COVER SHEET

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SEC Registration Number

APOLLO GLOBAL CAPITAL, INC.
(FORMERLY, YEHEY! CORPORATION)

(Company's Full Name)

UNIT 504, GALLERIA CORPORATE
CENTER, EDSA CORNER ORTIGAS
AVENUE, BRGY. UGONG NORTE,
QUEZON CITY

(Business Address: No., Street City / Town / Province)

ATTY. KRISTINA JOYCE C. GANGAN

Contact Person

(02)88880999

Company Telephone Number

1 2 | 3 1
Month | Day

Fiscal Year

SEC FORM 20-IS

FORM TYPE

Last Friday of June
Month | Day

Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

APOLLO GLOBAL CAPITAL, INC.
(FORMERLY: YEHEY! CORPORATION)
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Please be advised that the Annual Meeting of the stockholders of **APOLLO GLOBAL CAPITAL, INC.** will be held on 10 December 2021, Friday, 10 a.m., via Zoom application (Zoom meeting link: https://us02web.zoom.us/j/87518401691?pwd=alBiZXYzQ2g3TkZaVGxONFF1T1VlUT09), for the following purposes:

1. To approve the minutes of the previous Annual Stockholders' Meeting held last 2 January 2020.

2. To consider and approve the President's Report.

3. To consider and adopt the Audited Financial Statements for the year ended 31 December 2020 contained in the Annual Report.

4. To ratify all acts of the Board of Directors and Management since the last annual stockholders' meeting.

5. To elect the Directors and Independent Directors of the Company for the ensuing year.

6. To appoint the external auditor of the Company for the year 2021.

7. To transact such other business as may properly come before the meeting and at any adjournment thereof.

The Board of Directors has set the close of business on 10 November 2021 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting.

To ensure the safety and welfare of our stockholders and other stakeholders and as a precaution against the COVID-19 risk, the Company's Board of Directors has approved on 15 October 2021 in accordance with SEC rules, to conduct a virtual stockholders' meeting for the year 2021. The meeting will be held online by remote communication and voting will be in *absentia*. The specific procedures for participating in the meeting through remote communication and voting in *absentia* are set forth below.

Stockholders who intend to attend and participate in the virtual meeting in person or through proxy shall first submit **on or before 25 November 2021** via email to apollocapital_ph@outlook.com a scanned copy of their Letter of Intent to attend and participate via proxy or by remote communication and a copy of the stockholder's valid government-issued ID with photo and personal details. Once validated, a registered stockholder will receive via email the proxy form and voting ballot. Stockholders must submit **on or before 3 December 2021** via email to apollocapital_ph@outlook.com their duly accomplished proxy form and/or voting ballot which shall then be validated. Only stockholders who have notified the Company of their intention to participate in the virtual meeting and have registered themselves or their proxies will be included in the determination of a quorum. All agenda items indicated in the Notice of the Meeting will be set out in the voting ballot and the stockholder may vote as follows:

a. For all items, except for Election of Directors, the stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the stockholder's shares.

b. For the Election of Directors, a stockholder entitled to vote: (i) may vote such number of shares owned by it for as many persons as there are Directors to be elected; or (ii) may cumulate said shares and give one candidate as many votes as the number of Directors to be elected multiplied by the number of their shares; or (iii) may distribute them on the same principle among as many candidates as may be seen fit.

c. The Company's stock transfer agent and Office of the Corporate Secretary will tabulate all votes received and will validate the results.

d. Except for the election of directors, all the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting. For the Election of Directors, the top eleven (11) nominees with the greatest number of votes are elected.

Registered stockholders will receive the meeting link and password to log on to the meeting two (2) days before the stockholders' meeting. We encourage all registered stockholders to log onto the meeting link 45 minutes before the meeting starts to allow for sufficient time to address any technical difficulty which may be encountered. The meeting will start promptly at 10:00 a.m. on 10 December 2021. The meeting shall be recorded in audio and video format and copies shall be posted by the Company in its website. The procedures for voting and participation in the meeting through remote communication are also discussed further in the Information Statement which shall be made available to the public not later than 18 November 2021 through PSE Edge and the Company's website at **http://www.apolloglobalcapital.com/.** For any questions or inquiries, including request for assistance in the registration process, please contact our Office of the Corporate Secretary through apollocapital_ph@outlook.com .

Very truly yours,

KRISTINA JOYCE C. GANGAN
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

   [X] Preliminary Information Statement
   [] Definitive Information Statement

2. Name of Registrant as specified in its charter **APOLLO GLOBAL CAPITAL, INC. (Formerly: YEHEY! CORPORATION)**

3. **Quezon City, Metro Manila**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **A1998-06865**

5. BIR Tax Identification Code **005-301-677**

6. **Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City 1110**
   Address of principal office and postal code

7. Registrant's telephone number, including area code **(632) 8532 8654**

8. Date, time and place of the meeting of security holders:

   Date: 10 December 2021
   Time: 10:00 a.m.
   Venue: via Zoom application

9. **18 November 2021**
   Approximate date on which the Information Statement is first to be sent or given to security holders

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of each class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	292,686,349,297

11. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes. The Registrant's common shares are listed on the Philippine Stock Exchange.

**WE ARE NOT ASKING YOU FOR A PROXY.
YOU ARE NOT REQUESTED TO SEND US A PROXY.**

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

The Annual Meeting of the stockholders of APOLLO GLOBAL CAPITAL, INC. (Formerly: YEHEY! CORPORATION) (the "Company") will be held on 10 December 2021, Friday, 10 a.m., via Zoom application (meeting link: https://us02web.zoom.us/j/87518401691?pwd=alBiZXYzQ2g3TkZaVGxONFF1T1VlUT09).

The mailing address of the Company is at Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City.

This Information Statement will be first sent or given to security holders on or around 18 November 2021.

Item 2. Dissenters' Right of Appraisal

Under Section 41 and 80 of the Revised Corporation Code, the following are the instances when a stockholder may exercise his appraisal right:

1. In case the Company decides to invest its funds in another corporation or business outside of its primary purpose;

2. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

3. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets of the Company; and

4. In case of merger or consolidation.

In order that a dissenting stockholder may exercise his appraisal right, such dissenting stockholder must have voted against the proposed corporate action at the annual meeting. Within thirty (30) days after the date of the annual meeting at which meeting such stockholder voted against the corporate action, the dissenting stockholder shall make a written demand on the Company for the fair value of his shares which shall be agreed upon by the dissenting stockholder and the Company. If the proposed corporate action is implemented, the Company shall pay the dissenting stockholder upon surrendering the certificates of stock representing his shares the fair value thereof as of the day before the vote was taken. If the dissenting stockholder and the Company cannot agree on the fair value of the shares within sixty (60) days from the date of stockholders' approval of the corporate action, then the fair value of the shares shall be determined by three (3) disinterested persons, one (1) of whom shall be named by the dissenting stockholder, one (1) by the Company and a third to be named by the two (2) already chosen. The findings of the majority of the appraisers shall be final and their award shall be paid by the Company within thirty (30) days after such award is made. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 80 to 85 of the Revised Corporation Code.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

None of the directors of the Company has informed the Company that he intends to oppose any action to be taken by the Company at the stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of 30 September 2021, the Company's total outstanding shares entitled to vote consist of 292,686,349,297 outstanding common shares.

The record date for the purpose of determining the stockholders entitled to vote is 10 November 2021.

Stockholders entitled to vote are also entitled to cumulative voting in the election of directors. Section 23 of the Revised Corporation Code provides, in part, that: "….in stock corporations, stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names in the stock books of the corporation at the time fixed in the bylaws or where the bylaws are silent, at the time of the election. The said stockholder may: (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit: Provided, That the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the corporation multiplied by the whole number of directors to be elected: Provided, however, That no delinquent stock shall be voted.…."

The following is the list of the top twenty (20) stockholders of the Company as reported by the stock and transfer agent of the Company as of 30 September 2021:

Rank	Name of Stockholder	Nature of Shares	Number of Shares	Percentage
1	PCD Nominee Corp.	Common	182,045,269,356	62.198%
2	PCD Nominee Corporation (Non-Filipino)	Common	110,189,839,599	37.648%
3	Juan G. Chua	Common	94,040,000	0.032%
4	East Pacific Investors Corporation	Common	49,095,000	0.017%
5	Cygnet Development Corporation	Common	43,125,000	0.015%
6	Alistair E.A. Israel	Common	27,720,000	0.009%
7	David Q. Quitoriano	Common	24,200,000	0.008%
8	Century Securities Corp.	Common	6,025,000	0.002%
9	Ricardo L. Ng	Common	5,847,700	0.002%
10	Campos, Lanuza & Co., Inc.	Common	5,807,500	0.002%
11	Suzanne Lim	Common	5,175,000	0.002%
12	Jerry Tiu	Common	4,916,200	0.002%
13	Susana Ang Chua	Common	4,191,700	0.001%
14	R. Coyiuto Securities, Inc.	Common	3,350,000	0.001%
15	Avesco Marketing Corporation	Common	2,875,000	0.001%
16	David Go Securities Corp.	Common	2,750,000	0.001%
17	Fortune Securities Inc.	Common	2,750,000	0.001%
18	Elaine H.S. Ty	Common	2,587,500	0.001%
19	Mary Tan De Jesus	Common	2,542,500	0.001%
20	Imperial, De Guzman, Abalos & Co., Inc.	Common	2,350,000	0.001%
TOTAL			292,524,457,055	**99.945%**

Security Ownership of Record and Beneficial Owners of at least 5% of the Company's Securities as of the Record Date

The following are the owners of record of more than five percent (5%) of the Company's outstanding shares of stock, the number of shares owned and percentage of shareholdings of each of them, as of 30 September 2021:

Type of Class	Name and address of record owner and relationship with issuer	Name of beneficial owner and relationship with record owner (Direct)	Citizenship	Number of Shares	Percentage
Common	PCD Nominee Corporation Stockholder (Filipino)	Various participants in the Philippine Central Depositary, Inc. ("PCD") among which is RCBC Trust & Investment Group for which PCD Nominee Corporation holds 182,045,269,356 common shares of the Company. RCBC Trust & Investment Group in turn holds the shares for clients who are beneficial owners of more than 5% of the Company. RCBC Trust & Investment Group is expected to issue subproxies in favor of these clients and/or their authorized representatives. Specifically, majority of these clients, the number of shares held by them, their percentage of ownership in the Company and the representatives authorized to vote their shares are as follows: 1. Napoleon Deleon Jr. who beneficially owns 46,224,979,304 shares of the Company representing 15.79% of the outstanding common shares. 2. Lloyd Reagan Taboso who beneficially owns 46,471,972,000 shares of the Company representing 15.88% of the outstanding common shares. 3. Daniel Chua Go who beneficially owns 45,634,040,152 shares of the Company representing 15.59% of the outstanding common shares.	Filipino	182,045,269,356	62.198%
Common	PCD Nominee Corporation Stockholder (Non-Filipino)	Various participants in the Philippine Central Depositary, Inc. ("PCD") among which is RCBC Trust & Investment Group for which PCD Nominee Corporation (Non-Filipino) holds 110,189,839,599 common shares of the Company. RCBC Trust & Investment Group in turn holds the shares for clients who are beneficial owners of more than 5% of the Company. RCBC Trust & Investment Group is expected to issue subproxies in favor of these clients and/or their authorized representatives. Specifically, majority of these clients, the number of shares held by them, their percentage of ownership in the Company and the representatives authorized to vote their shares are as follows:	Non-Filipino	110,189,839,599	37.648%

		1. Hyung Rae Doo who beneficially owns 109,065,080,064 shares of the Company representing 37.26% of the outstanding common shares.			

Other than the abovementioned, the Company has no knowledge of any person who, as of the record date, was directly or indirectly the beneficial owner of, or who has voting power or investment power (pursuant to a voting trust or other similar agreement) with respect to, shares comprising more than five percent (5%) of the Company's outstanding common shares of stock.

