stating its recommendation for the issuance of a Notice to Terminate.

## **2. Corrupt, Fraudulent, Collusive, and Coercive Practices**



- 2.1. Unless otherwise provided in the SCC, the Procuring Entity as well as the bidders, contractors, or suppliers shall observe the highest standard of ethics during the procurement and execution of this Contract. In pursuance of this policy, the Procuring Entity:
- (a) defines, for the purposes of this provision, the terms set forth below as follows:
    - (i) "corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves, others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby, and similar acts as provided in Republic Act 3019.
    - (ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring Entity, and includes collusive practices among Bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Procuring Entity of the benefits of free and open competition.
    - (iii) "collusive practices" means a scheme or arrangement between two or more Bidders, with or without the knowledge of the Procuring Entity, designed to establish bid prices at artificial, non-competitive levels.
    - (iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract;
    - (v) "obstructive practice" is
      - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to an administrative proceedings or investigation or making false statements to investigators in order to materially impede an administrative proceedings or investigation of the Procuring Entity or any foreign government/foreign or international financing institution into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the administrative proceedings or investigation or from pursuing such proceedings or investigation; or
      - (bb) acts intended to materially impede the exercise of the inspection and audit rights of the Procuring Entity or any foreign government/foreign or international financing institution herein.

- (b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in any of the practices mentioned in this Clause for purposes of competing for the contract.

- 2.2. Further the Funding Source, Borrower or Procuring Entity, as appropriate, will seek to impose the maximum civil, administrative and/or criminal penalties available under the applicable law on individuals and organizations deemed to be involved with any of the practices mentioned in **GCC** Clause 2.1(a).

### **3. Inspection and Audit by the Funding Source**

The Supplier shall permit the Funding Source to inspect the Supplier's accounts and records relating to the performance of the Supplier and to have them audited by auditors appointed by the Funding Source, if so required by the Funding Source.

### **4. Governing Law and Language**

- 4.1. This Contract shall be interpreted in accordance with the laws of the Republic of the Philippines.
- 4.2. This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract. All correspondence and other documents pertaining to this Contract exchanged by the parties shall be written in English.

### **5. Notices**

- 5.1. Any notice, request, or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request, or consent shall be deemed to have been given or made when received by the concerned party, either in person or through an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified in the **SCC**, which shall be effective when delivered and duly received or on the notice's effective date, whichever is later.
- 5.2. A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the **SCC** for **GCC** Clause 5.1.

### **6. Scope of Contract**

- 6.1. The GOODS and Related Services to be provided shall be as specified in **Error! Reference source not found.**
- 6.2. This Contract shall include all such items, although not specifically mentioned, that can be reasonably inferred as being required for its completion as if such items were expressly mentioned herein. Any additional requirements for the completion of this Contract shall be provided in the **SCC**.

### **7. Subcontracting**

- 7.1. Subcontracting of any portion of the Goods, if allowed in the **BDS**, does not relieve the Supplier of any liability or obligation under this Contract. The Supplier will be responsible for the acts, defaults, and negligence of any subcontractor, its agents, servants or workmen as fully as if these were the Supplier's own acts, defaults, or negligence, or those of its agents, servants or workmen.

- 7.2. Subcontractors disclosed and identified during the bidding may be changed during the implementation of this Contract, subject to compliance with the required qualifications and the approval of the Procuring Entity.

## **8. Procuring Entity's Responsibilities**

- 8.1. Whenever the performance of the obligations in this Contract requires that the Supplier obtain permits, approvals, import, and other licenses from local public authorities, the Procuring Entity shall, if so needed by the Supplier, make its best effort to assist the Supplier in complying with such requirements in a timely and expeditious manner.
- 8.2. The Procuring Entity shall pay all costs involved in the performance of its responsibilities in accordance with **GCC** Clause 6.

## **9. Prices**

- 9.1. For the given scope of work in this Contract as awarded, all bid prices are considered fixed prices, and therefore not subject to price escalation during contract implementation, except under extraordinary circumstances and upon prior approval of the GPPB in accordance with Section 61 of R.A. 9184 and its IRR or except as provided in this Clause.
- 9.2. Prices charged by the Supplier for Goods delivered and/or services performed under this Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any change in price resulting from a Change Order issued in accordance with **GCC** Clause 29.

## **10. Payment**

- 10.1. Payments shall be made only upon a certification by the Head of the Procuring Entity to the effect that the Goods have been rendered or delivered in accordance with the terms of this Contract and have been duly inspected and accepted. Except with the prior approval of the President no payment shall be made for services not yet rendered or for supplies and materials not yet delivered under this Contract. Ten percent (10%) of the amount of each payment shall be retained by the Procuring Entity to cover the Supplier's warranty obligations under this Contract as described in **GCC** Clause 17.
- 10.2. The Supplier's request(s) for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and/or Services performed, and by documents submitted pursuant to the **SCC** provision for **GCC** Clause 6.2, and upon fulfillment of other obligations stipulated in this Contract.
- 10.3. Pursuant to **GCC** Clause 10.2, payments shall be made promptly by the Procuring Entity. Initial payment shall be made not later than sixty (60) days after submission of an invoice or claim by the Supplier.
- 10.4. Unless otherwise provided in the **SCC**, the currency in which payment is made to the Supplier under this Contract shall be in Philippine Pesos.

## **11. Advance Payment and Terms of Payment**

- 11.1. Advance payment shall be made only after prior approval of the President, and shall not exceed fifteen percent (15%) of the Contract amount, unless otherwise directed by the President or in cases allowed under Annex "D" of RA 9184.
- 11.2. For Goods supplied from abroad, the terms of payment shall be as follows:
- (a) On Contract Signature: Fifteen percent (15%) of the Contract Price shall be paid within sixty (60) days from signing of the Contract and upon submission of a claim and a bank guarantee for the equivalent amount valid until the Goods are delivered and in the form provided in Section VIII. Bidding Forms.
  - (b) On Delivery: Sixty-five percent (65%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of receipt of the Goods and upon submission of the documents (i) through (vi) specified in the SCC provision on Delivery and Documents.
  - (c) On Acceptance: The remaining twenty percent (20%) of the Contract Price shall be paid to the Supplier within sixty (60) days after the date of submission of the acceptance and inspection certificate for the respective delivery issued by the Procuring Entity's authorized representative. In the event that no inspection or acceptance certificate is issued by the Procuring Entity's authorized representative within forty five (45) days of the date shown on the delivery receipt the Supplier shall have the right to claim payment of the remaining twenty percent (20%) subject to the Procuring Entity's own verification of the reason(s) for the failure to issue documents (vii) and (viii) as described in the SCC provision on Delivery and Documents.
- 11.3. All progress payments shall first be charged against the advance payment until the latter has been fully exhausted.

## **12. Taxes and Duties**

The Supplier, whether local or foreign, shall be entirely responsible for all the necessary taxes, stamp duties, license fees, and other such levies imposed for the completion of this Contract.

## **13. Performance Security**

- 13.1. Within ten (10) calendar days from receipt of the Notice of Award from the Procuring Entity but in no case later than the signing of the contract by both parties, the successful Bidder shall furnish the performance security in any the forms prescribed in the ITB Clause **Error! Reference source not found.**
- 13.2. The performance security posted in favor of the Procuring Entity shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.
- 13.3. The performance security shall remain valid until issuance by the Procuring Entity of the Certificate of Final Acceptance.
- 13.4. The performance security may be released by the Procuring Entity and returned to the Supplier after the issuance of the Certificate of Final Acceptance subject to the following conditions:
- (a) There are no pending claims against the Supplier or the surety company filed by the Procuring Entity;

- (b) The Supplier has no pending claims for labor and materials filed against it; and
- (c) Other terms specified in the SCC.

13.5. In case of a reduction of the contract value, the Procuring Entity shall allow a proportional reduction in the original performance security, provided that any such reduction is more than ten percent (10%) and that the aggregate of such reductions is not more than fifty percent (50%) of the original performance security.

#### **14. Use of Contract Documents and Information**

- 14.1. The Supplier shall not, except for purposes of performing the obligations in this Contract, without the Procuring Entity's prior written consent, disclose this Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Procuring Entity. Any such disclosure shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
- 14.2. Any document, other than this Contract itself, enumerated in GCC Clause 14.1 shall remain the property of the Procuring Entity and shall be returned (all copies) to the Procuring Entity on completion of the Supplier's performance under this Contract if so required by the Procuring Entity.

#### **15. Standards**

The Goods provided under this Contract shall conform to the standards mentioned in the **Error! Reference source not found.**; and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Goods' country of origin. Such standards shall be the latest issued by the institution concerned.

