

**APOLLO GLOBAL CAPITAL, INC.**  
**(Formerly: YEHEY! CORPORATION)**

**Business and General Information**

**Capitalization and Ownership**

Apollo Global Capital, Inc. (Formerly: Yehey! Corporation) ("Company") was incorporated on 10 June 1998. It has an authorized capital stock of Six Billion Pesos (Php6,000,000,000.00) divided into Six Hundred Billion (600,000,000,000) common shares with par value of P0.01 per share. Out of the authorized capital stock, Two Hundred Seventy Five Billion One Hundred Ninety Six Million Seventy One Thousand Five Hundred Twenty (275,196,071,520) shares are outstanding. Each share of stock of the Company is a voting stock with voting rights equal to every other outstanding shares of stock, and subject to right of redemption.

The Company was under the control of Vantage Equities, Inc. until 14 October 2015. On 7 July 2015, Vantage Equities, Inc., the parent of the Company, entered into a Share Purchase Agreement ("SPA") and sold its shares amounting to 66.95% of the outstanding shares of the Company (the "Sale Shares").

On 15 October 2015, Vantage Equities, Inc. crossed 186,121,771 common shares of the Company, (the "Sale Shares") to Alfonso Yap Go and his nominees Nathaniel C. Go, and Socorro P. Lim pursuant to the SPA. Under the SPA, the closing of the transfer of the Sale Shares is subject to and conditioned upon the conduct and completion of a mandatory tender offer as well as the payment of the purchase price, which conditions have been complied with as of 15 October 2015.

On 7 October 2016, the SEC approved the Company's application for the amendment of the following Articles of its Articles of Incorporation:

- a. Article 1 to change the corporate name from Yehey! Corporation to Apollo Global Capital, Inc.
- b. Article 2 amending its primary purpose to that of a holding company, and
- c. Article 7 reducing the par value from Php1.00 to Php0.01 per share.

On 17 February 2017, the Company and JDVC's shareholders entered into a Deed of Exchange of Shares where in the latter had issued 247,396,071,520 shares (par value of Php0.01 per share) in exchange for 4,133,740 shares (par value of Php100.00 per share) at an exchange price of Php598.48 of the latter. The deed covering the transaction was approved by SEC on 9 October 2017. As a result of this transaction, the Company now owns 82.67% of JDVC.

On 9 October 2017, the SEC approved the Company's application of the following Articles of its Articles of Incorporation:

- a. Article 3 to change the principal office of the Company to Unit 1204, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City; and
- b. Article 7 to increase the authorized capital stock of the Company to Six Billion Pesos (Php6,000,000,000.00), divided into Six Hundred Billion (600,000,000) shares.

**Purpose**

The current primary purpose of the Company is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, guarantee, exchange, develop or otherwise dispose of real or personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations,

associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned; provided it shall not engage as a stock broker or dealer of securities.

## Competition

None

## MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

### Financial Performance

#### Results of Operations for the Third Quarter of 2018 compared to 2017

<b>A. Full Fiscal Years</b>	<b>Unaudited 30 June 2018 (In Million Pesos)</b>	<b>Audited 31 December 2017 (In Million Pesos)</b>
<u>Balance Sheet</u>		
Total Assets	3,569	3,524
Total Liabilities	346	296
Total Stockholders' Equity	3,223	3,228

Movement in the assets is flat from 31 December 2017. Movement in liabilities mainly from deposits for future stock subscription.

<b>B. Interim Periods</b>	<b>For the Quarters Ended June 2018</b>	<b>June 2017</b>
<u>Income Statement</u>		
Total Revenues	0.00	0.00
Total Expenses	4,673	0.13
Net Income/(loss)	(4,673)	(0.13)

Movements in total expense due to acquisition of JDVC, the subsidiary of the Company, as a result of the Deed of Exchange of Shares.

<b>Key Performance Indicators (KPI)</b>	<b>2018</b>	<b>31 December 2017</b>
Current Ratio	0.04	0.04
Debt to Equity	0.03	0.03
Asset to Equity	1.11	1.09
Return on Assets	(0.00)	(0.01)

#### KPI Calculations

Current Ratio = Current Assets / Current Liabilities

Debt to Equity = Total Liabilities / Total Equity

Asset to Equity = Total Assets / Total Equity

Return on Assets = Net Income Before Taxes / Total Assets

Return on Equity = Net Income After Taxes / Stockholders' Equity

### Causes for any material changes (+/-5% or more) in the financial statements

#### Income Statement Items – June 2018 versus June 2017

Increase in total expense due to acquisition of JDVC, the subsidiary of the Company, as a result of the Deed of Exchange of Shares.