Foreign Equity Ownership

The Company's total subscribed and paid-up capital and the percentage of foreign equity are as follows:

	As of 30 September 2021
Total Outstanding Shares (Common Shares)	292,686,349,297
Shares allowed to foreigners	40%
Shares owned by foreigners	110,193,390,399
Percentage of shares owned by foreigners	37.6490%
Shares owned by Filipinos	182,492,958,898
Percentage of shares owned by Filipinos	62.3510%

Security Ownership of Management as of the Record Date

The following are the number of common shares of stock owned of record and beneficially by the directors and corporate officers of the Company, and the percentage of shareholdings of each, as of 30 September 2020:

Type of Class	Name and address of owner	Number and nature of ownership	Citizenship	Percentage
Common	**Salvador Santos-Ocampo** 609 Renaissance, Brgy. Ugong, Ortigas Center Pasig City	100 (direct)	Filipino	Nil
Common	**Vittorio Paulo P. Lim** 82 Sanso Street, Quezon City	9,100 (direct)	Filipino	Nil
Common	**David De La Cruz** 31 La Nava St., Remannville Subdivision, Betterliving, Parañaque	100,000 (indirect)	Filipino	Nil
Common	**Edwin Tan Lim** 28 E. Rodriguez Avenue, Quezon City	100 (direct)	Filipino	Nil
Common	**Norman De Leon** 134 D.P. Housing Project, 11th Ave., Brgy. 100, Caloocan City	1,702,000 (indirect)	Filipino	Nil
Common	**Christopher Go** 180 J. Asinas St., Brgy. Sta. Lucia, San Juan City	100,000 (indirect)	Filipino	Nil
Common	**Bernadette Herrera-Dy** A3 Embassy Gardenhomes, West Triangle, Quezon City	1 (indirect)	Filipino	Nil
Common	**Lloyd Reagan Taboso** 17 Kanlaon Street, Sta. Teresita, Quezon City	46,471,972,000 (indirect)	Filipino	15.88
Common	**John Oliver Pascual** 55 Timog Ave. corner T. Morato St., Quezon City	1,060,000 (indirect)	Filipino	Nil

Common	**Edward William Sy Tan** 2 Taft Street, Greenhills West, San Juan City	10,000 (indirect)	Filipino	Nil
Common	**George Ong Chua Cham** Brgy. Malabago, Mangaldan, Pangasinan	1,000 (indirect)	Filipino	Nil
Common	**Ricardo L. Saludo** 503 Madrid Tower, 209 Pasadena, San Juan City	100 (indirect)	Filipino	Nil
Common	**Lucky Dickinson T. Uy** 83 Times St., West Triangle, Quezon City	10,000 (direct)	Filipino	NIL
	Kristina Joyce C. Caro-Gangan Liberty Center – Picazo Law, 104 H.V. dela Costa Street, Salcedo Village, Makati City	None	Filipino	N.A.

Changes in Control

There has been no change in control of the Company since the date of the last stockholders' meeting.

Item 5. Directors and Executive Officers

Term of Office

Directors shall hold office for a period of one (1) year until their successors shall have been elected and qualified during the succeeding annual meeting of the stockholders, except in case of death, resignation, disqualification or removal from office. The term of office of the officers is coterminous with that of the Directors that elected or appointed them unless such officers are sooner removed for cause.

Background Information

Current Directors

The following are the names, citizenship and periods of service of the incumbent directors/independent directors of the Company:

Name	Age	Citizenship	Period during which individual has served as such
Vittorio Paulo P. Lim	36	Filipino	11 December 2015 to present
Salvador Araneta Santos-Ocampo	51	Filipino	19 October 2015 to present
Norman De Leon	30	Filipino	20 December 2018 to present
Christopher Go	53	Filipino	4 March 2019 to present
Bernadette Herrera-Dy	45	Filipino	4 March 2019 to present
David De La Cruz	55	Filipino	16 February 2017 to present
Edwin Lim	46	Filipino	20 October 2015 to present
Lloyd Reagan Taboso	40	Filipino	20 December 2018 to present
John Oliver Pascual	52	Filipino	7 January 2020 to present
Edwin William Sy Tan*	53	Filipino	5 March 2021 to present
George Ong Chua Cham*	71	Filipino	1 March 2021 to present

** Independent Directors*

Current Officers

The following are the names, positions, citizenship and periods of service of the incumbent officers of the Company:

Name	Age	Citizenship	Positions Held	Period during which individual has served as such

Salvador Araneta Santos-Ocampo	51	Filipino	Chairman	16 February 2017 to present
Vittorio Paulo P. Lim	36	Filipino	President	11 December 2015 to present
Edwin T. Lim	46	Filipino	Treasurer	20 December 2018 to present
Ricardo T. Saludo	66	Filipino	Chief Operating Officer	27 August 2021 to present
Christopher Go	53	Filipino	Chief Finance Officer	4 March 2019 to present
Kristina Joyce C. Caro-Gangan	38	Filipino	Corporate Secretary	30 October 2015 to present
Lucky T. Uy	38	Filipino	Compliance Officer	31 May 2017 to present

Business Experience and Other Directorships

Current Directors

The business experience of each of the nominees for directors and incumbent directors and the Officers of the Company is as follows:

Mr. Salvador Araneta Santos-Ocampo (Chairman of the Board) has been the President of Victoneta Rentals Corporation since 2014. He is also the President of SAMI Food and Beverage Specialist Corporation since 2013 and the Treasurer of Salvador Araneta Memorial Institute since 2001. He obtained his degree in Business Management from the International Management and Economics I/AME.

Mr. Vittorio Paulo P. Lim (Director/President) is the President of V2S Property Developer Co., Inc. He is also the Corporate Secretary of B and P Realty, Inc., Champaca Development Corporation, PX2 Enterprises Co., Inc., VNP Properties Development Inc., Zelle Dev't Corporation, Tarlac Centerpoint, Panlilio Centerpoint. Likewise, he is the Treasurer of Vini Agro Products, Inc. He holds a degree in Interdisciplinary Studies from the Ateneo de Manila.

Mr. Norman De Leon (Director) is the President and Authorized Managing Officer of MVW Construction and Trading Corporation since 2015. He obtained his Bachelor of Science in Information and Communications Technology degree from San Beda College Manila in 2013.

Mr. David De La Cruz (Director) is a director of the Company since February 2017. He has been the EVP and CFO of Sta. Lucia Land, Inc. since 2012. He obtained his Bachelor of Arts in Economics and BSC Accounting and Masters from the De La Salle University in 1986 and 2001, respectively.

Mr. Edwin Lim (Director) has been the General Manager of BLIM's Textile Manufacturing Industries, Inc. since 2000. He obtained his Bachelor of Science in Civil Engineering from the Mapua Institute of Technology in 1997.

Mr. Christopher Go (Director) is a Certified Public Accountant and currently is the CEO and President of Moderno Citihomes Dev't Corporation, Perfectspot Development Incorporated, Nation Builders Global Logistics Corp. and Sky Builders Dev't Corporation. He obtained his Bachelor of Science in Accountancy degree from De La Salle University in 1988.

Ms. Bernadette Herrera-Dy (Director) is a returning member of the 17th Congress of the House of Representatives representing Bagong Henerasyon Partylist. In the 17th Congress, she is the Chairperson of the Committee on Women and Gender Equality, the House body responsible for matters directly and principally relating to the rights and welfare of women and female children and youth, and the Vice-Chairperson of the Committee on Welfare of Children. She graduated from the University of the Philippines with a degree in B.S. Business Economics and M.S. Finance.

Mr. Lloyd Reagan Taboso (Director) is the vice president and co-founder of Cignus Philippines Inc. He is also the current vice president of Cagayan Blue Ocean Offshore Aquamarine Services Corp. He took up Bachelor of Arts in Multimedia Arts at De La Salle - College of Saint Benilde.

Mr. John Oliver L. Pascual is currently a director of Level Up Gastronomy Inc., and WLCL Manpower Solutions Inc. He is also the Treasurer and Managing Director of Philippines International Life Insurance Co., Inc. and a manager and director in Filipino Loan and Credit Corporation. Mr. Pascual graduated from the De La Salle University with a degree in AB Economics.

Mr. Edwin William Sy Tan (Independent Director) is the President/CEO of Brent Group of Companies since 2014. President/CEO of Liquigaz Corporation since 2019; President/CEO of Federal Brent Retail Corporation since 2002; Chairman of Brenton International Venture Mfg. Corporation since 1997 until present; Chairman of Eco Savers Group Ventures Incorporated since 2018 until present; Chairman of Inland Quality Gaz Ventures Incorporated since 2020 until present; Director of BMF Gas Corporation since 1995 until present; Director of EWT Corporation since 2005 until present; Director of Albert Smith Signs Corporation since 1997 until present; and Director of Maysun Realty Development Corporation since 2002 until present. Mr. Tan graduated from De La Salle University with a degree in BS Management of Financial Institution.

Mr. George Ong Chua Cham (Independent Director) is a Board Member of Federation of Filipino Chinese Chambers of Commerce and Industry (FFCCCII) since 1999; Chairman of FFCCCII Belt and Road Initiate Committee since 2019; President of Unique Lumber Inc., Dagupan City and Aztec Construction and Equipment Inc.; Former Chairman of FFCCCII Education Committee and FFCCCII External Affairs Office; Former President of Pangasinan Filipino Chinese Chamber of Commerce; Former Chairman of Pangasinan Universal Institute Board of Trustees, PEDPFI Pangasinan, Pangasinan Skill Competition Foundation (TESDA), Dagupan Chinese Babtist Church and North Philippines Business Council; Former Dist. Commodore of 7th Coast Guard District, PCGA; Former President of UP Filipino-Chinese Student Association; Member of YMCA Gideons Red Cross. Mr. Cham graduated from UP Diliman with a degree in BS Civil Engineering.

Nominee Directors

Mr. Lloyd Reagan Taboso is the vice president and co-founder of Cignus Philippines Inc. He is also the current vice president of Cagayan Blue Ocean Offshore Aquamarine Services Corp. He took up Bachelor of Arts in Multimedia Arts at De La Salle - College of Saint Benilde.

Mr. Norman de Leon is the President and Authorized Managing Officer of MVW Construction and Trading Corporation since 2015. He obtained his Bachelor of Science in Information and Communications Technology degree from San Beda College Manila in 2013.

Ms. Bernadette Herrera-Dy is a returning member of the 17th Congress of the House of Representatives representing Bagong Henerasyon Partylist. In the 17th Congress, she is the Chairperson of the Committee on Women and Gender Equality, the House body responsible for matters directly and principally relating to the rights and welfare of women and female children and youth, and the Vice-Chairperson of the Committee on Welfare of Children.

Mr. Christopher Go is a Certified Public Accountant and currently is the CEO and President of Moderno Citihomes Dev't Corporation, Perfectspot Development Incorporated, Nation Builders Global Logistics Corp. and Sky Builders Dev't Corporation. He obtained his Bachelor of Science in Accountancy degree from De La Salle University in 1988.

Mr. Edwin Lim has been the General Manager of BLIM's Textile Manufacturing Industries, Inc. since 2000. He obtained his Bachelor of Science in Civil Engineering from the Mapua Institute of Technology in 1997.

Mr. John Oliver L. Pascual is currently a director of Level Up Gastronomy Inc., and WLCL Manpower Solutions Inc. He is also the Treasurer and Managing Director of Philippines International Life Insurance Co., Inc. and a manager and director in Filipino Loan and Credit Corporation. Mr. Pascual graduated from the De La Salle University with a degree in AB Economics.

Mr. David De La Cruz is a director of the Company since February 2017. He has been the EVP and CFO of Sta. Lucia Land, Inc. since 2012. He obtained his Bachelor of Arts in Economics and BSC Accounting and Masters from the De La Salle University in 1986 and 2001, respectively.

Mr. Salvador Araneta Santos-Ocampo has been the President of Victoneta Rentals Corporation since 2014. He is also the President of SAMI Food and Beverage Specialist Corporation since 2013 and the Treasurer of Salvador Araneta Memorial Institute since 2001.

Mr. Vittorio Paulo P. Lim is the President of V2S Property Developer Co., Inc. He is also the Corporate Secretary of B and P Realty, Inc., Champaca Development Corporation, PX2 Enterprises Co., Inc., VNP Properties Development Inc., Zelle Dev't Corporation, Tarlac Centerpoint, Panlilio Centerpoint. Likewise, he is the Treasurer of Vini Agro Products, Inc. He holds a degree in Interdisciplinary Studies from the Ateneo de Manila.

Mr. Edwin William Sy Tan (Independent Director) is the President/CEO of Brent Group of Companies since 2014. President/CEO of Liquigaz Corporation since 2019; President/CEO of Federal Brent Retail Corporation since 2002; Chairman of Brenton International Venture Mfg. Corporation since 1997 until present; Chairman of Eco Savers Group Ventures Incorporated since 2018 until present; Chairman of Inland Quality Gaz Ventures Incorporated since 2020 up to present; Director of BMF Gas Corporation since 1995 until present; Director of EWT Corporation since 2005 until present; Director of Albert Smith Signs Corporation since 1997 until present; and Director of Maysun Realty Development Corporation since 2002 until present. Mr. Tan graduated from De La Salle University with a degree in BS Management of Financial Institution.