#### **16. Inspection and Tests**

- 16.1. The Procuring Entity or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Contract specifications at no extra cost to the Procuring Entity. The SCC and \_\_\_\_\_ shall specify what inspections and/or tests the Procuring Entity requires and where they are to be conducted. The Procuring Entity shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.
- 16.2. If applicable, the inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery, and/or at the goods' final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring Entity. The Supplier shall provide the Procuring Entity with results of such inspections and tests.
- 16.3. The Procuring Entity or its designated representative shall be entitled to attend the tests and/or inspections referred to in this Clause provided that the Procuring Entity shall bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.
- 16.4. The Procuring Entity may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations



necessary to meet the specifications at no cost to the Procuring Entity, and shall repeat the test and/or inspection, at no cost to the Procuring Entity, upon giving a notice pursuant to **GCC** Clause 5.

- 16.5. The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Procuring Entity or its representative, shall release the Supplier from any warranties or other obligations under this Contract.

## **17. Warranty**

- 17.1. The Supplier warrants that the Goods supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials, except when the technical specifications required by the Procuring Entity provides otherwise.
- 17.2. The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship or from any act or omission of the Supplier that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.
- 17.3. In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier for a minimum period specified in the **SCC**. The obligation for the warranty shall be covered by, at the Supplier's option, either retention money in an amount equivalent to at least ten percent (10%) of the final payment, or a special bank guarantee equivalent to at least ten percent (10%) of the Contract Price or other such amount if so specified in the **SCC**. The said amounts shall only be released after the lapse of the warranty period specified in the **SCC**; provided, however, that the Supplies delivered are free from patent and latent defects and all the conditions imposed under this Contract have been fully met.
- 17.4. The Procuring Entity shall promptly notify the Supplier in writing of any claims arising under this warranty. Upon receipt of such notice, the Supplier shall, within the period specified in the **SCC** and with all reasonable speed, repair or replace the defective Goods or parts thereof, without cost to the Procuring Entity.
- 17.5. If the Supplier, having been notified, fails to remedy the defect(s) within the period specified in **GCC** Clause 17.4, the Procuring Entity may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Procuring Entity may have against the Supplier under the Contract and under the applicable law.

## **18. Delays in the Supplier's Performance**

- 18.1. Delivery of the Goods and/or performance of Services shall be made by the Supplier in accordance with the time schedule prescribed by the Procuring Entity in
- 18.2. If at any time during the performance of this Contract, the Supplier or its Subcontractor(s) should encounter conditions impeding timely delivery of the Goods and/or performance of Services, the Supplier shall promptly notify the Procuring Entity in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, and upon causes provided for under **GCC** Clause 22, the Procuring Entity shall evaluate the situation and may extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of Contract.

- 18.3. Except as provided under **GCC** Clause 22, a delay by the Supplier in the performance of its obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to **GCC** Clause 19, unless an extension of time is agreed upon pursuant to **GCC** Clause 29 without the application of liquidated damages.

## **19. Liquidated Damages**

Subject to **GCC** Clauses 18 and 22, if the Supplier fails to satisfactorily deliver any or all of the Goods and/or to perform the Services within the period(s) specified in this Contract inclusive of duly granted time extensions if any, the Procuring Entity shall, without prejudice to its other remedies under this Contract and under the applicable law, deduct from the Contract Price, as liquidated damages, the applicable rate of one tenth (1/10) of one (1) percent of the cost of the unperformed portion for every day of delay until actual delivery or performance. The maximum deduction shall be ten percent (10%) of the amount of contract. Once the maximum is reached, the Procuring Entity shall rescind the Contract pursuant to **GCC** Clause 23, without prejudice to other courses of action and remedies open to it.

## **20. Settlement of Disputes**

- 20.1. If any dispute or difference of any kind whatsoever shall arise between the Procuring Entity and the Supplier in connection with or arising out of this Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 20.2. If after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Procuring Entity or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.
- 20.3. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under this Contract.
- 20.4. In the case of a dispute between the Procuring Entity and the Supplier, the dispute shall be resolved in accordance with Republic Act 9285 ("R.A. 9285"), otherwise known as the "Alternative Dispute Resolution Act of 2004."
- 20.5. Notwithstanding any reference to arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and the Procuring Entity shall pay the Supplier any monies due the Supplier.

## **21. Liability of the Supplier**

- 21.1. The Supplier's liability under this Contract shall be as provided by the laws of the Republic of the Philippines, subject to additional provisions, if any, set forth in the **SCC**.
- 21.2. Except in cases of criminal negligence or willful misconduct, and in the case of infringement of patent rights, if applicable, the aggregate liability of the Supplier to the Procuring Entity shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

## **22. Force Majeure**

- 22.1. The Supplier shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that the Supplier's delay in performance or other failure to perform its obligations under the Contract is the result of a *force majeure*.
- 22.2. For purposes of this Contract the terms "*force majeure*" and "fortuitous event" may be used interchangeably. In this regard, a fortuitous event or *force majeure* shall be interpreted to mean an event which the Contractor could not have foreseen, or which though foreseen, was inevitable. It shall not include ordinary unfavorable weather conditions; and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by the Contractor. Such events may include, but not limited to, acts of the Procuring Entity in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.
- 22.3. If a *force majeure* situation arises, the Supplier shall promptly notify the Procuring Entity in writing of such condition and the cause thereof. Unless otherwise directed by the Procuring Entity in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the *force majeure*.

### **23. Termination for Default**

- 23.1. The Procuring Entity shall terminate this Contract for default when any of the following conditions attends its implementation:
- (a) Outside of *force majeure*, the Supplier fails to deliver or perform any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Procuring Entity pursuant to a request made by the Supplier prior to the delay, and such failure amounts to at least ten percent (10%) of the contract price;
  - (b) As a result of *force majeure*, the Supplier is unable to deliver or perform any or all of the Goods, amounting to at least ten percent (10%) of the contract price, for a period of not less than sixty (60) calendar days after receipt of the notice from the Procuring Entity stating that the circumstance of force majeure is deemed to have ceased; or
  - (c) The Supplier fails to perform any other obligation under the Contract.
- 23.2. In the event the Procuring Entity terminates this Contract in whole or in part, for any of the reasons provided under GCC Clauses 23 to 26, the Procuring Entity may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Procuring Entity for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of this Contract to the extent not terminated.
- 23.3. In case the delay in the delivery of the Goods and/or performance of the Services exceeds a time duration equivalent to ten percent (10%) of the specified contract time plus any time extension duly granted to the Supplier, the Procuring Entity may terminate this Contract, forfeit the Supplier's performance security and award the same to a qualified Supplier.

### **24. Termination for Insolvency**

The Procuring Entity shall terminate this Contract if the Supplier is declared bankrupt or insolvent as determined with finality by a court of competent jurisdiction. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring Entity and/or the Supplier.

## **25. Termination for Convenience**

- 25.1. The Procuring Entity may terminate this Contract, in whole or in part, at any time for its convenience. The Head of the Procuring Entity may terminate a contract for the convenience of the Government if he has determined the existence of conditions that make Project Implementation economically, financially or technically impractical and/or unnecessary, such as, but not limited to, fortuitous event(s) or changes in law and national government policies.
- 25.2. The Goods that have been delivered and/or performed or are ready for delivery or performance within thirty (30) calendar days after the Supplier's receipt of Notice to Terminate shall be accepted by the Procuring Entity at the contract terms and prices. For Goods not yet performed and/or ready for delivery, the Procuring Entity may elect:
- (a) to have any portion delivered and/or performed and paid at the contract terms and prices; and/or
  - (b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed and/or performed goods and for materials and parts previously procured by the Supplier.
- 25.3. If the Supplier suffers loss in its initial performance of the terminated contract, such as purchase of raw materials for goods specially manufactured for the Procuring Entity which cannot be sold in open market, it shall be allowed to recover partially from this Contract, on a *quantum meruit* basis. Before recovery may be made, the fact of loss must be established under oath by the Supplier to the satisfaction of the Procuring Entity before recovery may be made.

## **26. Termination for Unlawful Acts**

- 26.1. The Procuring Entity may terminate this Contract in case it is determined *prima facie* that the Supplier has engaged, before or during the implementation of this Contract, in unlawful deeds and behaviors relative to contract acquisition and implementation. Unlawful acts include, but are not limited to, the following:
- (a) Corrupt, fraudulent, and coercive practices as defined in **ITB** Clause
  - (b) Drawing up or using forged documents;
  - (c) Using adulterated materials, means or methods, or engaging in production contrary to rules of science or the trade; and
  - (d) Any other act analogous to the foregoing.