### **Balance Statement Items – June 2018 versus December 2017**

Movement in liabilities mainly from deposits for future stock subscription.

### **2017 versus 2016**

#### **Financial Highlights**

(In Million Pesos)

	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b><u>Balance Sheet</u></b>			
Total Assets	3,524	262.5	260.0
Total Liabilities	296	2.6	1.3
Total Stockholders' Equity	3,228	259.9	258.7
<b><u>Income Statement</u></b>			
Total Revenues	0.0	0.0	16.0
Total Cost and Expenses	27.5	1.0	19.8
Total Other Income (Charges)	1.9	2.2	9.9
Provision for Income Tax	(0.9)	0.0	0.9
Net Income (Loss)	(24.7)	1.2	5.2
<b><u>Top Key Performance Indicators:</u></b>			
Current ratio	0.04	99.26	198.6
Debt to Equity	0.03	1.00	1.00
Asset to Equity	1.09	99.26	99.26
Debt to Asset	0.08	0.99	0.99
Return on Assets	(0.01)	0.00	0.02
Return on Equity	(0.02)	0.00	0.02

### **Results of Operations for the Year Ended 2017 (Y2017 vs Y2016)**

The Company wind down the Digital Marketing operations of the Company on 30 October 2015 hence there was no revenue and cost in 2017 and 2016. Surge in general and administrative expenses was due to filing fees and documentary stamp tax on issuance of capital stocks resulting from the Deed of Exchange of Stocks.

### **Causes for any material changes (+/-5% or more) in the financial statements**

#### **Income Statements items - Y2017 versus Y2016**

*2460% increase in general and administrative expenses*

Due to filing fees and documentary stamp tax on issuance of capital stocks resulting from the Deed of Exchange of Stocks

*17% decrease in other income-net*

Interest expense incurred by the subsidiary

#### **Balance Sheet items – Y2017 versus Y2016**

Movements in balance sheet accounts are due to acquisition of JDVC, the subsidiary of the Company, as a result of the Deed of Exchange of Shares.

## **2016 versus 2015**

### **Financial Highlights**

(In Million Pesos)

	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b><u>Balance Sheet</u></b>			
Total Assets	262.5	260.0	266.9
Total Liabilities	2.6	1.3	13.5
Total Stockholders' Equity	259.9	258.7	253.4
<b><u>Income Statement</u></b>			
Total Revenues	0.0	16.0	19.4
Total Cost and Expenses	1.0	19.8	21.8
Total Other Income (Charges)	2.2	9.9	5.3
Provision for Income Tax	0.0	0.9	0.7
Net Income (Loss)	1.2	5.2	2.2
<b><u>Top Key Performance Indicators:</u></b>			
Current ratio	99.26	198.6	20.92
Debt to Equity	0.01	0.01	0.05
Asset to Equity	1.01	1.01	1.05
Debt to Asset	0.01	0.01	0.05
Return on Assets	0.00	0.02	0.01
Return on Equity	0.00	0.02	0.01

### **Results of Operations for the Year Ended 2016 (Y2016 vs Y2015)**

The Company wind down the Digital Marketing operations of the Company on 30 October 2015 hence there was no revenue and cost in 2016 as well as the decline in general and administrative expenses. Dropped in other income is caused by absence of investments in short term placements.

### **Causes for any material changes (+/-5% or more) in the financial statements**

#### **Income Statements items - Y2016 versus Y2015**

*100% decrease in revenue*

Due to winding down of the Digital Marketing operations of the Company on 30 October 2015.

*100% decrease in cost of services*

Due to winding down of the Digital Marketing operations of the Company on 30 October 2015.

*91% decrease in general and administrative expenses*

Due to winding down of the Digital Marketing operations of the Company on 30 October 2015.