Mr. George Ong Chua Cham (Independent Director) is a Board Member of Federation of Filipino Chinese Chambers of Commerce and Industry (FFCCCII) since 1999; Chairman of FFCCCII Belt and Road Initiate Committee since 2019; President of Unique Lumber Inc., Dagupan City and Aztec Construction and Equipment Inc.; Former Chairman of FFCCCII Education Committee and FFCCCII External Affairs Office; Former President of Pangasinan Filipino Chinese Chamber of Commerce; Former Chairman of Pangasinan Universal Institute Board of Trustees, PEDPFI Pangasinan, Pangasinan Skill Competition Foundation (TESDA), Dagupan Chinese Baptist Church and North Philippines Business Council; Former Dist. Commodore of 7th Coast Guard District, PCGA; Former President of UP Filipino-Chinese Student Association; Member of YMCA Gideons Red Cross. Mr. Cham graduated from UP Diliman with a degree in BS Civil Engineering.

Mr. Vittorio P. Lim nominated all the foregoing for their respective positions. He is not related in any manner to the nominated directors.

The qualifications of all nominated directors including the nominated independent directors, have been pre-screened in accordance with the rules of the Company. Only the nominees whose names appear on the Final List of Candidates are eligible for election as directors (independent or otherwise). No other nominations were entertained after the preparation of the Final List of Candidates and no further nominations shall be entertained or allowed during the annual stockholders' meeting.

The members of the Nomination Committee are as follows:

Vittorio P. Lim	-	Chairman
Salvador Santos-Ocampo	-	Member
George O. Chua Cham	-	Member

<u>Current Officers</u>

The business experience of each of the officers and executives of the Company is as follows.

Mr. Salvador Araneta Santos-Ocampo (Chairman of the Board) has been the President of Victoneta Rentals Corporation since 2014. He is also the President of SAMI Food and Beverage Specialist Corporation since 2013 and the Treasurer of Salvador Araneta Memorial Institute since 2001. He obtained his degree in Business Management from the International Management and Economics I/AME.

Mr. Vittorio Paulo P. Lim (Director/President) is the President of V2S Property Developer Co., Inc. He is also the Corporate Secretary of B and P Realty, Inc., Champaca Development Corporation, PX2 Enterprises Co., Inc., VNP Properties Development Inc., Zelle Dev't Corporation, Tarlac Centerpoint, Panlilio Centerpoint. Likewise, he is the Treasurer of Vini Agro Products, Inc. He holds a degree in Interdisciplinary Studies from the Ateneo de Manila.

Mr. Ricardo L. Saludo (Chief Operating Officer) is the President of Center for Strategy, Enterprise & Intelligence. He is a lecturer for Enterprise Risk Management Academy since 2018. Prior to his current position, he was a lecturer in Public Administration and Media at Ateneo de Manila University (2011-2015). He also served as the Presidential Spokesperson (2009-2010), Chairman of Civil Service Commission (2007-2009), Secretary of the Cabinet of the Philippines (2002-2008), Editor and Writer of Asiaweek Magazine Hong Kong (1984-2001), Managing Editor of the Makati Business Club Economic Papers (1981-1984), Instructor in Journalism, Literature and Theater at Ateneo de Manila University (1977-1984). He obtained his degree in A.B. Literature from Ateneo de Manila University in 1977; Master of Science in Public Policy and Management, Center for Financial and Management Studies and School of Oriental and African Studies from University of London in 2009; Postgraduate Diploma in Strategy and Innovation from University of Oxford in 2011.

Mr. Christopher Go (Director/Chief Finance Officer) is a Certified Public Accountant and currently is the CEO and President of Moderno Citihomes Dev't Corporation, Perfectspot Development Incorporated, Nation Builders Global Logistics Corp. and Sky Builders Dev't Corporation. He obtained his Bachelor of Science in Accountancy degree from De La Salle University in 1988.

Mr. Edwin Lim (Treasurer) has been the General Manager of BLIM's Textile Manufacturing Industries, Inc. since 2000. He obtained his Bachelor of Science in Civil Engineering from the Mapua Institute of Technology in 1997.

Mr. Lucky T. Uy (Compliance Officer) is a stock broker at SB Equities since October 2017. Prior to his current position, he was a stock broker at Venture Securities from 2013 to September 2017. He obtained his Bachelor of Science in Chemical Engineering degree from the Dela Salle University in 2005.

Atty. Kristina Joyce C. Caro-Gangan (Corporate Secretary) is a Partner at Picazo Buyco Tan Fider & Santos Law Offices. She graduated with a degree of Bachelor of Arts, Major in Political Science, from the University of the Philippines in Diliman in 2002, and with a degree of Bachelor of Laws also from the University of the Philippines in Diliman in 2006.

Significant Employees and Family Relationship

There are no significant employees and no family relationships among the current directors and officers, as well as the nominated directors and officers.

Involvement in Certain Legal Proceedings

The Company is not aware of: (i) any bankruptcy petition filed by or against any business of which any of the directors and executive officers was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time; (ii) any conviction by final judgment of any of the directors and executive officers, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses; (iii) any of the directors and executive officers being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (iv) any of the directors and executive officers being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated, occurring during the past five (5) years, up to the date of this report.

Certain Relationships and Related Transactions

On 20 September 2021, the Company acquired 490,000 shares, representing 49% ownership of Poet Blue Ocean Offshore Services Pte. Ltd., a Singapore-registered company, which owns MB Siphon I, the vessel to be used for the offshore mining activities of the Company's subsidiary, JDVC Resources Corporation. Out of the 490,000 shares subject of the acquisition, 163,300 shares were acquired from Alex Bernard Cruz Herrera, the brother of Bernadette Herrera-Dy, an incumbent director of the Company and nominated for re-election as director for 2021.

Except as described above and other than those disclosed in the Company's Annual Report for 2020, Financial Statements as of 30 December 2020, and Quarterly Report for period ended 30 June 2021, the Company has not had any transaction during the previous year in which any Director or Executive Officer or any of their immediate family members had a direct or indirect interest.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals owning, directly or indirectly through one or more intermediaries, controls, or are controlled by, or under common control with, the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In the normal course of business, the Company has transactions with other companies considered as related parties. These transactions are based on terms similar to those offered to non-related parties.

Disagreement with Director

No Director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting due to disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

All of the Company's directors and officers have not received any form of compensation from inception up to present other than a per diem for each meeting attended and annual per diem during stockholder's meetings. There is no employment contract between the Company and the current executive officers. In addition, there are no compensatory plans or arrangements with respect the named executive officers that resulted in or will result from the resignation, retirement or termination of such executive director or from a change-in-control in the Company.

The Company has no price or stock warrants.

Summary Compensation Table (Annual Compensation)

Name and Principal Position	Year	Annual Compensation
All key personnel and directors as a group unnamed	2021 (Estimate)	Php 2,800,000.00
	2020 (Actual)	None
	2019 Actual	None
	2018 Actual	None
	2017 Actual	None
	2016 Actual	None

Item 7. Independent Public Accountants

The Company's Board of Directors reviews and approves the engagement of services of the Company's external auditors, who are appointed upon the recommendation of the Audit Committee, and which appointment shall be ratified by the stockholders during the annual stockholders' meeting.

The principal accountants and external auditors of the Company are the accounting firm of Valdes Abad & Company, CPAs with address at CJV Building 108 Aguirre Street, Legaspi Village, Makati City. The Company has retained the services of Valdes Abad & Co since 2020. There have been no changes in and any disagreements with said accountants on any accounting and financial disclosures to date.

In compliance with SRC Rule 68(3)(b)(iv), as amended, the assignment of Valdes Abad & Company, CPAs' engagement partner for the Company shall not exceed five (5) consecutive years. Mr. Alfonso L. Cay-an has been the Company's engagement partner since 2020.

The aggregate fees billed for each of the last two years for professional services rendered by the Company's external auditors are summarized below:

	FY 2020	**FY 2019**[1]
Audit fee	Php400,000.00	Php400,000.00
Tax Services	-	-
Other Fees	-	-
TOTAL	Php400,000.00	Php400,000.00

Representatives of Valdes Abad & Company, CPAs are expected to be present at the Annual Stockholders' Meeting, with the opportunity to make a statement if they so desire and to answer appropriate questions from the stockholders.

For the year 2021, the accounting firm of Valdes Abad & Company, CPAs is recommended for re-appointment as external auditor of the Company.

The members of the Audit Committee are as follows:

George O. Chua Cham	-	Chairman
Salvador Santos-Ocampo	-	Member
Vittorio P. Lim	-	Member

Item 8. Compensation Plans

The Company has no employee stock option at the moment.

C. <u>ISSUANCE AND EXCHANGE OF SECURITIES</u>

Item 9. Authorization or Issuance of Securities other than for Exchange

On 11 August 2021, 5,140,277,777 common shares of the Company issued in 2019 to Joanna B. Co. was listed in the Philippine Stock Exchange ("PSE"). The issuance of such shares to Ms. Co was by way of conversion of the loan extended by Ms. Co to the Company in the principal amount of Php50,000,000.00 with interest at the rate of 5% per annum pursuant to a Convertible Loan Agreement dated 20 February 2019.

On 11 August 2021, 247,396,071,520 common shares of the Company, which were issued in 2017 to certain shareholders of JDVC Resources Corporation pursuant to a share-for-share swap between the Company and such shareholders, were also listed with the PSE.

Finally, pursuant to a Registration Statement and Certificate of Permit to Offer Securities for Sale issued by the Securities and Exchange Commission, the Company offered for sale in August 2021 12,350,000,000 common shares of the Company priced at Php0.08 per share. The total number of shares sold during the offer period was 12,350,000,000 common shares, which shares were listed with

[1] Fees paid to Valdes Abad &Co.

the PSE on 31 August 2021.

The common shares issued by the Company shall have the same rights and privileges as the outstanding common shares of the Company and their issuance is not expected to substantially impact the rights of existing security holders.

Item 10. Modification or Exchange of Securities

Not Applicable

Item 11. Financial and Other Information

The Company's Management Discussion and Analysis as of 30 June 2021, Annual Report for 2020 on SEC Form 17-A, Audited Financial Statements as of 31 December 2020, the Company's quarterly report as of 30 June 2021 on SEC Form 17-Q, the Certifications of the Independent Directors and the Certification on no connection with government agencies are attached hereto as Annexes "A", "B", "C", "D", "E-1", "E-2" and "F", respectively.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

In accordance with the "Use of Proceeds" relating to the Company's recently completed follow-on offering of 12,350,000 common shares, the Company acquired on 20 September 2021 490,000 shares, representing 49% ownership, of Poet Blue Ocean Offshore Services Pte. Ltd. ("PBO"). PBO is a Singapore-registered company and is the owner of MB Siphon I vessel, which will be used for the offshore mining activities of the Company's subsidiary, JDVC Resources Corporation. The PBO shares were acquired for a price per share of Php1,453.022 or an aggregate purchase price of Php711,980,780.00. The consideration was based on the valuation of the MB Siphon 1 vessel by Cuervo Appraisers, Inc.

Item 13. Acquisition or Disposition of Property

Not Applicable

Item 14. Restatement of Accounts

Not Applicable

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The President's Report and the Audited Financial Statements for the year ended 31 December 2020 will be submitted for approval and ratification by the stockholders.

Item 16. Matters Not Required to be Submitted

Not Applicable

Item 17. Amendment of Charter, By-laws or Other Documents

Not Applicable.

Item 18. Other Proposed Actions

a. Election of the members of the Board of Directors, including the Independent Directors, for the ensuing fiscal year.

b. Approval of the Minutes of the previous Annual Stockholders' Meeting covering the following matters: (i) Approval of the Minutes of the Previous Annual Stockholders' Meeting; (ii) Approval of the President's Report; (iii) approval and adoption of the Audited Financial Statements for the year ended 31 December 2020 contained in the Annual Report; (iv) Ratification of all acts of the Board of Directors and Management; (v) Election of the directors and independent directors of the Company; and (vi) appointment of external auditor.

c. Ratification and approval of all the matters approved and acted upon by the Board of Directors of the Company after the previous Annual Stockholders' Meeting as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the SEC and the PSE.

d. Appointment of external auditor for the ensuing fiscal year.

e. To transact such other business as may properly come before the meeting and at any adjournment thereof.