## **27. Procedures for Termination of Contracts**

- 27.1. The following provisions shall govern the procedures for termination of this Contract:

- (a) Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Implementing Unit shall, within a period of seven (7) calendar days, verify the existence of such ground(s) and cause the execution of a Verified Report, with all relevant evidence attached;
- (b) Upon recommendation by the Implementing Unit, the Head of the Procuring Entity shall terminate this Contract only by a written notice to the Supplier conveying the termination of this Contract. The notice shall state:
  - (i) that this Contract is being terminated for any of the ground(s) aforementioned, and a statement of the acts that constitute the ground(s) constituting the same;
  - (ii) the extent of termination, whether in whole or in part;
  - (iii) an instruction to the Supplier to show cause as to why this Contract should not be terminated; and
  - (iv) special instructions of the Procuring Entity, if any.
- (c) The Notice to Terminate shall be accompanied by a copy of the Verified Report;
- (d) Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to the Head of the Procuring Entity a verified position paper stating why this Contract should not be terminated. If the Supplier fails to show cause after the lapse of the seven (7) day period, either by inaction or by default, the Head of the Procuring Entity shall issue an order terminating this Contract;
- (e) The Procuring Entity may, at any time before receipt of the Supplier's verified position paper described in item (d) above withdraw the Notice to Terminate if it is determined that certain items or works subject of the notice had been completed, delivered, or performed before the Supplier's receipt of the notice;
- (f) Within a non-extendible period of ten (10) calendar days from receipt of the verified position paper, the Head of the Procuring Entity shall decide whether or not to terminate this Contract. It shall serve a written notice to the Supplier of its decision and, unless otherwise provided, this Contract is deemed terminated from receipt of the Supplier of the notice of decision. The termination shall only be based on the ground(s) stated in the Notice to Terminate;
- (g) The Head of the Procuring Entity may create a Contract Termination Review Committee (CTRC) to assist him in the discharge of this function. All decisions recommended by the CTRC shall be subject to the approval of the Head of the Procuring Entity; and
- (h) The Supplier must serve a written notice to the Procuring Entity of its intention to terminate the contract at least thirty (30) calendar days before its intended termination. The Contract is deemed terminated if it is not resumed in thirty (30) calendar days after the receipt of such notice by the Procuring Entity.

**28. Assignment of Rights**

The Supplier shall not assign his rights or obligations under this Contract, in whole or in part, except with the Procuring Entity's prior written consent.

**29. Contract Amendment**

Subject to applicable laws, no variation in or modification of the terms of this Contract shall be made except by written amendment signed by the parties.

**30. Application**

These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of this Contract.



## ***Section V. Special Conditions of Contract***

### **Notes on the Special Conditions of Contract**

This Section should be read and interpreted in relation to corresponding clauses in the GCC.

The provisions of this Section complement the GCC, specifying contractual requirements linked to the special circumstances of the Procuring Entity, the Procuring Entity's country, the sector, and the Goods purchased.

The DFA-BAC, however, reserves the right to revise, modify or alter any and/or all of the provisions in the SCC in order to conform to the true intent of the Project.

## Special Conditions of Contract

GCC Clause	
1.1(g)	The Procuring Entity is <i>the Department of Foreign Affairs</i>
1.1(i)	The Contractor is <i>the DEX INTL. CO.</i>
1.1(j)	<p>The Funding Source is the Government of the Philippines (GOP) through the <i>authorized appropriations under the General Appropriations Act</i></p> <p>in the amount of <i>Php 1,992,000.00</i></p>
1.1(k)	The Project Site is the Department of Foreign Affairs, 2330 Roxas Blvd. Pasay City.
5.1	<p>The Procuring Entity's address for Notices is:</p> <p><i>DFA Bids and Awards Committee (DFA-BAC) Secretariat</i>  <i>8<sup>th</sup> floor DFA Temporary Headquarters, DoubleDragon Tower</i>  <i>DD Meridian Avenue, Brgy. 76, Pasay City, 1300 Philippines</i></p> <p>The Contractor's address for Notices is:</p> <p><i>MARK ANTHONY M. AGGABAO</i>  <i>No. 1 Kalantiaw St. Cor. J.P. Rizal Ave.,</i>  <i>Brgy. San Roque, Project 4, Cubao</i>  <i>Quezon City</i>  <i>Tel: 0632-9126157</i></p>
6.2	No further instructions.
10.4	Not applicable. Payment shall be made in Philippine Pesos.
13.4(c)	No further instructions.
16.1	No further instructions.
17.3	Subject to the period prescribed in the Terms of Reference/Technical Specifications and Schedule of Requirements.
21.1	No additional provision. But if the Supplier is a joint venture, all partners to the joint venture shall be jointly and severally liable to the Procuring Entity.



Republic of the Philippines  
**QUEZON CITY**

# MAYOR'S PERMIT

Business Permits and Licensing Department

CP: Civic Center Bldg. A, Quezon City Hall Complex, Elliptical Road, QC  
E-mail: bpld@quezoncity.gov.ph Phone: 8988-4242 Local 8174  
Website: https://qcgservices.quezoncity.gov.ph

Mayors Permit No. <b>98-011523</b>	Type of Application <b>RENEWAL</b>	Official Receipt No. <b>B-2024-000-155-0004652</b>	Date of Payment <b>02/23/2024</b>
Date Issued <b>APRIL 12, 2024</b>	Valid Until <b>APRIL 12, 2025</b>	Amount Paid <b>353,796.33</b>	Period Covered <b>1-1 2024</b>
Business Name <b>DEX INTERNATIONAL COMPANY</b>			
Trade Name <b>DEX INTERNATIONAL COMPANY</b>			
President <b>BERNALES, ALEX</b>			
Address <b>1 KALANTIAW SAN ROQUE DISTRICT 3, QUEZON CITY 1109</b>			
Type of Business Organization <b>CORPORATION</b>	Proof of Business Registration <b>SEC A199816271</b>	TIN <b>201-337-997-000</b>	SSS <b>000-000-000</b>
<b>CONTRACTOR</b> * GENERAL BUILDING <b>IMPORTER</b> * IMPORTER (FOR WHOLESALER) <b>WHOLESALE</b> * LIGHT CONSTRUCTION EQUIPMENT/PARTS/ACCESSORIES * CONSTRUCTION MATERIALS * HARDWARE SUPPLIES			
Area of Establishment <b>800.00 SQM</b>		Total No. of Employees Male: 0 Female: 0	
<b>Ancillary Clearance</b>	<b>Clearance No.</b>	<b>Validity</b>	
Locational Certificate (ZAU)	FOR COMPLIANCE	FOR COMPLIANCE	
Sanitary Permit (QCHD)	NOT REQUIRED	NOT REQUIRED	
Fire Safety Inspection Certificate (BFP-QC)			
Barangay Clearance (BARANGAY SAN ROQUE )	22-032	2022-01-01 to 2023-01-01	
Traffic Clearance (TTMD)	NOT REQUIRED	NOT REQUIRED	
Environmental Clearance (DSQC)	01-22-05116	2022-01-31 to 2023-01-31	
Veterinary Clearance (CVO)	NOT REQUIRED	NOT REQUIRED	
Market Clearance (MDAD)	NOT REQUIRED	NOT REQUIRED	
Liquor Clearance (BPLD)	NOT REQUIRED	NOT REQUIRED	
Security Clearance (DPDS)	NOT REQUIRED	NOT REQUIRED	
QC Tourism Certificate (QCTD)	NOT REQUIRED	NOT REQUIRED	
Occupational Permit of employees (BPLD): 0			

Subject to: COND. 1,2,3,4 & 5 \*\* TO COMPLY WITH ANCILLARY REMARKS AND FINDINGS AS SENT VIA EMAIL DURING EVALUATION OF PERMIT APPLICATION BY REGULATORY DEPARTMENTS/OFFICES WITHIN 45 DAYS. THIS PERMIT IS VALID ONE (1) YEAR FROM DATE OF ISSUE PURSUANT TO CITY ORDINANCE NO. SP-3013, S-2021, SUBJECT TO PROVISIONS OF APPLICABLE LAWS, ORDINANCES, RULES AND REGULATIONS PERTINENT TO THE CONDUCT OF BUSINESS. FAILURE TO COMPLY SHALL REVOKE/CANCEL THIS PERMIT.

**CERTIFIED TRUE COPY**

BY: **MARK ANTHONY M. AGGABAO**  
Authorized Representative

For and By Authority of the City Mayor:  
**HON. MA. JOSEFINA G. BELMONTE**



**Remarks:**

- NON-TRANSFERABLE AND VALID ONLY WITH CORRESPONDING OFFICIAL RECEIPTS SHOWING PAYMENT OF PERMIT FEES AND CITY TAXES. ERASURE/ALTERATIONS WILL INVALIDATE THIS PERMIT.
- FAILURE TO RENEW THIS BUSINESS PERMIT/LICENSE WITHIN THE PRESCRIBED PERIOD SHALL SUBJECT TO TAXPAYER TO A TWENTY-FIVE (25%) SURCHARGE OF THE PERMIT FEE.
- THIS PERMIT SHALL BE POSTED CONSPICUOUSLY AT THE PLACE OF BUSINESS AND SHALL BE PRESENTED AND/OR SURRENDERED TO CONCERNED AUTHORITIES UPON DEMAND.
- SURRENDER THIS PERMIT WITHIN 20 DAYS UPON CLOSURE OF BUSINESS TO AVOID PENALTY.