*65% decrease in interest income*

Absence of investments in short term placements

*100% decrease in gain on sale of investment in available-for-sale securities*

Absence of investment in AFS

*100% decrease in foreign exchange gain*

Absence of dollar denominated assets

*97% decrease in miscellaneous income*

Assignment of net liability to Vantage in 2015

### **Balance Sheet items – Y2016 versus Y2015**

Pursuant to the SPA, on 30 October 2015, the Board of Directors of the Company authorized the Company's management to:

1. Wind down the operations of the Digital Marketing business of the Company; and
2. Assign its non-cash asset and liabilities to Vantage Equities, Inc.

These actions are the reason why trade receivables, property and equipment and other non-current assets became nil as of 31 December 2015. The remaining balance of accounts payable and other current liabilities on the other hand are mostly from deferred output VAT from certain payables to Vantage Equities, Inc. and accrual of interest income, respectively. Also, the Company has no employees as of end of the year, hence the zero balance of retirement payable.

The cash and cash equivalents of the Company are advanced to a shareholder, causing the enormous diminution of this account and a simultaneous increase in other trade receivables, which is composed of the advances and its accrued interest.

### **2015 versus 2014**

The Company derived its revenues from internet services.

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Advertising/Media Sales/Web Development (Gross)	16,034,162	19,405,014	18,484,881
Web Search Engine	-	-	-
<b>Totals</b>	<b>16,034,162</b>	<b>19,405,014</b>	<b>18,484,881</b>

The Company has no revenues and net income derived from foreign sales. Likewise, there was no significant amount spent on development activities for the last three fiscal years.

In 2015, the Company had three significant customers which have contributed approximately 10% of the total revenues of the Company. Customer A contributed P8.04 million or 43% of total revenues for the web development, and digital PR and strategy consulting services rendered. Customer B contributed P4.15 million or 22% of total revenues arising from media sales services and digital PR. Customer C contributed P3.96 million or 21% of total revenues arising from media sales services and digital PR.

### **Financial Highlights** (In Million Pesos)

	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b><u>Balance Sheet</u></b>			
Total Assets	260.0	266.9	273.2
Total Liabilities	1.3	13.5	19.2
Total Stockholders' Equity	258.7	253.4	251.0
<b><u>Income Statement</u></b>			
Total Revenues	16.0	19.4	18.5
Total Cost and Expenses	19.8	21.8	23.4
Total Other Income (Charges)	9.9	5.3	7.3

Provision for Income Tax	0.9	0.7	0.4
Net Income (Loss)	5.2	2.2	2.0

**Top Key Performance Indicators:**

Current ratio	198.60	20.92	13.54
Debt to Equity	0.01	0.05	0.08
Asset to Equity	1.01	1.05	1.08
Debt to Asset	0.01	0.05	0.07
Return on Assets	0.02	0.01	0.01
Return on Equity	0.02	0.01	0.01

**Results of Operations for the Year Ended 2015 (Y2015 vs Y2014)**

The Company experienced a 17% drop in revenues from P19.4 million in 2014 to P16.0 million this year while cost and expenses were lower by 9%. The decrease is due to winding down of the Digital Marketing operations of the Company on 30 October 2015.

The Company managed to exceed its net income last year by 136% despite cessation of its operations. This is due to accrued interest income earned from advances to shareholders and miscellaneous income as a result of assignment of the non-cash assets and liabilities of the Company to Vantage.

**Causes for any material changes (+/-5% or more) in the financial statements**

**Income Statements items - Y2015 versus Y2014**

*17% decrease in revenue*

Due to winding down of the Digital Marketing operations of the Company on 30 October 2015.

*32% decrease in cost of services*

Due to winding down of the Digital Marketing operations of the Company on 30 October 2015.

*18% increase in general and administrative expenses*

Mainly from separation pay of employees as effect of winding down.

*146% increase in interest income*

From accrual of interest income on advances to a shareholder.

*40% decrease in gain on sale of investment in available-for-sale securities*

Higher market price of stocks sold in 2014 compared to selling price vs. acquisition cost of bonds in 2015.

*895% increase in foreign exchange gain*

Resulted from stronger peso on time of sale of dollar denominated bonds.