Item 19. Voting Procedure

Manner of Voting

The approval of items to be presented to the stockholders will require the vote of stockholders representing at least a majority of the issued and outstanding capital stock entitled to vote.

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote.

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them in the same principle among as many candidates as he shall see fit. Unless required by law or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands. The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies.

The Chairman shall ensure that at least two (2) seats shall be allotted for the election of independent directors as required by the Securities Regulation Code and the Code of Corporate Governance.

Method of counting votes

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of the stockholders. Unless required by law or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands.

Recent Sales of Unregistered or Exempt Securities Including Recent Issuance of Securities Constituting an Exempt Transaction

Not applicable.

DURING THE ANNUAL STOCKHOLDERS MEETING ON 10 DECEMBER 2021 AND UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH SAID STOCKHOLDERS A COPY OF SEC FORM 17-Q FOR THE PERIOD ENDED 30 JUNE 2021 FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati 15 October 2021.

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

By:

KRISTINA JOYCE C. GANGAN
Corporate Secretary

Annex "A"

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

Business and General Information

Capitalization and Ownership

Apollo Global Capital, Inc. (Formerly: Yehey! Corporation) (the "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 its authorized capital stock, Two Hundred Ninety Two Billion Six Hundred Eighty Six Million Three Hundred Forty Nine Thousand Two Hundred Ninety Seven (292,686,349,297) 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.

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 Securities and Exchange Commission ("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 certain shareholders of JDVC Resources Corporation ("JDVC") entered into a Deed of Exchange of Shares where the Company issued 247,396,071,520 common shares (par value of Php0.01 per share) to said JDVC shareholders in exchange for 4,133,740 JDVC shares (par value of Php100.00 per share). The deed covering the transaction was approved by the SEC on 9 October 2017. As a result of this transaction, the Company acquired 82.67% ownership of JDVC.

On 9 October 2017, the SEC approved the Company's application for amendment 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 (600,000,000,000) shares.

Effective 22 June 2018, the Company has changed its principal business address to Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City.

In December 2019, the Company purchased additional 389,530 shares of JDVC from its existing stockholders for Two Hundred Sixty-Seven Million Six Hundred Thousand Pesos (Php267,600,000.00) resulting to an increase in the Company's ownership of JDVC to 90.47%.

On 31 August 2021, the Company issued an additional Twelve Billion Three Hundred Fifty Million (12,350,000,000) common shares of the Company pursuant to a follow-on offering of the Company's 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

Please refer to the discussion in page 4 of the Company's 2020 Annual Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Financial Performance

Results of Operations (June 30, 2021 vs. June 30, 2020)

	For the six-months ended June 30,		Horizontal Analysis		Vertical Analysis	
	2021 (unaudited)	2020 (unaudited)	Inc (Dec)	%age	2021	2020
Revenues	₱ **–**	₱ **–**	–	n/a	n/a	n/a
Direct costs	**–**	**–**	–	n/a	n/a	n/a
Gross profit	₱ **–**	₱ –	–	n/a	n/a	n/a
General & administrative costs	**(16,244,312)**	(5,354,475)	10,889,837	203.38%	n/a	n/a
Operating loss	₱ **(16,244,312)**	₱ (5,354,475)	10,889,837	203.38%	n/a	n/a
Interest income	**533**	2,738	(2,205)	-80.53%	n/a	n/a
Finance costs	**(917,767)**	(579,083)	338,684	58.49%	n/a	n/a
Loss before tax benefit	₱ **(17,161,546)**	₱ (5,930,820)	11,230,726	189.36%	n/a	n/a
Income tax benefit	**–**	–	–	n/a	n/a	n/a
Loss for the period	₱ **(17,161,546)**	₱ (5,930,820)	11,230,726	189.36%	n/a	n/a

General & Administrative Costs

The Group's general & administrative costs has increased by 203.38% which was primarily due to the increase in filing & processing fees, professional fees, mobilization costs, salaries & employee benefits, taxes & licenses and transportation & travel (84.75% of the total general and administrative cost).

Loss Before Tax

The increase in loss before tax was primarily due to higher general and administrative cost incurred during the period.

Financial Condition (June 30, 2021 vs. December 31, 2020)

	As at		Horizontal Analysis		Vertical Analysis	
	June 30, 2021 (unaudited)	December 31, 2020 (audited)	Inc (Dec)	%age	2021	2020
ASSETS						
Current assets:						
Cash	₱ **1,068,552**	₱ 909,057	159,495	17.55%	0.03%	0.03%
Other current assets	**4,590,256**	3,942,010	648,246	16.44%	0.14%	0.12%

Total current assets	**₱**	**5,658,808**	₱	4,851,067	807,741	16.65%	0.17%	0.14%
Non-current assets:								
Mine properties	**₱**	**3,292,209,365**	₱	3,288,748,565	3,460,800	0.11%	98.15%	98.25%
Advances to contractors		**47,617,251**		44,888,691	2,728,560	6.08%	1.42%	1.34%
Property & equipment – net		**2,151,612**		2,427,268	(275,656)	-11.36%	0.06%	0.07%
Website costs		**360,777**		360,777	–	0.00%	0.01%	0.01%
Deferred tax asset		**6,154,303**		6,154,303	–	0.00%	0.18%	0.18%
Total non-current assets	**₱**	**3,348,493,308**	₱	3,342,579,604	5,913,704	0.18%	99.82%	99.86%
TOTAL ASSETS	**₱**	**3,354,152,116**	₱	3,347,430,671	6,721,445	0.20%	100.00%	100.00%
LIABILITIES & EQUITY								
Current liabilities:								
Accounts and other payables	**₱**	**44,176,949**	₱	41,576,576	2,600,373	6.25%	1.32%	1.24%
Interest-bearing loans & borrowings		**–**		13,950,000	(13,950,000)	-100.00%	0.00%	0.42%
Advances from contractors		**55,151,000**		55,151,000	–	0.00%	1.64%	1.65%
Total current liabilities	**₱**	**99,327,949**	₱	110,677,576	(11,349,627)	-10.25%	2.96%	3.31%
Non-current liabilities:								
Interest-bearing loans & borrowings	**₱**	**58,800,000**	₱	23,600,000	35,200,000	149.15%	1.75%	0.71%
Advances from related parties		**247,957,203**		247,924,585	32,618	0.01%	7.39%	7.41%
Total non-current liabilities	**₱**	**306,757,203**	₱	271,524,585	35,232,618	12.98%	9.14%	8.12%
Total liabilities	**₱**	**406,085,152**	₱	382,202,161	23,882,991	6.25%	12.11%	11.43%
Equity:								
Share capital	**₱**	**2,803,363,493**	₱	2,803,363,493	–	0.00%	83.58%	83.75%
Share premium		**17,586,961**		17,586,961	–	0.00%	0.52%	0.53%
Accumulated losses		**(117,641,972)**		(101,328,091)	16,313,881	16.10%	-3.51%	-3.03%
Total equity attributable to Parent Company's shareholders	**₱**	**2,703,308,482**	₱	2,719,622,363	(16,313,881)	-0.60%	80.60%	81.25%
Non-controlling interest		**244,758,482**		245,606,147	(847,665)	-0.35%	7.30%	7.34%
Total equity	**₱**	**2,948,066,964**	₱	2,965,228,510	(17,161,546)	-0.58%	87.89%	88.58%
TOTAL LIABILITIES & EQUITY	**₱**	**3,354,152,116**	₱	3,347,430,671	6,721,445	0.20%	100.00%	100.00%

Total Assets

Total assets of the Group increased by ₱6.7-million (0.20%), which was primarily caused by the increase in mine properties and advances to contractors.

Other Current Assets

Other current assets increased by ₱648,246 (16.44%). The increase in other current assets is primarily caused by the increase in input taxes and prepaid expenses.

Mine Properties

Mine properties include mineral assets, patent and mining costs. The increase in mine properties is primarily caused by additional mining costs.

Property & Equipment – net

Property & equipment includes office furniture & equipment and motor vehicle.

The decrease in property and equipment is primarily due to depreciation charges.

Total Liabilities

Total liabilities have increased by ₱23.9-million (6.25%), which was primarily caused by increase in interest bearing loans & borrowings amounting to ₱35.2-million.

Interest-Bearing Loans & Borrowings
Loans & borrowings pertains to loans from Cagayan Blue Ocean Offshore Aquamarine Services Corporation (CBO).

In 2021, the Group availed of additional loan from CBO amounting to ₱35.2-million.

Total equity
The decrease in total equity of ₱17.2-million in this account pertains to the net loss that the Group incurred in its operations.

Financial Risk Management

Please refer to the discussion in pages 47 to 49 of the Company's 2020 Annual Report.

Capital Management

Please refer to the discussion in pages 49 to 50 of the Company's 2020 Annual Report.

Properties

Please refer to the discussion in pages 6 to 9 of the Company's 2020 Annual Report.

Legal Proceedings

Neither the Company nor any of its subsidiary and affiliates or any of their properties are involved in or the subject of any legal proceedings which would have a material adverse effect on the business or financial position of the Company or any of its subsidiary and affiliates, or any of its or their properties.

Submission of Matters to a Vote of Security Holders

Except for matters taken up during the last annual stockholders' meeting covered by the Company's SEC Form 20-IS report, no matter was submitted to a vote of security holders through solicitation of proxies or otherwise in the previous year (2020).

Market for Registrant's Common Equity and Related Stockholder Matters

The Company has a total of 292,686,349,297 common shares 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:

		Closing Price Per Share (in ₱)	
		High	**Low**
2021	**First Quarter**	0.4750	0.1330
	Second Quarter	0.2470	0.1600
	Third Quarter	0.1820	0.0900
2020	**First Quarter**	0.0500	0.0320
	Second Quarter	0.0600	0.0360
	Third Quarter	0.0600	0.0460
	Fourth Quarter	0.1440	0.0500
2019	**First Quarter**	0.0480	0.0420
	Second Quarter	0.0450	0.0410

	Third Quarter	0.0530	0.0440
	Fourth Quarter	0.0480	0.0370
2018	**First Quarter**	0.0720	0.0410
	Second Quarter	0.0550	0.0420
	Third Quarter	0.0540	0.0200
	Fourth Quarter	0.0440	0.0360

The price information as of the close of the latest practicable trading date, 30 September 2021, is 0.1150.

As of 30 September 2021, there are approximately 798 common shareholders of record. Common shares outstanding as of the same date is 292,686,349,297. The top 20 shareholders are as follows:

Rank	Name of Stockholder	Nature of Shares	Number of Shares	Percentage
1	PCD Nominee Corp.	Common	182,045,269,356	62.198%
2	PCD Nominee Corporation (Non-Filipino)	Common	110,189,839,599	37.648%
3	Juan G. Chua	Common	94,040,000	0.032%
4	East Pacific Investors Corporation	Common	49,095,000	0.017%
5	Cygnet Development Corporation	Common	43,125,000	0.015%
6	Alistair E.A. Israel	Common	27,720,000	0.009%
7	David Q. Quitoriano	Common	24,200,000	0.008%
8	Century Securities Corp.	Common	6,025,000	0.002%
9	Ricardo L. Ng	Common	5,847,700	0.002%
10	Campos, Lanuza & Co., Inc.	Common	5,807,500	0.002%
11	Suzanne Lim	Common	5,175,000	0.002%
12	Jerry Tiu	Common	4,916,200	0.002%
13	Susana Ang Chua	Common	4,191,700	0.001%
14	R. Coyiuto Securities, Inc.	Common	3,350,000	0.001%
15	Avesco Marketing Corporation	Common	2,875,000	0.001%
16	David Go Securities Corp.	Common	2,750,000	0.001%
17	Fortune Securities Inc.	Common	2,750,000	0.001%
18	Elaine H.S. Ty	Common	2,587,500	0.001%
19	Mary Tan De Jesus	Common	2,542,500	0.001%
20	Imperial, De Guzman, Abalos & Co., Inc.	Common	2,350,000	0.001%
TOTAL			292,524,457,055	**99.945%**

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

Please refer to the discussion in page 20 of the Company's 2020 Annual Report.