**MA. MARGARITA T. SANTOS, DPA**  
City Government Department Head III




Reference No : 462400058107649  
Date Filed : April 11, 2024 04:07 PM  
Batch Number : 0



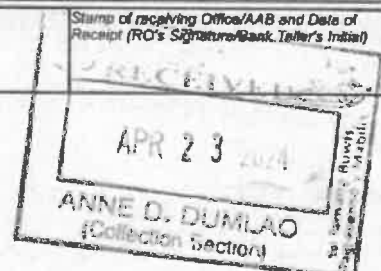
Republic of the Philippines  
Department of Finance  
Bureau of Internal Revenue


For BIR Use Only: BCS/ Item:

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 1		<b>Annual Income Tax Return</b> For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.		 1702-RT 01/18ENCS P1	
1 For <input type="checkbox"/> Calendar <input type="checkbox"/> Fiscal		3 Amended Return? <input type="checkbox"/> Yes <input type="checkbox"/> No		4 Short Period Return? <input type="checkbox"/> Yes <input type="checkbox"/> No	
2 Year Ended (MM/20YY) 12/2023		5 Alphabetic Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) <input type="checkbox"/>		6 Alphabetic Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT) <input type="checkbox"/>	
<b>Part I - Background Information</b>					
6 Taxpayer Identification Number (TIN) 201 - 337 - 987 - 000 7 RDO Code 040					
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) DEX INTERNATIONAL COMPANY					
9A Registered Address (Indicate complete registered address) #1 KALANTIAW ST COR J P RIZAL AVE SAN ROQUE QUEZON CITY					
9B Zipcode 1109					
10 Date of Incorporation/Organization (MM/DD/YYYY) 10/27/1998					
11 Contact Number 9115907 12 Email Address remrose@dex.com.ph					
13 Method of Deductions <input type="checkbox"/> Itemized Deductions (Section 34 (A-J), NIRC) <input type="checkbox"/> Optional Standard Deduction (OSD) - 40% of Gross Income (Section 34(L), NIRC as amended by RA No. 9504)					
<b>Part II - Total Tax Payable</b> (Do NOT enter Centavos)					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)				1,251,201	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				1,194,485	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				56,716	
<b>Add Penalties</b>					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				56,716	
If Overpayment, mark "X" one box only. Once the choice is made, the same is irrevocable.					
<input type="checkbox"/> To be refunded <input checked="" type="checkbox"/> To be issued a Tax Credit Certificate (TCC) <input type="checkbox"/> To be carried over as tax credit next year/quarter					
We declare under the penalties of perjury that the annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations thereunder, and that the information furnished is true and correct.					
Signature over printed name of Principal Officer/Authorized Representative				Signature over printed name of Treasurer/Accountant	
Title of Signatory ALEX V. BERNALES TIN				Title of Signatory TIN	
22 Number of Attachments 4					
<b>Part III - Details of Payment</b>					
Particulars		Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount
23 Cash/Bank Debit Memo					0
24 Check					0
25 Tax Debit Memo					0
26 Others (Specify Below)					0
Machine Validation/Revenue Official Receipts Details (If not filed with an Authorized Agent Bank)					
Stamp of receiving Office/AAB and Date of Receipt (RC's Signature/Bank Teller's Initial)					

CERTIFIED TRUE COPY


BY: MARK ANTHONY M. AGGABAO  
Authorized Representative



BIR Form No. <b>1702-RT</b> January 2018(ENC5) Page 2	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENC5 P2
<b>Taxpayer Identification Number (TIN)</b> 201 - 337 - 987 - 000		<b>Registered Name</b> DEX INTERNATIONAL COMPANY
<b>Part IV - Computation of Tax</b> (Do NOT enter Centavos)		
27 Sales/Receipts/Revenues/Fees		121,697,830
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)		121,697,830
30 Less: Cost of Sales/Services		95,864,494
31 Gross Income from Operation (Item 29 Less Item 30)		25,833,336
32 Add: Other Taxable Income Not Subjected to Final Tax		0
33 Total Taxable Income (Sum of Items 31 and 32)		25,833,336
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)		20,828,534
35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)		0
36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(3)(b) of the tax Code) (From Part VI Schedule III Item 8)		0
37 Total Deductions (Sum of Items 34 to 36)		20,828,534
OR (in case taxable under Sec 27(A) & 28(A)(1))		
38 Optional Standard Deduction (40% of Item 33)		0
39 Net Taxable Income(Loss) (If Itemized: Item 33 Less Item 37; If OSD, Item 33 Less Item 38)		5,004,802
40 Applicable Income Tax Rate		25 %
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)		1,251,201
42 MCIT Due (2% of Item 33)		0
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)		1,251,201
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT		0
45 Income Tax Payment under MCIT from Previous Quarter/s		0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s		0
47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)		0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		1,194,485
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		0
50 Foreign Tax Credits, if applicable		0
51 Tax Paid in Return Previously Filed, if this is an Amended Return		0
52 Special Tax Credits (To Part V Item 58)		0
Other Credits/Payments (Specify)		
53		0
54		0
55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)		1,194,485
56 Net Tax Payable (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)		58,716
Part V - Tax Relief Availment		
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)		0
58 Add: Special Tax Credits (From Part IV Item 52)		0
59 Total Tax Relief Availment (Sum of Items 57 and 58)		0

**CERTIFIED TRUE COPY**

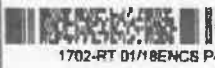
BY: MARK ANTHONY M. AGGABAO  
 Authorized Representative

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 3	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P3
Taxpayer Identification Number (TIN) 201 - 337 - 887 - 000		Registered Name DEX INTERNATIONAL COMPANY
<b>Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)</b>		
1 Amortizations		0
2 Bad Debts		0
3 Charitable Contributions		0
4 Depletion		0
5 Depreciation		0
6 Entertainment, Amusement and Recreation		0
7 Fringe Benefits		0
8 Interest		0
9 Losses		0
10 Pension Trust		0
11 Rental		2,206,408
12 Research and Development		0
13 Salaries, Wages and Allowances		2,421,860
14 SSS, GSIS, Philhealth, HDMF and Other Contributions		1,533,190
15 Taxes and Licenses		5,436,987
16 Transportation and Travel		494,188
17 Others (Deductions Subject to Withholding Tax and Other Expenses) (Specify below. Add additional sheet/s, if necessary)		
a Janitorial and Messangerial Services		0
b Professional Fees		0
c Security Services		0
d GAS BATTERY AND OIL		1,694,663
e TOLL FEE		168,928
f REPAIRS AND MAINTENANCE		3,490,189
g OFFICE SUPPLIES AND PRINTING		262,422
h REPRESENTATION		505,453
i OTHERS		2,614,248
18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) (To Part IV Item 34)		20,828,634
<b>Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)</b>		
Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 35)		0

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 Authorized Representative



BIR Form No. <b>1702-RT</b> January 2018 (ENC5) Page 4	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT D1/18ENC5 P4
<b>Taxpayer Identification Number (TIN)</b> 201 - 337 - 987 - 000		<b>Registered Name</b> DEX INTERNATIONAL COMPANY

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	0
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	0
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	0

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos: 40 Centavos or Less drop down: 50 or more round up)		
Net Operating Loss		B) NOLCO Applied Previous Year
Year Incurred	A) Amount	
4	0	0
5	0	0
6	0	0
7	0	0

Continuation of Schedule IIIA (Item numbers continue from table above)

C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) (E = A Less (B + C + D))
4	0	0
5	0	0
6	0	0
7	0	0
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Successing Year/s (G = C Less (D + E + F))
1	0	0	0
2	0	0	0
3	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	5,004,802
Add: Non-deductible Expenses/Taxable Other Income	
2	0
3	0
4 Total (Sum of Items 1 to 3)	5,004,802
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5	0
6	0
B) Special Deductions	
7	0
8	0
9 Total (Sum of Items 5 to 8)	0
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	5,004,802

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Authorized Representative



Republika ng Pilipinas  
Kagawaran ng Pananalapi  
Kawanihan ng Rentas Internas

### eFPS Payment Details

TIN : 201 - 337 - 987 - 000  
Name : DEX INTERNATIONAL COMPANY  
Tax Period : 12/31/2023  
Reference Number : 462400059107649  
Tax Type : IT - Annual Income Tax Return (REGULAR)

Payment Transaction Number : 240894943  
Date : 04/15/2024  
Cash Amount Paid : 56,716.00  
Bank : 027000 - SBTC

Origin	Bank Code	Amount	Number	Date	Status	Message	CBR BCS No.
Pending Online Confirmation	027000	56,716.00	-		Unknown	60 - Details of Payment were redirected to the corresponding Bank. Please verify with your Bank.	58525
Batch Confirmation	027000	56,716.00	BIR-041524-010200000	04/15/2024	Authorized	0 - Successful	58525
Batch Acknowledgment	027000	56,716.00	BIR-041524-010200000	04/15/2024	Authorized	0 - Successful	58525

Total Payments (Successful/Unsuccessful): 56,716.00

Total Payments (Successful) : 56,716.00

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Authorized Representative



RHC  
ACCOUNTING  
AND AUDITING  
SERVICES

## DEX INTERNATIONAL COMPANY

FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

**CERTIFIED TRUE COPY**

BY:  **MARK ANTHONY M. AGGABAO**  
*Authorized Representative*

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENT**

The Management of **DEX INTERNATIONAL COMPANY** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended December 31, 2023 and 2022 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.