*188,221,900% increase in miscellaneous income*

Arising from assignment of net liability to Vantage

**Balance Sheet items – Y2015 versus Y2014**

Pursuant to the SPA, on 30 October 2015, the Board of Directors of the Company passed and approved authorization to the Management of the Company to:

1. Wind down the operations of the Digital Marketing business of the Corporation; and
2. Assign its non-cash asset and liabilities to Vantage Equities, Inc.

These actions are the reasons why trade receivables, property and equipment and other non-current assets became nil as of 31 December 2015. The remaining balance of accounts payable and other current liabilities on the other hand are mostly from deferred output VAT from accrual of interest income and certain payables to Vantage Equities, Inc. Also, the company has no employees as of end of the year, hence the zero balance of retirement payable.

The cash and cash equivalents of the Company are advanced to a shareholder, causing the enormous diminution of this account and a simultaneous increase in other trade receivables, which is composed of the advances and its accrued interest as of end December 2015.

The Company has no income tax payable since it has usable tax credits.

## **Financial Risk Management**

The main risks arising from the Company's financial instruments are liquidity risk, credit risk and market risk. The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies and principles. The BOD reviews and approves policies for managing each risk and they are summarized below:

Liquidity Risk is the risk that the Company will be unable to meet its obligations when they fall due under normal and stress circumstances. To limit the risk, the Company closely monitors its cash flows and ensures that credit facilities are available to meet its obligations as and when they fall due.

Credit Risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by trading only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. For transactions that involve special credit arrangement, the Company requires the approval from the Board of Directors. In addition, aging of receivables are reviewed on a monthly basis with the result that the Company's exposure to bad debts is not significant.

As of 31 December 2017 and 2016, the Company's maximum exposure to credit risk is equal to the carrying values of its financial assets since it does not hold any collateral or other credit enhancements. There are no significant concentrations of credit risk on the Company's financial assets.

Market risk is the risk of change in fair value of financial instruments from fluctuation in market prices (price risk), foreign exchange rates (currency risk) and market interest rates (interest rate risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

### *Foreign Currency Risk*

Foreign currency risk arises when transactions are denominated in foreign currencies.

The Company is not exposed to foreign currency risk since the Company does not have any transactions denominated in foreign currency.

### *Equity Price Risk*

Equity price risk is the risk that the fair value of quoted AFS investments will fluctuate as the result of changes in the value of individual stocks. The Company's exposure to equity price risk relates primarily to the Company's quoted AFS investments. As of 31 December 2017, the Company does not have quoted AFS investments.

## **Other Items**

The Company does not need any government approval for its principal products or services and is not required to comply with specific environmental laws. It does not have any publicly announced new product or service. Since the company is engaged in the business of internet online related products relating to database search engine, there is no need for raw materials and suppliers.

On 30 October 2015 the BOD approved the winding down of the Information Technology and Digital Marketing operations of the Company which encompasses Digital Public Relations, Media Sales, and Web Development.

As of 31 December 2017, the Company has no employees.

### ***Properties***

#### **Apollo Global Capital, Inc. – Parent**

On 30 October 2015, the Company assigned its non-cash assets and liabilities to Vantage Equities, Inc. The non-cash assets assigned include equipment, furniture and fixtures, leasehold improvements and software licenses.

### **JDVC**

*Office Furniture and Equipment* - This furniture and equipment are used by the Company in conducting its daily operations and being depreciated over an estimated useful life of 3 years.

### **Legal Proceedings**

None to report.

### **Submission of Matters to a Vote of Security Holders**

The Company's last annual stockholders' meeting was held on 14 December 2016. The matters submitted to the stockholders for a vote included:

1. Election of Directors for a term of one (1) year. Mr. Klarence Dy and Mr. Raymond Ricafort have been elected as Independent Directors.
2. The Stockholders approved and/or ratified the following amendments to the Articles of Incorporation of the Company:
  - a. Increase the authorized capital stock of the Company from One Billion Pesos to Six Billion Pesos and accordingly amend the Seventh Article of the Articles of Incorporation
  - b. Change in the principal office from Unit 1801 East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City to Unit 1204, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City and amend the Third Article of the Articles of Incorporation

### **Market for Registrant's Common Equity and Related Stockholder Matters**

The Company has a total of 278,000,000 common shares outstanding and listed in the Main Board of the Philippine Stock Exchange under the symbol "APL" (Formerly: "YEHEY"). The high and low share prices of YEHEY Shares listed on the PSE for each quarterly period during the past two (2) years are as follows:

		<b>Closing Price Per Share (in ₱)</b>



		<b>High</b>	<b>Low</b>
<b>2018</b>	<b>First Quarter</b>	0.072	0.041
	<b>Second Quarter</b>	0.055	0.042
<b>2017</b>	<b>First Quarter</b>	0.079	0.040
	<b>Second Quarter</b>	0.049	0.042
	<b>Third Quarter</b>	0.046	0.037
	<b>Fourth Quarter</b>	0.059	0.041
<b>2016</b>	<b>First Quarter</b>	0.0496	0.0321
	<b>Second Quarter</b>	0.0735	0.0482
	<b>Third Quarter</b>	0.0680	0.0525
	<b>Fourth Quarter</b>	0.060	0.040

The price information as of the close of the latest practicable trading date, October 17, 2018, is 0.039.

As of 30 September 2018, there are approximately 797 common shareholders of record. Common shares outstanding as of the same date are 278,000,000. The top 20 shareholders are as follows:

<b>Rank</b>	<b>Name of stockholder</b>	<b>Nature of shares</b>	<b>Number of shares</b>	<b>Percentage</b>
1	Hyung Rae Doo	Common	109,065,080,064	39.632%
2	Lloyd Raegan C. Taboso	Common	46,471,972,000	16.887%
3	Napoleon M. Deleon, Jr.	Common	46,224,979,304	16.797%
4	Daniel Chua Go	Common	45,634,040,152	16.582%
5	PCD Nominee Corp.	Common	26,960,482,028	9.797%
6	Sysmart Corporation	Common	270,000,000	0.098%
7	Juan G. Chua	Common	94,537,572	0.034%
8	PCD Nominee Corporation	Common	94,040,000	0.034%
9	East Pacific Investors Corporation	Common	49,095,000	0.018%
10	Cygnat Development Corporation	Common	43,125,000	0.016%
11	Alistair E.A. Israel	Common	27,720,000	0.010%
12	David Q. Quitariano	Common	24,200,000	0.009%
13	Sysmart Corp.	Common	13,713,500	0.005%
14	Christopher Chongson	Common	6,468,700	0.002%
15	Century Securities Corp.	Common	6,025,000	0.002%
16	Ricardo L. Ng	Common	5,847,700	0.002%
17	Campos, Lanuza & Co., Inc.	Common	5,807,500	0.002%
18	Suzanne Lim	Common	5,175,000	0.002%
19	Harley Sy	Common	5,175,000	0.002%
20	Jerry Tiu	Common	4,916,200	0.002%
<b>TOTAL</b>			<b>275,012,399,720</b>	<b>99.93%</b>

### **Dividends**

The Company did not declare any dividends during the past three (3) fiscal years.

There are no known restrictions or impediments to the Company's ability to pay dividends on common equity, whether current or future.

### **Compliance with the Manual on Corporate Governance**

The Company remains focused on insuring the adoption of systems and practices of good corporate governance in enhancing value for its shareholders.

In compliance with the initiative of the Securities and Exchange Commission ("SEC") the Company submitted its Corporate Governance Manual (the "Manual") to the SEC on 31 May 2017. Even prior to the

submission of its Manual, however, the Company already created various Board level committees. These committees were comprised of a Nomination Committee for the selection and evaluation of qualifications of directors and officers, a Compensation and Remuneration Committee to look into an appropriate remuneration system, and an Audit Committee to review financial and accounting matters. A Compliance Officer was also appointed.

The Board establishes the major goals, policies, and objectives of the Company, as well as the means to monitor and evaluate the performance of Management. The Board also ensures that adequate internal control mechanisms are implemented and properly complied in all levels.

The Company is not aware of any non-compliance with its Manual of Corporate Governance, by any of its officers or employees.

**UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF SEC FORM 17-A FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE ADDRESSED AS FOLLOWS:**

**ATTY. KRISTINA JOYCE C. CARO-GANGAN  
THE CORPORATE SECRETARY  
APOLLO GLOBAL CAPITAL, INC.  
LIBERTY CENTER – PICAZO LAW  
104 H.V. DELA COSTA STREET,  
SALCEDO VILLAGE,  
MAKATI CITY, METRO MANILA, PHILIPPINES**