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

ANNEX B

2020 ANNUAL REPORT

APOLLO GLOBAL CAPITAL, INC.
AND ITS SUBSIDIARY

Consolidated Financial Statements
As at December 31, 2020 and 2019
and for the three years ended
December 31, 2020, 2019 and 2018

and

Independent Auditors' Report

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
ANNUAL REPORT & AUDITED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the year ended December 31, 2020

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COVER SHEET

SEC Registration Number

	A	1	9	9	8	0	6	8	6	5

Company Name

APOLLO GLOBAL INC. AND ITS SUBSIDIARY

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

UNIT 504 GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, BRGY. UGONG NORTE, QUEZON CITY

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
17-A AMENDED	MSRD	

COMPANY INFORMATION

Company's E-mail Address	Company's Telephone Number/s	Mobile Number
N/A	(632) 532-8654	N/A

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
799	Last Friday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	E-mail Address	Telephone Number/s	Mobile Number
Kristina Joyce Caro-Gangan	main@picazolaw.com	(632) 532-8654	N/A

Contact Person's Address

Unit 504 Galleria Corporate Center, Edsa Corner Ortigas Avenue, Brgy. Ugong Norte, Quezon City

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

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

SECURITIES AND EXCHANGE COMISSION

SEC FORM 17-A

ANNUAL REPORT

Pursuant to Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code of the Philippines

1. For the fiscal year ended **December 31, 2020**

2. SEC Identification Number **A199806865** 3. BIR Tax Identification No. **005-301-677**

4. Exact name of issuer as specified in its charter **APOLLO GLOBAL CAPITAL, INC.** (formerly: **YEHEY! CORPORATION**)

5. **Metro Manila, Philippines**
Province, Country or other jurisdiction of incorporation or organization

6. ______ (SEC Use Only)
Industry Classification Code:

7. **Unit 504 Galleria Corporate Center, Edsa cor. Ortigas Avenue, Brgy. Ugong Norte, Quezon City 1100**
Address of principal office Postal code

8. **+63 (02) 532-8654**
Issuer's telephone number, including area code

9. **N/A**
Former name, former address, and former fiscal year if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, ₱0.01 par value	**280,336,349,297**

11. Are any or all of these securities listed on a Stock Exchange?

Yes [✓] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)?

Yes [✓] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days?

Yes [✓] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort or expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B")

    Aggregate market value of voting common stock held by non-affiliates as of December 31, 2020 is ₱3,558,016,985.60 based on closing price of ₱0.128 per share.

APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDING
DURING THE PRECEEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission. <u>N/A</u>

    Yes [ ]   No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

    (a) Any annual report to security holders;
    (b) Any information statement filed pursuant to SRC Rule 20;
    (c) Any prospectus filed pursuant to SRC Rule 8.1.

PART I – BUSINESS AND GENERAL INFORMATION

I. Business

Overview

Apollo Global Capital, Inc. (APL), formerly Yehey! Corporation (YEHEY) was incorporated on June 10, 1998. Its primary purpose is to engage in the business of internet online related products relating to database research engine, such as, but not limited to, conceptualizing, designing, illustrating, processing and editing web sites; and to engage in other pre-production and postproduction work on web sites in internet; and to sell and market said products in the form of advertising of finished products in the domestic or export market.

Yehey! was known to be a digital marketing company that delivers effective marketing solutions in the digital space. Yehey!, under the Yehey Marketing Solutions, offers its clients digital marketing services to include Web Design and Development, Web Management, Media Buying & Planning, Digital PR and Reputation Management, Digital Strategy, Social Media Marketing, Digital Research and Digital Strategy. The wide variety of its digital marketing services enables the Company to capture new business from its existing customers and even attract new customers.

In most cases, Yehey! builds the websites and social media pages of customers. These sites are then used as the platform to engage the respective target market of its existing customers. In 2014, the Company was 66.95% owned by Vantage Equities, Inc. On October 15, 2015, YEHEY ceased to be a majority-owned subsidiary of Vantage Equities, Inc. (V) when V sold its shares to a group of individual shareholders.

On October 12, 2016, the SEC approved the Company's change in name to APL as well as the winding down of APL's digital marketing operations and the corresponding change in primary purpose 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 stocks, 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.

On February 17, 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 ₱0.01 per share) in exchange for 4,133,740 shares (par value of ₱100 per share) at an exchange price of ₱598.48 of the latter. The deed covering the transaction was approved by SEC on October 9, 2017. As a result of this transaction, the Company now owns 82.67% of JDVC.

In December 2019, the Company purchased an additional 389,530 shares of JDVC from its existing stockholders for ₱267.6 million resulting in an increase in ownership of JDVC to 90.47%.

JDVC is an entity registered with the Securities and Exchange Commission for the business purpose of offshore large scale magnetite mining and other mineral resources in the province of Cagayan. The company gained ownership of the MPSA on November 25, 2011, denominated as MPSA-338-2010-II-OMR Amended-A, covering 1,897.0 hectares for the Company to conduct research and mining operations 15 kilometers offshore from the municipality of Gonzaga, province of Cagayan, Philippines.

JDVC has conducted mining exploration, geological and feasibility studies, and contracted experts in the field of mining to successfully quantify and value probable magnetite ore resources in the proposed area. The deposit resources of JDVC have reached a highly satisfactory technical level from inferred to indicated resources. Recently, after revalidation of the mineral resources by the DENR and the Mines and Geosciences Bureau ("MGB"), the mineral resources have reached a status of high degree of geological confidence from indicated resources to measured resources.

New Products or Services
JDVC through Agbiag and its EPC contractors will institute environmentally safe and effective offshore mining methods for the extraction of magnetite iron sand at the offshore area of Gonzaga, Cagayan. Highly technical professionals have contributed their knowledge and experience in coming up with state of the art methodology to be able to implement the project in terms of high-technology production systems. Management systems and responses will also be done in accordance to ISO standards.

The product, magnetite iron sand, is a primary raw material, like iron ore, for steel and cast-iron manufacturers when they are developed in the form of iron lumps, balls, fines, and pellets. When formed as such, they are technically called Direct Reduced Iron (DRI) which are used to feed electric blast furnaces in the iron and steel making process.

In case there is a need for expansion in the event of an international market success, there are two other areas of expansion. One consists of 2,149 hectares for one tenement just beside the JDVC tenement owned by Cagayan Ore Metal Mining Corp. The other consists of 3,182 hectares owned by Catagayan Iron Sand Mining Resources Corp., right beside the tenement owned by Cagayan Ore Metal Mining Corp. JDVC holds the commitment of both companies should APL decide to acquire both tenements in the future.

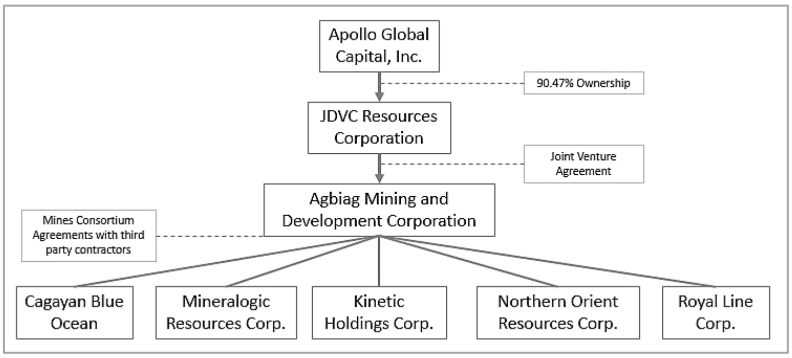
Competition
The Company competes with magnetite iron ore suppliers in world iron ore markets. The most notable domestic competitors are Peniel Resources Mining Corp., San Lorenzo Mines, Inc., T & T Resources and Mining Corp., and J & M Resources Mining & Exploration Corp. The Company competes with other magnetite iron ore suppliers primarily based on ore quality, price, transportation cost and reliability of supply. However, competition is also affected by the enforcement by the Philippine government of the environmental laws, rules and regulations.

The competition will be in the International marketplace like China who is the major buyer of magnetite iron ore, Japan, Taiwan, Korea, Thailand & Vietnam. Nonetheless, the magnetite iron ore export from Cagayan, Philippines is seen to be very competitive as it is the geographical nearest to the major markets of magnetite iron ore and the Company believes that it can effectively compete with its competitors due to efficient systems put in place in the operations of the Cagayan mine.

As of December 31, 2020, DENR MGB has issued four (4) Offshore Approved MPSA Contracts at the Offshore waters of Cagayan. However, no one has been permitted yet except JDVC. Only JDVC has completed all the Mining Requirements for Commercial Extraction Operations which includes an Approved DMPF and ECC. The other three (3) MPSA Mining companies do not have complete permits.

There are still eight (8) other mining applications offshore of Cagayan that do not have an MPSA approval. All over the Philippines, there are also applications for offshore MPSA permits, but all of them are still under process and no other application has reached the level of completion of JDVC.

Principal Suppliers
JDVC relies to a significant degree on third-party contractors. The failure of any of its contractors to comply with their respective obligations, or the loss of any such contractor's services will disrupt JDVC's operations which could result in delays and increase JDVC's costs.



JDVC's success depends on its ability to attract and retain qualified personnel, and contractors to maintain satisfactory labor relations. JDVC highly depends on key personnel, and the loss of their services could have a material adverse effect on JDVC.

Customers

Management assesses no significant concentrations on single or group of customers and will re-assess any significant concentrations upon opening of the Company.

Intellectual Property

The Company does not own any registered patent, trademark, copyright, franchise, concession, and royalty agreement and has no pending applications for registration with the Intellectual Property Office of the Philippines.

Government Regulations and Licenses

Existing government regulations affect the Group's operations, particularly on the costs of compliance reflected either as expense or as capital asset under generally accepted accounting principles. In the case of new government regulations, the effect or impact of such on the Group's operations could only be determined upon their passage and implementation.

The exploration, development and utilization of the country's natural resources is governed principally by the 1987 Constitution, which provides that the State may directly explore, develop, and utilize the country's natural resources, or it may enter into co-production, joint venture or production-sharing agreements with Filipino citizens or corporations or associations, at least 60% of whose capital is owned by Filipinos. The Constitution also authorizes the President of the Republic of the Philippines to enter into technical or financial assistance agreements with foreign-owned corporations for large-scale exploration, development, and utilization of minerals, petroleum, and other mineral oils in accordance with the general terms and conditions of applicable laws, based on real contributions to the economic growth and general welfare of the country. Several laws have since been enacted to implement these Constitutional principles and directives.

Republic Act No. 7942: Mining Act of 1995

RA 7942 or the Mining Act of 1995 sets out the provisions governing mining and mining-related activities in the country. The Mining Act declares the areas open for mining operations and at the same time, enumerates those closed for mining applications. More importantly, said law sets forth the mining cycle and the corresponding permits needed for each phase: from exploration to the declaration of mining project feasibility, to the positive determination of commercial viability of a project, to the execution of mineral agreements with the government prior to actual operations, until the required rehabilitation after operating a mine.

Republic Act No. 8371: Indigenous Peoples' Rights Act of 1997

RA 8371 or the Indigenous Peoples' Rights Act of 1997 (IPRA Law) introduced the requirement of "Free and Prior Informed Consent" (FPIC) which means the consensus of members of the concerned Indigenous Peoples (IP) or Indigenous Cultural Community (ICC). Under this, all departments and governmental agencies are strictly enjoined from issuing, renewing, or granting any concession, license or lease or entering into a production sharing agreement, without prior certification from the National Commission on Indigenous Peoples (NCIP), which certification can only be issued after the FPIC with the IPs or ICCs concerned is secured and the process concluded.

Presidential Decree No. 1586: Environmental Impact Assessment (EIA) System

PD No. 1586 introduced the EIA System which mandates that "no person, partnership, or corporation shall undertake or operate any such declared environmentally critical project or area without first securing an Environmental Compliance Certificate issued by the President or his duly authorized representative". Hence, pursuant to PD No. 1586, the Mining Act of 1995 requires mining companies to secure an Environmental Compliance Certificate (ECC) in all phases of mining activities, except during the exploration stage.

Republic Act No. 6969: Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990
RA 6969 or the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 regulates the importation, manufacture, processing, distribution, use and disposal of chemical substances and mixtures.

Republic Act No. 8749: Philippine Clean Air Act of 1999
RA 8749 or the Philippine Clean Air Act of 1999 outlines the measures to reduce air pollution.

Republic Act No. 9003: Ecological Solid Waste Management Act of 2000
RA 9003 or the Ecological Solid Waste Management Act of 2000 provides a systematic ecological solid waste management program.