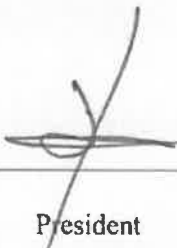
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to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

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

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

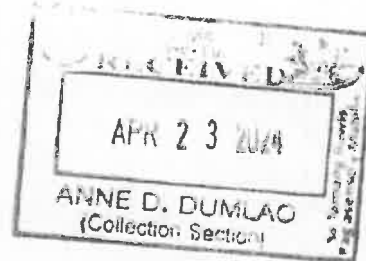
**ROSALIE H. GABRIEL** the independent auditors appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signatures:

  
\_\_\_\_\_  
President

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Treasurer



Signed this \_\_\_\_ day of \_\_\_\_ 2024



## **INDEPENDENT AUDITOR'S REPORT**

### **TO: PARTNERS**

**Dex International Company**  
1 Kalantiaw St. Cor. J P Rizal Ave. San Roque.  
Quezon City

### **Opinion**

I have audited the accompanying financial statements of **Dex International Company** which comprise the statement of financial position as at December 31, 2023 and 2022, and the statement of income, statement of changes in equity and statement of cash flow 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 **Dex International Company** as at December 31, 2023 and 2022, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) for Small and Medium-sized Entities.

### **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 Corporation in accordance with the Code of Ethics for Professional Accountants in the Philippines, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **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 PFRS for Small and Medium-sized Entities, 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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

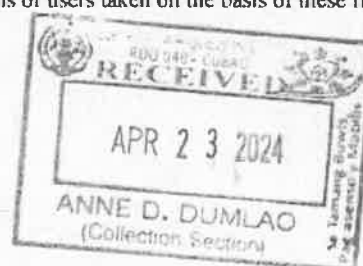
Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

### **Auditor's Responsibility 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.

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BY: **MARK ANTHONY M. AGGABAO**  
*Authorized Representative*




As part of an audit in accordance with PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit.

- 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 Corporation'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 Corporation'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 Corporation to cease to continue as a going concern.

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 audit.

**Report on the Supplementary Information Required Under Revenue Regulation 19-2011 and 15-2010 of the 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 license fees in Notes 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
**ROSALLE H. GABRIEL**  
CPA, CMA No. 078178  
PTR No. 5671348  
Jan 22, 2024, Quezon City  
Tax Identification No. 101-774-563  
BIR Certificate of Accreditation  
No. 07-000003-003-2023  
Effective until January 13, 2026  
BOA No. 2089  
Effective until February 8 2027

March 24, 2024

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**BY: MARK ANTHONY M. AGGABAO**  
*Authorized Representative*



**DEX INTERNATIONAL COMPANY**  
**STATEMENTS OF FINANCIAL POSITION**  
**As of December 31,**

	Notes	2023	2022
<b>A S S E T S</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalent	2,5	1,392,460	762,927
Accounts receivable	2,6	20,873,510	22,456,888
Merchandise inventory	2,8	2,395,259	2,118,487
Other asset-creditable tax	2,7		
		<b>24,661,229</b>	<b>25,338,302</b>
<b>PROPERTY AND EQUIPMENT</b>	<b>2,9</b>	<b>4,686,838</b>	<b>5,238,934</b>
<b>TOTAL ASSETS</b>		<b>29,348,067</b>	<b>30,575,236</b>

<b>LIABILITIES AND PARTNER'S EQUITY</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	2,10	1,924,282	2,793,524
Provision for tax	2,12	56,715	168,244
		<b>1,980,998</b>	<b>2,961,768</b>
<b>LONG TERM LIABILITIES</b>	<b>2,11</b>		
<b>LIABILITIES</b>		<b>1,980,998</b>	<b>2,961,769</b>
<b>PARTNER'S EQUITY</b>	<b>2,13</b>	<b>27,367,069</b>	<b>27,613,468</b>
<b>TOTAL LIABILITIES AND PARTNER'S EQUITY</b>		<b>29,348,067</b>	<b>30,575,236</b>

*The notes are integral part of these financial statements*

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Authorized Representative





**DEX INTERNATIONAL COMPANY**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
For the Years Ended December 31,

	Notes	2023	2022
Sales	2,14	121,697,830	164,071,663
Less: Cost of Sales	2,15	95,864,494	139,259,881
<b>Gross Income</b>		<b>25,833,336</b>	<b>24,811,782</b>
Less: General and Administrative Expense	2,17	20,828,534	16,084,131
<b>Operating Income</b>		<b>5,004,802</b>	<b>8,727,651</b>
Other Income			
Interest Income			
<b>Net Income (Loss) Income Before tax</b>		<b>5,004,802</b>	<b>8,727,651</b>
Income Tax	2,10	1,251,200	2,181,913
<b>Net Income (Loss) After Tax</b>		<b>3,753,601</b>	<b>6,545,738</b>

*The notes are integral part of these financial statements*



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Authorized Representative

	Alex Bernales	Pinky Bernales	TOTAL
<b>Partne's Equity</b>			
Balance as of January 1,2022	12,033,865	12,033,865	24,067,730
<b>Retained Earnings</b>			
Add:Net (Loss) Income	3,272,869	3,272,869	6,545,738
Drawings	(1,500,000)	(1,500,000)	(3,000,000)
Balance as of December 31,2022	13,806,734	13,806,734	27,613,468
<b>Retained Earnings</b>			
Add:Net (Loss) Income	1,876,801	1,876,801	3,753,601
Drawings	(2,000,000)	(2,000,000)	(4,000,000)
Balance as of December 31,2023	13,683,535	13,683,535	27,367,069

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(Collection Section)

BY: MARK ANTHONY M. AGGABAO  
Authorized Representative

**DEX INTERNATIONAL COMPANY**  
**Statements of Cash Flow**  
**For the years Ended December 31,**

	2023	2022
Cash Flow From Operating Activities		
Net Income	3,753,601	6,545,738
Adjustment to reconcile net Income to net cash		
Depreciation	550,096	550,096
Operation income before changes in working capital	4,303,697	7,095,834
Changes in assets and liabilities		
Decrease/Increase		
Accounts Receivable	1,583,378	(1,539,871)
Merchandise inventory	(276,772)	(1,270,439)
Other Asset		200,711
Accounts Payable	(869,242)	(1,623,476)
Provision for tax	(111,529)	168,244
Cash generated from (used in ) opearation	325,836	(4,064,831)
Net Cash used in operating activities	4,629,533	3,031,003
Cash Flows from investing activities		
Acquisition of Property & equipment		
Drawings	(4,000,000)	(3,000,000)
Net Increase (Decrease) in Cash	629,533	31,003
Cash at Beginning of the Year	762,927	731,924
<b>CASH AT END OF THE YEAR</b>	<b>1,392,460</b>	<b>762,927</b>

*The notes are integral part of these financial statements*



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 Authorized Representative

**DEX INTERNATIONAL COMPANY**  
**NOTES TO FINANCIAL STATEMENTS**

As of and for the year ended December 31, 2023 and 2022

**1. COMPANY INFORMATION**

Dex International Company is a domestic partnership registered with the Securities and Exchange Commission (SEC) on October 27, 1998 under SEC Reg. No. A199816271

It is primarily engaged in the business of trading, general merchandise heavy equipment, construction materials

The Company's registered address is located at 1 Kalantiaw St. Cor. J.P. Rizal Ave. San Roque Quezon City

The financial statements of the Company as of December 31, 2023 was authorized for issue by the Board of Directors (BOD) on March 23, 2024. The Board of Directors is still empowered to make amendments even after the date of issue.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**2.1 Basis of Preparation**

The financial statements of the Company have been prepared on a fair value measurement. The financial statements are presented in Philippine pesos, which is the Company's functional currency. All amounts are rounded to the nearest Philippine peso, except when otherwise indicated.

The company applied Section 35 (Transition to the PFRS for SMEs) in preparing the Financial Statements, with January 1, 2010 as the date of transition.

The accompanying financial statements have been prepared on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business.

**2.2 Statement of Compliance**

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) for Small and Medium sized Entities (SMEs).

**2.3 Accounting Policies Adopted**

The following sections that have been published by the International Accounting Standards Board (IASB) and adopted by the FRSC which became effective for accounting periods beginning on or after July 1, 2009 were adopted by the Company:

Section 3	-	Financial Statement Presentation
Section 4	-	Statement of Financial Position
Section 5	-	Statement of Comprehensive Income and Income Statement
Section 6	-	Statement of Changes in Equity
Section 7	-	Statement of Cash Flows
Section 8	-	Notes to the Financial Statements
Section 10	-	Accounting Policies, Estimates and Judgments
Section 11	-	Basic Financial Instruments



Section 13	-	Inventories
Section 17	-	Property and Equipment
Section 20	-	Leases
Section 21	-	Provisions and Contingencies
Section 22	-	Liabilities and Equity
Section 23	-	Revenue
Section 27	-	Impairment of Assets
Section 28	-	Employee Benefits
Section 29	-	Income Tax
Section 32	-	Events after the End of the Reporting Period
Section 33	-	Related Party Disclosures
Section 35	-	Transition to the PFRS for SMEs

The adoption of the above sections, upon which the Company has opted to adopt, did not have any significant effect on the Company's financial statements. These, however, require additional disclosures on the Company's financial statements.

Section 3, "Financial Statement Presentation", explains fair presentation of financial statements, what compliance with the PFRS for SMEs requires, and what a complete set of financial statements is. This section prescribes the basis for presentation of general purpose financial statements for SMEs to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. It sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

Section 4, "Statement of Financial Position", sets out the information that is to be presented in a statement of financial position and how to present it. The statement of financial position (sometimes called the balance sheet) presents an entity's assets, liabilities and equity as of a specific date—the end of the reporting period and provides the minimum line items that should be included in the statement of financial position, however, additional line items, heading and subtotals shall be presented if they will be relevant to an understanding of the entity's financial position.

Section 5, "Statement of Comprehensive Income and Income Statement" requires an entity to present its total comprehensive income for a period—ie its financial performance for the period—in one or two financial statements. It sets out the information that is to be presented in those statements and how to present it.

Section 6, "Statement of Changes in Equity", sets out requirements for presenting the changes in an entity's equity or a period, either in a statement of changes in equity or, if specified conditions are met and an entity chooses, in a statement of income and retained earnings.

Section 7, "Statement of Cash Flows", sets out the information that is to be presented in a statement of cash flows and how to present it. The statement of cash flows provides information about the changes in cash and cash equivalents of an entity for a reporting period, showing separately changes from operating activities, investing activities and financing activities.

Section 8, "Notes to the Financial Statements", sets out the principles underlying information that is to be presented in the notes to the financial statements and how to present it. Notes provide narrative descriptions or disaggregations of items presented in those statements and information about items that do not qualify for recognition in those statements. In addition to the requirements of this section, nearly every other section of this PFRS requires disclosures that are normally presented in the notes.

Section 10, "Accounting Policies, Estimates and Errors", provides guidance for selecting and applying the accounting policies used in preparing financial statements. It also covers changes in accounting estimates and corrections of errors in prior period financial statements.

Section 11, "Basic Financial Instruments", deals with recognizing, measuring and disclosing basic financial instruments and is relevant to all entities. An entity shall recognize a financial asset or a financial liability only when the entity becomes a party to the contractual provisions of the instrument. When a financial asset or financial liability is recognized initially, an entity shall measure it at the transaction price unless the arrangement constitutes, in effect, a financing transaction.

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BY: MARK ANTHONY M. AGGABAO  
Authorized Representative

Section 13, "Inventories", prescribes policies for recognizing and measuring inventories and provides guidance in determination cost and subsequent recognition as expense. An entity shall measure inventories at the lower of cost and estimated selling price less costs to complete and sell.

Section 17, "Property and Equipment", prescribes the accounting treatment for property equipment so that users of the financial statements can discern information about an entity's investment in its property and equipment and the changes in such investment. The principal issues in accounting for property and equipment are the recognition of the assets, the determination of their carrying amounts and the depreciation charges and impairment losses to be recognized in relation to them. An entity shall measure an item of property and equipment at initial recognition at its cost. The cost of an item of property and equipment is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

Section 20, "Leases", applies to agreements that transfer the right to use assets even though substantial services by the lessor may be called for in connection with the operation or maintenance of such assets. This section does not apply to agreements that are contracts for services that do not transfer the right to use assets from one contracting party to the other. Its objective is to prescribe, for lessees and lessors, the appropriate accounting policies and disclosure to apply in relation to leases.

Section 21, "Provisions and Contingencies", outlines the recognition of provision only when: (a) the entity has an obligation at the reporting date as a result of a past event; (b) it is probable (ie more likely than not) that the entity will be required to transfer economic benefits in settlement; and (c) the amount of the obligation can be estimated reliably. Its objective is to ensure that appropriate recognition criteria and measurement bases are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the notes to enable users to understand their nature, timing and amount.

Section 22, "Liabilities and Equity", establishes principles for classifying financial instruments as either liabilities or equity and addresses accounting for equity instruments issued to individuals or other parties acting in their capacity as investors in equity instruments (ie in their capacity as owners).

Section 23, "Revenue", prescribes the accounting treatment of revenue arising from certain types of transactions and events. The primary issue in accounting for revenue is determining when to recognize revenue. Revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. This section identifies the circumstances in which these criteria will be met and, therefore, revenue will be recognized. It also provides practical guidance on the application of these criteria. An entity shall measure revenue at the fair value of the consideration received or receivable.

Section 27, "Impairment of Assets", prescribes the procedures that an entity applies to ensure that its assets are carried at no more than their recoverable amount if its carrying amount exceeds the amount to be recovered through use of or sale of the asset. If this is the case, the asset is described to be impaired and the standard requires the entity to recognize an impairment loss.

Section 28, "Employee Benefits", deals with accounting and reporting by the plan to all participants as a group. It does not deal with reports to individual participants about their retirement benefit rights. An entity shall recognize the cost of all employee benefits to which its employees have become entitled as a result of service rendered to the entity during the reporting period: (a) as a liability (b) as an expense. This section shall be applied in the financial statements of retirement benefit plans where such financial statements are prepared.

Section 29, "Income taxes," the objective of the standard is to prescribe the accounting treatment for income taxes.



Section 32, "Events after the End of the Reporting Period", defines events after the end of the reporting period and sets out principles for recognizing, measuring and disclosing those events. Events after the end of the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Its objective is to prescribe: (a) when an entity should adjust its financial statements for events after the reporting period; and (b) the disclosures that an entity should give about the date when the financial statements were authorized for issue and about events after the reporting period. It also requires that an entity should not prepare its financial statements on a going concern basis if events after the reporting period indicate that the going concern assumption is not appropriate.

Section 33, "Related Party Disclosures", requires an entity to include in its financial statements the disclosures necessary to draw attention to the possibility that its financial position and profit or loss have been affected by the existence of related parties and by transactions and outstanding balances with such parties. An entity shall disclose key management personnel compensation.

Section 35, "Transition to the PFRS for SMEs", applies to a first-time adopter of the PFRS for SMEs, regardless of whether its previous accounting framework was full PFRSs or another set of generally accepted accounting principles (GAAP) such as its national accounting standards, or another framework such as the local income tax basis.

In 2010, it is the opinion of Management that assets and liabilities were recognized at fair value; hence, these were considered deemed cost.

The significant sections and practices of the Company are set forth to facilitate the understanding of the financial statements:

#### Financial Assets

Financial assets include cash, trade and other receivables.

##### **Cash**

Cash includes cash on hand, cash in banks and revolving fund. Cash on hand as of the end of the period were deposited the next banking day. Cash in banks are deposits held at call with banks. The company reconciles the books and bank balances regularly as part of its cash monitoring and internal control measures.

##### **Trade and Other Receivables**

Trade receivables represent accounts receivable and are non-interest bearing measured initially at invoice transaction price and subsequently measured at their fair value as reduced by appropriate allowances for doubtful accounts and impairment, if any. The allowance for doubtful accounts is the estimated amount of probable losses arising from non-collection based on past collection experience and management's review of the current status of the long-outstanding receivables. The doubtful accounts expense is recognized in the statements of income.

Other receivables are recorded initially at transaction cost and subsequently measured at cost less impairment, if any. Other receivables include advances to officers and employees, accrued income receivable, and others.

##### **Inventories**

Inventories are valued at the lower of cost and estimated selling price less costs to sell. Cost of inventories includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Periodic system is the accounting used for the company's inventories. The cost of inventories is determined using the First-In-First-Out (FIFO) method.

##### **Other Current Assets**

Other current assets include prepaid supplies which are valued at the lower of cost or net realizable value. It also includes prepayments such as prepaid taxes and prepaid expenses that are initially recorded at transaction cost and subsequently measured at cost less impairment loss, if any.