Executive Order No. 79
EO 79 was issued by President Benigno Aquino III creating the Mining Industry Coordinating Council (MICC) and instituting changes to ensure the practice of responsible mining in the county. EO 79 also provides that no new mineral agreements shall be entered into until a legislation rationalizing existing revenue sharing schemes and mechanisms shall have taken effect. The DENR may nevertheless, continue to grant and issue Exploration Permits under existing law, rules, and guidelines.

DENR Department Administrative Order No. 2015-07
DAO No. 2015-07 institutionalizes an environmental management system that ensures the adherence of local mining operations to international standards, particularly the ISO 14001 Certification, as a measure of responsible mining in the country. It will ensure that appropriate measures are put in place to achieve minimal negative impacts of mining on the environment. As mandated under EO 79, it will also guarantee the compliance of mining contractors with applicable mining and environmental laws, regulations, and requirements in mining operations while gearing towards growth.

DENR Department Administrative Order No. 2017-07
DAO No. 2017-07 mandates mining contractors to participate in the Philippine Extractive Industries Transparency Initiative (PH-EITI). According to DAO No. 2017-07, all mining contractors shall comply with the disclosure requirements of PH-EITI as set by the Philippine Multi-stakeholders Group where the government, the industry and civil society are represented. Failure of the mining contractor to comply with the disclosure requirements shall cause the suspension of the pertinent ECC and non-issuance of Ore-Transport and/or Mineral Export Permit until such time that the said contractor has complied.

DENR Department Administrative Order No. 2017-10
DAO No. 2017-10 prohibits the use of open pit mining method in the extraction of copper, gold, silver and/or complex ores. According to DAO No. 2017-10, open pits allegedly bring adverse environmental impact due to the generation of acidic and/or heavy metal-laden water, erosion of mine waste dumps and/or vulnerability of tailings dams to geological hazards.

Employees
As of December 31, 2020, APL has no employees and is being managed by its officers free of charge., while JDVC has 8 employees involved in its mining operations. The Group expects to employ more personnel in 2021 in anticipation of commencement of mining operations.

II. Properties

MPSA No. 338-2010-11-OMR Amended-A
The MPSA grants the owner the right to explore and develop magnetite resources within a specified area in Cagayan province. The Contract Area covered by the MPSA has an initial area of 14,240 hectares within the municipalities of Sanchez, Mira, Abulug, Pamplona, Ballesteros, Aparri, Buguey, and Gonzaga in the province of Cagayan. The Contract Area was then redenominated to cover 11,840 hectares on May 20, 2016. The mining area was further parcellized to as 1,897.0242 hectares in Gonzaga, Cagayan.

The mining concession is valid for 25 years from the effective date of June 2010, and is renewable for another 25 years. An environmental compliance certificate has already been secured by the Company from the Department of Environment and Natural Resources. Nevertheless, the MPSA is not subjected to any mortgage, lien, or encumbrance.

The Government's share is equivalent to the excise tax on mineral products at the time of removal, and at the rate provided for in Republic Act No. 7729. The government will be entitled to royalties of not less than 5% of the gross output.

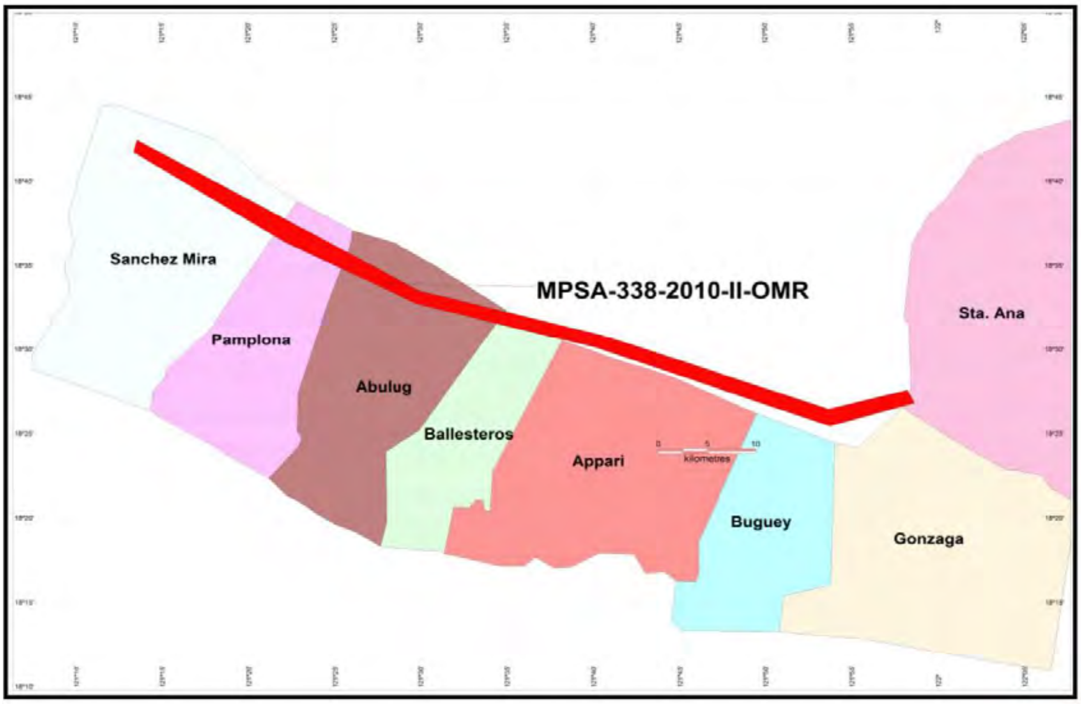


Figure 1. Tenement Map Showing Political Boundaries

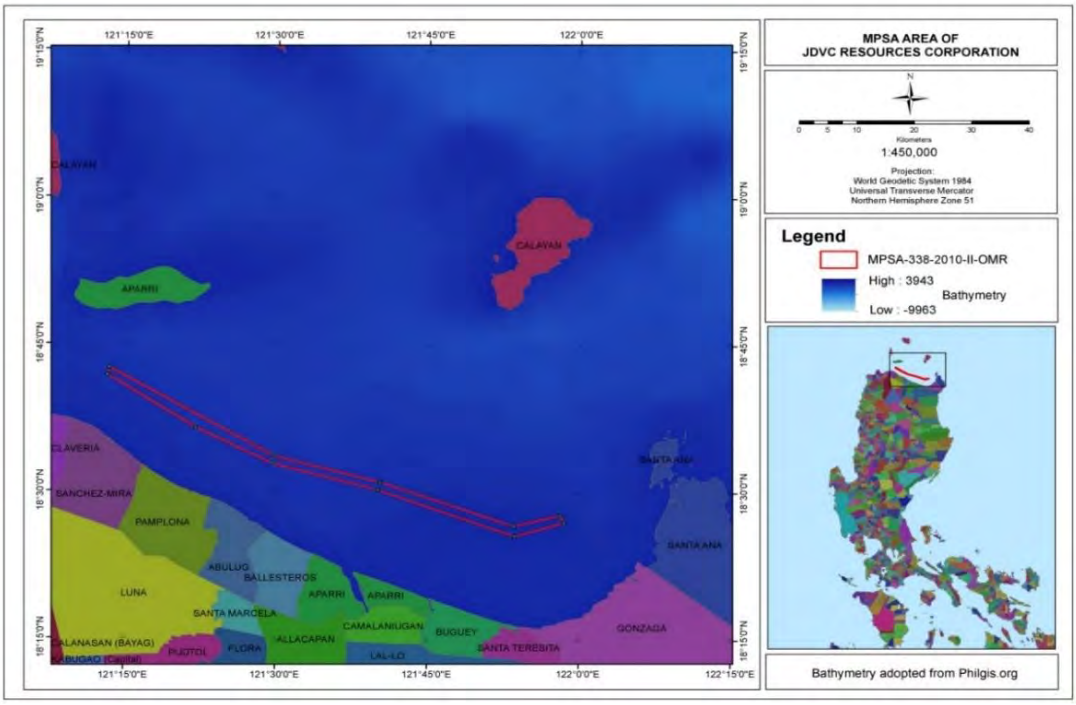


Figure 2. Tenement Map Showing Claim Boundaries

Mineral Resources and Reserves

The Company presents estimated mineral resources in accordance with the PMRC, which is described below. We review and update the JDVC's estimates as required, but at least annually, to reflect actual production, new exploration data or developments and changes in other assumptions or parameters. The Company has commissioned a PMRC Competent Person to independently verify certain of the mineral resource estimates. Ore reserve estimates will change from time to time to reflect mining activities, analyses of new engineering and geological data, changes in ore reserve and mineral resource holdings, modifications of mining plans or methods, changes in nickel prices or production costs and other factors.

Mineral Resource Estimates

Results of estimation show a combined indicated resource of 606,457,972.52 DMT with an average grade of 25.47% MF, which at 100% recovery, is equivalent to 154,466,259.02 DMT of magnetite concentrate; and an inferred resource of 63,179,310.69 DMT with an average grade of 47.71% MF, which at 100% recovery is equivalent to 30,140,910.80 DMT of magnetite concentrate. The summary of the resources is tabulated in detail by resource category in Table 1.

Level	Hole-ID	Volume (m^3)	Tonnage (DMT)	Grade (%MF)	DMT Conc.
INDICATED					
0-5	GN18	14,134,498.64	23,887,302.69	26.58	6,349,245.06
	GN30	6,260,618.75	10,580,445.68	3.23	341,748.40
	GN33	11,977,837.40	20,242,545.20	22.56	4,566,718.20
	GN48	13,066,734,48	22,082,781.26	24.87	5,491,987.70
	GN58	11,252,573.11	19,016,848.56	24.94	4,742,802.03
	GN68	10,862,507.44	18,357,637.57	26.98	4,952,890.62
Sub Total		**67,554,769.80**	**114,167,560.95**	**23.16**	**26,445,391.99**
5-10	GN18	21,167,829.31	35,773,631.53	43.87	15,693,892.15
	GN30	11,600,678.95	19,605,147.43	21.02	4,119,041.47
	GN33	16,404,741.02	27,724,012.32	41.89	11,613,588.76
	GN48	15,073,202.66	25,473,712.50	46.55	11,858,013.17
	GN58	14,792,031.51	24,998,533.24	47.29	11,821,806.37
	GN68	14,539,173.62	24,571,203.41	43.15	10,602,474.27
Sub Total		**93,577,657.05**	**158,146,240.41**	**41.55**	**65,708,816.19**
10-15	GN18	22,232,822.30	37,573,469.69	24.89	9,352,036.61
	GN30	7,183,350.15	12,139,861.75	20.71	2,514,165.37
	GN33	18,130,900.05	30,641,221.08	23.63	7,240,520.54
	GN48	15,950,498.10	26,956,341.79	25.41	6,849,606.45
	GN58	14,510,689.13	24,523,064.63	27.89	6,839,482.73
	GN68	19,498,536.83	32,952,527.24	23.89	7,872,358.76
Sub Total		**97,506,796.56**	**164,786,486.19**	**24.68**	**40,668,170.45**
15-20	GN18	13,339,693.38	22,544,081.81	12.58	2,836,045.49
	GN33	19,433,900.05	32,843,291.08	11.65	3,826,243.41
	GN48	17,519,498.10	29,607,951.79	12.66	3,748,366.70
	GN58	18,284,781.30	30,901,280.40	10.24	3,164,291.11
	GN68	22,483,264.39	37,996,716.82	13.56	5,152,354.80
Sub Total		**91,061,137.22**	**153,893,321.90**	**12.17**	**18,727,301.51**
	GN68	9,150,510.69	15,464,363.07	18.86	2,916,578.87
Sub Total		**9,150,510.69**	**15,464,363.07**	**18.86**	**2,916,578.87**
Grand Total		**358,850,871.32**	**606,457,972.52**	**25.47**	**154,466,259.02**

Level	Hole-ID	Volume (m^3)	Tonnage (DMT)	Grade (%MF)	DMT Conc.
INFERRED					
0-5	GN01	5,452,567.28	9,214,838.69	59.20	5,455,184.51
	GN02	9,049,637.80	15,293,887.88	45.20	6,912,837.32
	GN03	9,851,788.01	16,649,521.73	46.70	7,775,326.65
	GN04	13,030,214.43	22,021,062.39	45.40	9,997,562.32
		37,384,207.51	**63,179,310.69**	**47.71**	**30,140,910.80**

Table 1: Summary of Mineral Resources by Resource Category and Grade Group

III. Legal Proceedings

Neither the Company nor any of its subsidiary and affiliates or any of their properties are involved in or the subject of any legal proceedings which would have a material adverse effect on the business or financial position of the Company or any of its subsidiary and affiliates, or any of its or their properties.