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### **Properties and Equipment**

Property and equipment are measured initially at its cost. Property and equipment, after initial recognition are stated at cost less any accumulated depreciation and any accumulated impairment losses.

The initial cost of property and equipment, comprises its purchase price and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of initial delivery and handling, installation and assembly, and testing of functionality.

The following costs are not costs of an item of property and equipment, and the entity recognized them as an expense when they are incurred: costs of opening a new facility, costs of introducing a new product or service (including costs of advertising and promotional activities), costs of conducting business in a new location or with a new class of customer (including costs of staff training), administration and other general overhead costs and borrowing costs.

For financial reporting purposes, duties and taxes related to the acquisition of property and equipment are capitalized. For income tax reporting purposes, such duties and taxes are treated as deductible expenses in the year these charges are incurred.

For financial reporting purposes, depreciation is computed using the straight-line method over the estimated useful lives of the assets.

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which an entity expects to consume an asset's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern. The entity shall account for the change as a change in an accounting estimate.

Factors such as a change in how an asset is used, significant unexpected wear and tear, technological advancement, and changes in market prices may indicate that the residual value or useful life of an asset has changed since the most recent annual reporting date. If such indicators are present, an entity shall review its previous estimates and, if current expectations differ, amend the residual value, depreciation method or useful life. The entity shall account for the change in residual value, depreciation method or useful life as a change in an accounting estimate.

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 on derecognition of an item of property and equipment is recognized in profit or loss when the item is derecognized (unless Section 20 *Leases* requires otherwise on a sale and leaseback) such gain is not recognized as revenue.

For income tax reporting purposes, depreciation is computed using the straight-line method.

### **Financial Liabilities**

Financial liabilities are recognized initially at fair value.

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities include Trade and Other Payables and Loans Payable.

#### **Trade and Other Payables**

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier.

Other Payables include accrued expenses and other payables.

Trade and other payables are initially recorded at transaction price and subsequently measured at their cost less settlement payments.

#### **Income Tax Payable**

The tax currently payable for the year is Regular Corporate Income Tax (RCIT). Taxable profit differs from net profit as reported in the statements of operations, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The reconciling items are disclosed in the notes to the financial statements. The reconciling items, if any, for current tax is calculated using 25% tax rate.



## Other Current Liabilities

Other current liabilities represent statutory liabilities and are measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments. Obligations to the government are remitted on the following month after being withheld from various income recipients.

## Non-Current Liabilities

Non-current liabilities represent rental, security and miscellaneous deposits which initially recorded at transaction price and subsequently measured at their cost less settlement payments as well as advances from partners.

## Financial Instruments

### *Date of Recognition*

The Company recognizes a financial asset or a financial liability in the balance sheets when it becomes a party to the contractual provisions of the instrument.

### *Initial Recognition of Financial Instruments*

All financial assets are initially recognized at fair value.

### *Determination of Fair Value*

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

### *Impairment of Financial Assets*

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has 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 the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that they borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to the statement of income. Interest income continues to be recognized based on the original effective interest rate of the asset. Loans, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as industry, past-due status and term.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Company to

reduce any differences between loss estimates and actual loss experience.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If it is determined that no objective evidence of impairment exists for an individual asset with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment or impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statements of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

#### Derecognition of Financial Assets and Financial Liabilities

##### *Financial assets*

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

- the rights to receive cash flows from the asset have 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 rights 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.

##### *Financial Liabilities*

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where 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 statement of income.

##### *Offsetting Financial Instruments*

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an 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 balance sheet.

##### Impairment of Non-financial Assets

The Company assesses as at reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use or its net selling price and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset 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 pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statements of income in those expense categories consistent with the function of the impaired asset.

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

### **Partners Capital**

Partners capital is determined using the nominal value of shares that have been issued and fully paid.

### **Revenue and Cost Recognition**

#### **Revenue Recognition**

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and revenue can be reliably measured. However, when an uncertainty arises about the collectibility of an amount already included in the revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized.

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

- Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the customers.
- Service Revenue - Revenue is recognized upon rendering of services or completion of services made.
- Interest Income is recognized as the interest accrues (taking into account the effective yield on the asset).

Cost, administrative expenses and other expenses are recognized in the statement of income upon utilization of the service or at the date they are incurred.

#### **Employees' Compensation and Other Benefits**

##### **■ Short-term Benefits**

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, profit sharing and bonuses, non-monetary benefits.

##### **■ Long-term Benefits**

The Company provides retirement benefits to entitled employees as mandated by law.

#### **Income Taxes**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax, if any, is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities, if any, are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences and carry forward benefits of 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 carry forward of NOLCO can be utilized.

The carrying amount of deferred tax assets, if any, is reviewed at each balance sheet date and reduced to the extent that 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.

Deferred tax asset and liabilities, if any, are measured at the tax rates expected in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

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### Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statements of income on a straight-line basis over the lease term.

### Provisions and Contingencies

Provisions are recognized when the Company has a present obligation, either 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 the amount of the obligation can be estimated reliably. When the Company expects reimbursement of some or all of the expenditure required to settle a provision, the entity recognizes a separate asset for the reimbursement only when it is virtually certain that reimbursement will be received when the obligation is settled.

The amount of the provision recognized is the best estimated of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities, if any, are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are disclosed only when an inflow of economic benefits is probable.

### Events After the End of the Reporting Period

Post-year-end events up to the date of the auditor's report that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

## **3. MANAGEMENT'S SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Company's financial statements in conformity with Financial Reporting Framework (in reference to the Philippine Financial Reporting Standards) requires management to make estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. The estimates and assumptions used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Actual results could differ from such estimates.

### Judgments

The preparation of the Company's financial statements in conformity with Financial Reporting Framework in reference to the Philippine Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. The estimates and assumptions used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Actual results could differ from such estimates, judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Determining Functional Currency

Based in economic substance of underlying circumstances relevant to the Company, the functional currency has been determined to be the Philippine peso, which is the currency of the primary economic environment in which the Company operates and is the currency that mainly influences the prices of the products and services and the cost of providing such products and services.

### Estimates

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following represents a summary of the significant estimates and judgments and related impact and associated risks in the Company's financial statements.

#### **Evaluation of asset impairment**

The Company assesses the impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include significant changes in asset usage, significant decline in assets' market value and obsolescence or physical damage of an asset. If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while 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. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that may affect property and equipment.

#### **Impairment of inventories**

The Company recognizes impairment on inventories whenever the net realizable value of inventories become lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The impairment is reviewed on a monthly basis to reflect the accurate valuation in the financial records.

#### **Estimating useful lives of property and equipment**

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which an entity expects to consume an asset's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern. The entity shall account for the change as a change in an accounting estimate.

Factors such as a change in how an asset is used, significant unexpected wear and tear, technological advancement, and changes in market prices may indicate that the residual value or useful life of an asset has changed since the most recent annual reporting date. If such indicators are present, an entity shall review its previous estimates and, if current expectations differ, amend the residual value, depreciation method or useful life. The entity shall account for the change in residual value, depreciation method or useful life as a change in an accounting estimate.

Depreciation is computed on a straight-line method over the estimated useful lives of the assets as follows:

Office furniture & fixtures	3-5 years
Service car/Transportation equipment	5-10 years

#### **Fair Value of Property and Equipment**

The Property and Equipment is stated at revalued amount based on the fair value of the property. The valuation was made on the basis of the fair market value determined by referring to the character and utility of the property, and comparable property which has been sold recently in the locality where the property is located. Management believes that the basis of the fair value is reasonable.

#### **Financial assets and liabilities**

The Company requires certain financial assets and liabilities to be at fair value, which requires use of extensive accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e. interest and volatility rates), the amount of changes in fair value would differ if the Company utilized different valuation methodologies. Any changes in fair value of these financial assets and liabilities would affect directly the statements of income and equity, as appropriate.



#### **Impairment of Non-financial Assets**

The Company assesses the value of property and equipment which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, and require the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property and equipment and other long-lived assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Company's assessment of recoverable values and may lead to future additional impairment charges.

#### **Revenue recognition**

The Company's revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

### **4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

#### ***Financial risk management objectives and policies***

The main purpose of the Company's principal financial instruments is to fund its operational and capital expenditures. The Company's risk management is coordinated and in close operation with the Board of Directors, and focuses on actively securing the Company's short to medium term cash flows by minimizing the exposure to financial markets.

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below.

#### ***Management of Financial Risk***

##### ***Governance Framework***

The Company has established a risk management function with clear terms of reference and with the responsibility for developing policies on market, credit, liquidity and operational risk. It also supports the effective implementation of policies.

The policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets to the corporate goals and specify reporting requirements.

##### ***Capital Management Framework***

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern. The Company monitors the basis of the carrying amount of equity as presented on the face of the balance sheet.