IV. Submission of Matters to a Vote of Security Holders

Except for matters taken up during the last annual stockholders' meeting covered by the Company's SEC Form 20-IS report, no matter was submitted to a vote of security holders through solicitation of proxies or otherwise during the calendar year covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

V. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

The registrant's common shares is traded in the Philippine Stock Exchange under the ticker symbol "APL". The Company's public float as of **December 31, 2020** is 11.75%.

On August 9, 2012, the SEC approved the Parent Company's application to list 27.8-million common shares by way of introduction in the second board of the Philippine Stock Exchange (PSE) at an initial price of ₱1 per share. On October 18, 2012, the Parent Company was listed in the PSE.

The average quarterly stock prices for the Company's common shares for the last three fiscal years are as follows:

	Price per share (in Ph₱)							
	2021		2020		2019		2018	
	High	Low	High	Low	High	Low	High	Low
1st Quarter	0.475	0.133	0.050	0.032	0.052	0.039	0.072	0.041
2nd Quarter	–	–	0.060	0.036	0.046	0.038	0.055	0.042
3rd Quarter	–	–	0.060	0.046	0.053	0.044	0.054	0.042
4th Quarter	–	–	0.144	0.050	0.048	0.037	0.044	0.036

Market price of the Company's shares as at close of the year 2020 was ₱0.128 per share.

Holders
As of **December 31, 2020**, there were 799 shareholders of the 280,336,349,297 common shares issued and outstanding. The top 20 shareholders of the Company as of **December 31, 2020** are as follows:

	Name of Shareholder	No. of Shares Held	Ownership Percentage
1.	Hyung Rae Doo	109,065,080,064	38.91%
2.	Lloyd Reagan C. Taboso	46,471,972,000	16.58%
3.	Napoleon M. De Leon Jr.	46,224,979,304	16.49%
4.	Daniel C. Go	45,634,040,152	16.28%
5.	PCD Nominee Corporation (Filipino)	26,880,986,928	9.59%
6.	Joanna B. Co	5,140,277,777	1.83%
7.	Sysmart Corporation	283,713,500	0.10%
8.	PCD Nominee Corporation (Non-Filipino)	178,950,172	0.06%
9.	Juan G. Chua	94,040,000	0.03%
10.	East Pacific Investors Corporation	49,095,000	0.02%
11.	Cygnet Development Corporation	43,125,000	0.02%
12.	Alistair E.A. Israel	27,720,000	0.01%
13.	David Q. Quitoriano	24,200,000	0.01%
14.	Christopher Chongson	6,468,700	0.00%
15.	Century Securities Corp.	6,025,000	0.00%
16.	Ricardo L. Ng	5,847,700	0.00%
17.	Campos, Lanuza & Co., Inc.	5,807,500	0.00%
18.	Suzanne Lim	5,175,000	0.00%
19.	Jerry Tiu	4,916,200	0.00%
20.	Susana A. Chua	4,191,700	0.00%

Dividends and Dividend Policy
The Board of Directors is authorized to declare cash or stock dividends or a combination thereof. A cash dividend declaration requires the approval of the Board of Directors and no shareholder approval is necessary. A stock dividend declaration requires the approval of the Board of Directors and shareholders representing at least two-thirds (2/3) of the Company's outstanding voting capital stock. Holders of outstanding shares on a dividend record date for such shares will be entitled to the full dividend declared without regard to any subsequent transfer of shares.

The Board of Directors has the power to fix and determine the amount to be reserved or provided for declaration and payment of dividends from the Company's unrestricted retained or surplus earnings. The amount of such dividends (either in cash, stocks or property) will depend on the Company's profits, cash flows, capital expenditure, financial condition and other factors and will follow the SEC guidelines on determination of retained earnings available for dividend declaration.

The existence of surplus profit is a condition precedent before a dividend can be declared. The surplus profits or income must be a bona fide income founded upon actual earnings. Actual earnings or profits shall be the net income for the year based on the audited financial statements, adjusted for unrealized items, which are considered not available for dividend declaration. Taking into account the Company's cash flows, capital expenditure, investment objectives and financial condition, at least ten percent (10%) of the actual earnings or profits may be declared by the Board.

Each holder of the shares, regardless of class, is entitled to such dividends as may be declared in accordance with the Company's dividend policy.

The Company has not declared any dividends during the past three (3) fiscal years due to retained earnings deficit position.

Recent Sale of Unregistered Securities

On February 20, 2019, the BOD authorized the Parent Company to enter into a convertible loan agreement with a third party amounting to ₱50.0 million. The loan bears an interest of 5% per annum and will mature on February 20, 2021. The principal and interest are convertible to shares at ₱0.01 per share any time until the 10th day before the maturity date at the option of the third party.

On September 11, 2019, the third party exercised the right to convert the loan at ₱0.01 per share. On the same date, the BOD approved the conversion of the principal amount, including the interest accrued up to date of the conversion amounting to ₱1,402,778. The Parent Company issued additional 5,140,277,777 shares as a result of the conversion. Consequently, such valuation was duly approved by the SEC on December 7, 2020.

Other than the foregoing, there has been no issuance of exempt securities.

VI. Management's Discussion and Analysis or Plan of Operation

Plan of Operation

The Company's revenues and cash flow shall be generated from the business operation of its subsidiary, JDVC. On the other hand, JDVC shall generate revenue & income from royalty payment from its contractor-owned vessels, and after the Company's Follow-On Offering (FOO), from a vessel that the Company plans to partially own as well.

The forecast share of the Company in the profits from its subsidiary's partially-owned vessels ranges from nine to ten percent (9% to 10%) of gross sales, and the share in royalty fees to be derived from contractor-owned vessels is at ninety-two percent (92%), approximately.

The Company will start with a foreign-owned vessel (MB Siphon I) which is currently wholly-owned by Poet Blue Ocean Offshore Services Pte. Ltd. (PBO), and two (2) contractors in 2021. After the FOO, where majority of the proceeds of the offering will be used to acquire a forty-nine percent (49%) stake in PBO, the Company will effectively have two (2) sources of revenues – one from the 90.47% royalties from JDVC, and second from the 49% ownership of PBO that owns MB Siphon I. The two sources of the future revenues of the Company and JDVC will be sufficient in satisfying the cash requirements of the Group and no further fund-raising is expected in the coming year.

The Group expects to hire additional employees in anticipation of the start of commercial mining operations. Most of the anticipated new employees are expected to be deployed within the mining tenement in Cagayan.

Key Performance Indicators

Below is a schedule showing financial soundness indicators for the past three (3) fiscal years:

Ratio	Formula		2020		2019		2018
Current Ratio	Current Assets	₱	**4,851,067**	₱	4,918,947	₱	4,299,588
	Divide by: Current Liabilities	₱	**110,677,576**	₱	95,388,120	₱	102,796,821
	Current Ratio		**0.04 : 1**		0.05 : 1		0.04 : 1
Asset-to-Liability Ratio	Total Assets	₱	**3,347,430,671**	₱	3,338,686,195	₱	3,574,294,349
	Divide by: Total Liabilities	₱	**382,202,161**	₱	357,170,665	₱	358,887,092
	Asset-to-Liability Ratio		**8.76 : 1**		9.35 : 1		9.96 : 1
Asset-to-Equity Ratio	Total Assets	₱	**3,347,430,671**	₱	3,338,686,195	₱	3,574,294,349
	Divide by: Total Equity	₱	**2,965,228,510**	₱	2,981,515,530	₱	3,215,407,257
	Asset-to-Equity Ratio		**1.13 : 1**		1.12 : 1		1.11 : 1
Debt-to-Equity Ratio	Total Liabilities	₱	**382,202,161**	₱	357,170,665	₱	358,887,092
	Divide by: Total Equity	₱	**2,965,228,510**	₱	2,981,515,530	₱	3,215,407,257
	Debt-to-Equity Ratio		**0.13 : 1**		0.12 : 1		0.11 : 1

Ratio	Formula		2020		2019		2018
Book Value per Share	Total Equity attributable to APL	₱	2,719,622,363	₱	2,734,771,806	₱	2,699,370,814
	Divide by: Total No. of Shares Outstanding		280,336,349,297		280,336,349,297		275,196,071,520
	Book Value per Share	₱	0.00970	₱	0.00976	₱	0.00981
Basic Loss per Share	Loss for the year attributable APL	₱	(15,149,443)	₱	(16,001,786)	₱	(10,195,983)
	Divide by: Weighted Ave. No. of Shares Outstanding		280,336,349,297		276,759,279,282		275,196,071,520
	Basic Loss per Share	₱	(0.00005)	₱	(0.00006)	₱	(0.00004)

Results of Operations (December 31, 2020 vs. December 31, 2019)

	For the years ended December 31,				Horizontal Analysis		Vertical Analysis	
		2020		2019	Inc (Dec)	%age	2020	2019
Revenues	₱	–	₱		–	n/a	n/a	n/a
Direct costs		–			–	n/a	n/a	n/a
Gross profit	₱	–	₱		–	n/a	n/a	n/a
General & administrative costs		(15,734,516)		(18,982,963)	3,248,447	-17.11%	n/a	n/a
Operating loss	₱	(15,734,516)	₱	(18,982,963)	3,248,447	-17.11%	n/a	n/a
Finance income		4,797		2,292,074	(2,287,277)	-99.79%	n/a	n/a
Finance costs		(1,276,450)		(2,177,028)	900,578	-41.37%	n/a	n/a
Other income/losses – net		(3,960)		(969)	(2,991)	308.67%	n/a	n/a
Loss before tax benefit	₱	(17,010,129)	₱	(18,868,886)	1,858,757	-9.85%	n/a	n/a
Income tax benefit		723,109		1,181,491	(458,382)	-38.80%	n/a	n/a
Loss for the period	₱	(16,287,020)	₱	(17,687,395)	1,400,375	-7.92%	n/a	n/a

General & Administrative Costs

The Group's general & administrative costs decreased by 17.11% % which was primarily due to the decrease in mobilization costs, taxes and licenses, representation and transportation and travel (31.99% of the total general and administrative cost).

Finance Income

Total interest income decreased by 99.79% since the Group lost interest from loans receivable which was collected in 2019.

Profit Before Tax

The decrease in loss before tax was primarily due to decrease in general and administrative cost incurred during the period.

Income Tax Benefit

Income tax benefit decreased by 38.8% due the expiry of tax benefits from NOLCO and unrecognized deferred tax benefits from current year losses.

Financial Condition December 31, 2020 vs. December 31, 2019)

	As at December 31,				Horizontal Analysis		Vertical Analysis	
		2020		2019	Inc (Dec)	%age	2020	2019
A S S E T S								
Current assets:								
Cash	₱	909,057	₱	1,284,390	(375,333)	-29.22%	0.03%	0.04%
Other current assets		3,942,010		3,634,557	307,453	8.46%	0.12%	0.11%
Total current assets	₱	4,851,067	₱	4,918,947	(67,880)	-1.38%	0.15%	0.15%
Non-current assets:								
Mine properties	₱	3,288,748,565	₱	3,284,054,565	4,694,000	0.14%	98.25%	98.36%
Advances to contractors		44,888,691		42,690,538	2,198,153	5.15%	1.34%	1.28%
Property & equipment – net		2,427,268		1,230,174	1,197,094	97.31%	0.07%	0.04%
Intangible asset – net		360,777		360,777	–	0.00%	0.01%	0.01%
Deferred tax asset		6,154,303		5,431,194	723,109	13.31%	0.18%	0.16%
Total non-current assets	₱	3,342,579,604	₱	3,333,767,248	8,812,356	0.26%	99.85%	99.85%
TOTAL ASSETS	₱	3,347,430,671	₱	3,338,686,195	8,744,476	0.26%	100.00%	100.00%

LIABILITIES & EQUITY								
Current liabilities:								
Accounts and other payables	₱	41,576,576	₱	40,237,120	1,339,456	3.33%	1.24%	1.21%
Interest-bearing loans & borrowings		13,950,000		–	13,950,000	n/a	0.42%	0.00%
Advances from contractors		55,151,000		55,151,000	–	0.00%	1.65%	1.65%
Total current liabilities	₱	110,677,576	₱	95,388,120	15,289,456	16.03%%	3.31%	2.86%
Non-current liabilities:								
Interest-bearing loans & borrowings	₱	23,600,000	₱	13,950,000	9,650,000	69,18%	0.71%	0.42%
Deposits for future stock subscriptions		–		246,149,562	(246,149,562)	-100.00%	0.00%	7.37%
Advances from related party		247,924,585		1,682,983	246,241,602	14,631.26%	7.40%	0.05%
Total non-current liabilities	₱	271,524,585	₱	261,782,545	9,742,040	3.72%	8.11%	7.84%
Total liabilities	₱	382,202,161	₱	357,170,665	25,031,496	7.01%	11.41%	10.69%
Equity:								
Share capital	₱	2,803,363,493	₱	2,803,363,493	–	0.00%	83.75%	83.97%
Share premium		17,586,961		17,586,961	–	0.00%	0.53%	0.53%
Accumulated losses		(101,328,091)		(86,178,648)	(15,149,443)	17.58%	-3.03%	-2.58%
Total equity attributable to Parent Company's shareholders	₱	2,719,622,363	₱	2,734,771,806	(15,149,443)	-0.55%	81.25%	81.92%
Non-controlling interest		245,606,147		246,743,724	(1,137,577)	-0.46%	7.34%	7.39%
Total equity	₱	2,965,228,510	₱	2,981,515,530	(16,287,020)	-0.55%	88.59%	89.31%
TOTAL LIABILITIES & EQUITY	₱	3,347,430,671	₱	3,338,686,195	8,744,476	0.26%	100.00%	100.00%

Total Assets

Total assets of the Group increased by ₱8.7-million (0.26%), which was primarily caused by the increase in mine properties and advances to contractors.