The Company's risk management function has developed and implemented certain minimum stress and scenario tests for identifying the risks to which the Company are exposed, quantifying their impact on the volatility of economic capital. The results of these tests, particularly, the anticipated impact on the realistic balance sheet and revenue account, are reported to the Company's risk management function. The risk management function then considers the aggregate impact of the overall capital requirement revealed by the stress testing to assess how much capital is needed to mitigate the risk of insolvency to a selected remote level.

#### **Regulatory Framework**

The operations of the Company is also subject to the regulatory requirements of SEC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions.

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### Credit risk

The Company's credit risk is primarily attributable to its accounts receivables and other receivables, if any. The Company has adopted stringent procedure in extending credit terms to customers and in monitoring its credit risk.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company manages the level of credit risk it accepts through comprehensive credit risk policy setting out assessment and determination of what constitutes credit risk for the Company; setting up exposure limits by each counterparty or group of counterparties, geographical and industry segments; guidelines on obtaining collateral and guarantees; reporting of credit risk exposures and breaches to the monitoring authority; monitoring compliance with credit risk policy and review of credit risk policy for pertinence and changing environment.

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts.

### Liquidity risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of contractual obligation; or inability to generate cash inflows as anticipated.

The Company maintains cash to meet its liquidity requirements for up to 30-day periods and the Company maintains adequate highly liquid assets in the form of cash, trade and other receivables and inventory to assure necessary liquidity. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Company monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Company maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows and a balance between continuity of funding and flexibility through the use of short-term debt and advances from related parties.

## **5. Cash**

This account consists of:

	2023	2022
Cash on Hand		15,847
Cash in Bank	1,342,460	697,080
Revolving Fund	50,000	50,000
	<b>1,392,460</b>	<b>762,927</b>

*Cash on hand are the undeposited collections as of the end of the period which will be deposited on the next banking day.*

*Cash in bank represents savings/current account in reputable local banks. Savings account deposits earn interest at the respective bank deposit rates and current account deposits do not earn interest. The Company reconciles the books and bank balances regularly as part of its cash monitoring and internal control measures.*

*A reasonable amount of Petty Cash Fund is maintained to cover small payments not covered by checks, such as transportation, small amount of office supplies, and other payments as defined by management and not exceeding P500.00 per single payment.*

## **6. Trade and Other Receivables**

This account consists of the following:

	2023	2022
Accounts Receivable - deposit supplier	17,850,929	19,864,529
Other Receivables		
Input vat		11,863
Advances to operation	3,027,581	2,580,496
		<b>2,456,888</b>

Trade receivables are non-interest bearing from various customers and generally on a 60-day term.

Advances to officers and employees comprise unliquidated cash advances and are paid through salary deduction.

No receivables have been pledged as a security for liabilities.

#### 7 Creditable tax -

This account consists of accumulated creditable tax for the year 2023 and 2022 which deductible by various clients and remitted to BIR. This account is directly deducted to tax payable.

#### 8 Inventories

Merchandise inventories amounted to P2,395,259 and P2,118,487 for the years ended December 31, 2023 and 2022, respectively. They are valued at the lower of cost and estimated selling price less costs to sell. The carrying value of these inventories is equivalent to its fair value.

Cost is determined primarily on the basis of first-in-first-out method.

Impairment test conducted revealed that there are no impaired inventories, thus, no allowance for impairment was provided. The carrying amount therefore is equivalent to its fair value.

No inventories have been pledged as a security for liabilities.

#### 9 Property and Equipment

The composition of and movements in this account follow:

	2022	Additions	Depreciation	2023
At Cost :				
Land	3,000,000			3,000,000
Delivery van	1,733,504			1,733,504
Service car	5,439,599			5,439,599
Furnitures & Fixtures	885,904			885,904
Office equipment	1,711,793			1,711,793
Total	12,770,800	-	-	12,770,800
Delivery van	1,733,504			1,733,504
Service car	4,217,164		362,640	4,579,804
Furnitures & Fixtures	706,312		86,314	792,626
Office equipment	876,886		101,142	978,028
Accumulated Depreciation :	7,533,866		550,096	8,083,962
Carrying Amount	5,236,934	-		4,686,838

The carrying value of the property and equipment is equivalent to its fair value.

Property and equipment are carried at cost less accumulated depreciation, and any impairment in value.

Management believes that based on the assessment performed, there are no property and equipment found impaired.

#### 10 Trade and Other Payables

This account consists of:

	2023	2022
Vat Payable	71,560	
SSS Philhealth and HDMF	220,598	59,753
Withholding tax expanded	33,827	194,829
Withholding tax compensation	35,752	44,376
Accounts payable trade	1,890,455	2,598,695
	1,924,282	2,793,524

Vat tax payable and withholding tax includes the current portion of the Company's statutory obligations which has been accrued as of the end of the period and is expected to be paid the following month

#### 11 Long term Liabilities

	2023	2022
Advances from partners		
Loans graded by partners for additional operating expenses		

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**12 Income Tax Payable**

The computation of income tax payable follows :

	2023	2022
Net Income before tax	5,004,802	8,727,651
At 25 % Income tax	25%	25%
Provision for income tax	1,251,200	2,181,913
Quarterly tax payments		
Creditable Income Taxes	1,194,485	1,812,958
Carry over		200,711
Income Tax Payable (excess)	56,715	168,243

**13 Partner's Capital**

The partner's capital is equally divided among the 2 partners

**14 Revenues**

Presented below are the details of this account:

	2023	2022
Sales	121,697,830	164,071,663
	121,697,830	164,071,663

*The company derives its revenue from sales revenue and service*

**15 Cost of sales/Direct cost**

This account consists of:

	2023	2022
Merchandise inventory beg	2,118,487	848,048
Purchases local and imported	73,460,929	109,368,671
Less: Merchandise inventory, end	(2,395,259)	(2,118,487)
	73,184,157	108,098,232
Direct cost		
Custom duties and IPF	333,590	1,050,622
Depreciation	550,096	550,096
Salaries and wages	21,796,651	29,560,930
	22,680,338	31,161,648
Total cost of sales and direct cost	95,864,494	139,259,880

*Cost of sales and services are recognized in the statements of income upon sale of goods, utilization of the service or on the date they are incurred.*

**16 Other Income**

This account consists of:

	2023	2022
Interest Income		
Gain on Sale of Assets		
	-	-

*Interest income are income earned from the Company's savings and time deposits in bank.*

**17 Administrative and operating expenses**

*Administrative and operating expenses are recognized in the statement of income upon utilization of the service or on the date they are incurred.*

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	2023	2022
Salaries and wages, benefit	2,421,850	3,284,548
SSS, Philhealth and pagibig	1,533,190	1,817,038
Broker		147,787
Rental	2,206,406	2,081,884
Taxes and licenses	5,436,987	1,112,125
Gas , batery and oil	1,694,663	2,084,381
Toll fee	168,928	157,273
Transportation and travel,parking fee	494,188	1,544,183
Repairs and mainternance	3,490,189	384,440
Office supplies and printing	262,422	277,200
Representation	505,463	805,305
Insurance	412,138	196,124
Communication,light and water	931,508	1,087,364
Other service		62,305
Professional fee	150,000	160,714
Miscellaneous	370,434	211,048
Uniform	150,822	50,805
Meals	599,346	619,607
	<b>20,828,534</b>	<b>16,084,131</b>

#### 18 Miscellaneous Expenses

This account consists of:

	2023	2022
	370,434	211,048
	<b>370,434</b>	<b>211,048</b>

*Miscellaneous Expenses are accounts with insignificant amounts such as xerox, garbage fees, meals allowance, rodents and cockroach extermination, birthday bash, streamers, flags, signage and tarpaulins.*

#### 19 Taxes and Licenses

This account consists of:

	2023	2022
Annual registration fee	500	500
Business taxes/permits and registration	5,434,987	1,110,125
Barangay clearance	1,500	1,500
	<b>5,436,987</b>	<b>1,112,125</b>

*Taxes and licenses include local taxes and other fees.*

#### 20 Income Tax

The reconciliation of the provision for income tax computed at statutory income tax rate to the provision for income tax shown in the statements of income follows:

##### a) Regular Rate - 25%

	2023	2022
Gross Profit	25,833,336	24,811,782
Add (deduct): Non deductible expenses/other taxable income	(20,828,534)	(16,084,131)
Taxable income	5,004,802	8,727,651
Multiply by	25%	25%
REGULAR INCOME TAX DUE	<b>1,251,200</b>	<b>2,181,913</b>

#### 21 Taxes per RR-2010

In compliance with the requirement set forth by Revenue Regulation No. 15-2010 of the Bureau of Internal Revenue, hereunder are the information on taxes, duties, and license fees paid or accrued during the taxable year 2023.

**CERTIFIED TRUE COPY**

BY: MARK ANTHONY M. AGGABAO  
Authorized Representative