Other Current Assets

Other current assets increased by ₱307,453 (8.46%). The increase in other current assets is primarily caused by the increase in input taxes and construction bond.

Mine Properties

Mine properties include mineral assets, patent and mining costs. The increase in mine properties is primarily caused by additional mining costs.

Property & Equipment – net

Property & equipment includes office furniture, fixtures and equipment and transportation vehicle. The increase in property and equipment is primarily due to additions in office furniture and equipment.

Total Liabilities

Total liabilities have increased by ₱25-million (7.01%), which was primarily caused by increase in accounts & other payables amounting to ₱1.34-million and interest bearing loans & borrowings amounting to ₱23.6-million.

Interest-Bearing Loans & Borrowings

Loans & borrowings pertains to loans from Cagayan Blue Ocean Offshore Aquamarine Services Corporation (CBO). In 2020, the Group availed of additional loan from CBO amounting to ₱23.6-million.

Accounts and Other Payables

The increase in the balance of this account by ₱1.34-million was due to the increase in accounts and statutory payables and accrued expenses.

Total Equity

The decrease in total equity of ₱16.29-million in this account pertains to the net loss that the Group incurred in its operations.

Results of Operations (December 31, 2019 vs. December 31, 2018)

	For the years ended December 31,		Horizontal Analysis		Vertical Analysis	
	2019	2018	Inc (Dec)	%age	2019	2018
Revenues	₱ –	₱ –	–	–	n/a	n/a
Direct costs	–	–	–	–	n/a	n/a
Gross profit	₱ –	₱ –	–	–	n/a	n/a
General & administrative costs	(18,982,963)	(16,039,520)	(2,943,443)	18.35%	n/a	n/a
Operating loss	₱ (18,982,963)	₱ (16,039,520)	(2,943,443)	18.35%	n/a	n/a
Finance income	2,292,074	2,275,959	16,115	0.71%	n/a	n/a
Finance costs	(2,177,028)	(600,000)	(1,577,028)	262.84%	n/a	n/a
Other income/losses – net	(969)	1,351	(2,320)	-171.72%	n/a	n/a
Loss before tax benefit	₱ (18,868,886)	₱ (14,362,210)	(4,506,676)	31.38%	n/a	n/a
Income tax benefit	1,181,491	2,028,857	(847,366)	-41.77%	n/a	n/a
Loss for the period	₱ (17,687,395)	₱ (12,333,353)	(5,354,042)	43.41%	n/a	n/a

General & Administrative Costs

The Group's general & administrative costs increased by 18.35% % which was primarily due to the increase in mobilization costs, taxes and licenses, representation and transportation and travel (61.20% of the total general and administrative cost).

Finance Costs

Finance costs grew 262.84% due to the full year interest charge from borrowings compared to the fractional interest incurred in 2018.

Profit Before Tax

The increase in loss before tax was primarily due to increase in general and administrative cost and finance costs incurred during the period.

Income Tax Benefit

Income tax benefit decreased by 38.8% due the expiry of tax benefits from NOLCO and unrecognized deferred tax benefits from current year losses.

Financial Condition December 31, 2019 vs. December 31, 2018)

	As at December 31,		Horizontal Analysis		Vertical Analysis	
	2019	2018	Inc (Dec)	%age	2019	2018
ASSETS						
Current assets:						
Cash	₱ 1,284,390	₱ 1,545,052	(260,662)	-16.87%	0.04%	0.04%
Other current assets	3,634,557	2,754,536	880,021	31.95%	0.11%	0.08%
Total current assets	₱ 4,918,947	₱ 4,299,588	619,359	14.41%	0.15%	0.12%
Non-current assets:						
Mine properties	₱ 3,284,054,565	₱ 3,257,154,051	26,900,514	0.83%	98.36%	91.13%
Advances to contractors	42,690,538	40,577,963	2,112,575	5.21%	1.28%	1.13%
Property & equipment – net	1,230,174	75,618	1,154,556	1526.83%	0.04%	0.002%
Intangible asset – net	360,777	326,100	34,677	10.63%	0.01%	0.01%
Deferred tax asset	5,431,194	4,204,257	1,226,937	29.18%	0.16%	0.12%
Advances to related parties	–	2,595,022	(2,595,022)	-100.00%	n/a	0.07%
Accrued interest receivable	–	10,561,750	(10,561,750)	-100.00%	n/a	0.30%
Loan receivable	–	254,500,000	(254,500,000)	-100.00%	n/a	7.12%
Total non-current assets	₱ 3,333,767,248	₱ 3,569,994,761	(236,227,513)	-6.62%	99.85%	99.88%
TOTAL ASSETS	₱ 3,338,686,195	₱ 3,574,294,349	(235,608,154)	-6.59%	100.00%	100.00%
LIABILITIES & EQUITY						
Current liabilities:						
Accounts and other payables	₱ 40,237,120	₱ 41,296,821	(1,059,701)	-2.57%	1.20%	1.16%
Advances from contractors	55,151,000	51,500,000	3,651,000	7.09%	1.65%	1.44%
Interest-bearing loans & borrowings	–	10,000,000	(10,000,000)	-100.00%	0.00%	0.28%
Total current liabilities	₱ 95,388,120	₱ 102,796,821	6,541,299	6.36%	2.86%	2.88%

Non-current liabilities:								
Interest-bearing loans & borrowings	₱	**13,950,000**	₱	–	13,950,000	n/a	0.42%	0.00%
Deposits for future stock subscriptions		**246,149,562**		254,227,307	(8,077,745)	-3.18%	7.37%	7.11%
Advances from related party		**1,682,983**		1,862,964	(179,981)	-9.66%	0.05%	0.05%
Total non-current liabilities	₱	**261,782,545**	₱	256,090,271	(8,257,726)	-3.22%	7.84%	7.16%
Total liabilities	₱	**357,170,665**	₱	358,887,092	(1,716,427)	-0.48%	10.70%	10.04%
Equity:								
Share capital	₱	**2,803,363,493**	₱	2,751,960,715	51,402,778	1.87%	83.97%	76.99%
Share premium		**17,586,961**		17,586,961	–	0.00%	0.53%	0.49%
Accumulated losses		**(86,178,648)**		(70,176,862)	(16,001,786)	22.80%	-2.58%	-1.96%
Total equity attributable to Parent Company's shareholders	₱	**2,734,771,806**	₱	2,699,370,814	35,400,992	1.31%	81.91%	75.52%
Non-controlling interest		**246,743,724**		516,036,443	(269,292,719)	-52.18%	7.39%	14.44%
Total equity	₱	**2,981,515,530**	₱	3,215,407,257	(233,891,727)	-7.27%	89.30%	89.96%
TOTAL LIABILITIES & EQUITY	₱	**3,338,686,195**	₱	3,574,294,349	(235,608,154)	-6.59%	100.00%	100.00%

Total Assets

Total assets of the Group decreased by ₱235.6-million (6.59%), which was primarily caused by the collection of loans and other receivables.

Other Current Assets

Other current assets increased by ₱880,021 (31.95%). The increase in other current assets is primarily caused by the increase in input taxes.

Mine Properties

Mine properties include mineral assets, patent and mining costs. The increase in mine properties is primarily caused by additional mining development costs.

Property & Equipment – net

Property & equipment includes office furniture, fixtures and equipment and transportation vehicle. The increase in property and equipment is primarily due to additions in office furniture and equipment and motor vehicle.

Total Liabilities

Total liabilities have decreased by ₱1.7-million (0.48%), which was primarily caused by loan repayments and refund of deposits for future stock subscription.

Interest-Bearing Loans & Borrowings

Loans & borrowings pertains to loans from Cagayan Blue Ocean Offshore Aquamarine Services Corporation (CBO). In 2019, the Group availed of loan from CBO amounting to ₱14.0-million.

Accounts and Other Payables

The decrease in the balance of this account by ₱1.1-million was due to the payment of accrued of expenses.

Total Equity

The decrease in total equity of ₱233.9-million in this account pertains to the acquisition of non-controlling interests in JDVC and of the net loss for the period.

VII. Financial Statements

The financial statements of the Company are incorporated herein by reference and attached as an integral part of this SEC Form 17-A.

VIII. Information on Independent Public Accountant and Other Related Matters

Independent Public Accountant

The Company appointed Valdes, Abad & Company, CPAs as external auditors, covering the audit of the financial statements for the year ended December 31, 2020. Their responsibility is to express an opinion on these financial statements based on their audits conducted in accordance with Philippine Standards on Auditing. Reyes Tacandong & Co. was the appointed external auditors for the year 2019 while Roxas, Cruz, Tagle & Co. was appointed for the years 2016 to 2018.

None of the appointed external auditors have neither shareholding in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Company. The independent public accountants will not receive any direct or indirect interest in the Company and in any securities thereof (including options, warrants, or rights thereto). The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Audit and Audit-Related Fees

Fees approved in connection with the assurance rendered by the external auditors pursuant to the regulatory and statutory requirements for the years ended December 31, 2020 and 2019 amounts to the following:

	2020	2019	2018
Audit Fees	400,000	400,000	488,500

Tax Fees

The independent external auditors did not render services for tax accounting, planning, compliance, advice, or any other professional services for which it billed the Company the corresponding professional fees.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with the independent external auditors for the years 2020 and 2019 on any matter relating to accounting principles or practices, disclosure of financial statements, auditing scope and procedures.

PART III – CONTROL AND COMPENSATION INFORMATION

IX. Directors and Executive Officers of the Issuer

The overall management and supervision of the Company is undertaken by the Company's Board of Directors. The Company's executive officers cooperate with the Company's Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review.

Board of Directors

Pursuant to the Company's latest amended articles of incorporation, approved by the SEC on December 22, 2014, the Board shall consist of 11 members, of which two (2) are independent directors. The table sets forth each member of the Company's Board of Directors as of **December 31, 2020**.

Name	Citizenship	Age	Position	Period Served
Salvador A. Santos-Ocampo	Filipino	50	Chairman of the Board	Oct. 2015 – present
David M. De La Cruz	Filipino	54	Director	Feb. 2017 – present
Norman De Leon	Filipino	29	Director	Dec. 2018 – present
Christopher C. Go	Filipino	52	Director	Mar. 2019 – present
Bernadette Herrera-Dy	Filipino	44	Director	Mar. 2019 – present
Edwin T. Lim	Filipino	45	Director	Oct. 2015 – present
Vittorio Paulo P. Lim	Filipino	35	Director	Dec. 2015 – present
John Oliver L. Pascual	Filipino	51	Director	Jan. 2020 – present

Lloyd Reagan C. Taboso	Filipino	39	Director	Dec. 2018 – present
Klarence T. Dy	Filipino	52	Independent Director	Oct. 2015 – present
Deogracias G. Contreras Jr.	Filipino	74	Independent Director	Jan. 2020 – present

Executive Officers
The table sets forth the Company's executive officers as of **December 31, 2020**.

Name	Citizenship	Age	Position	Period Served
Salvador Araneta Santos-Ocampo	Filipino	50	Chairman of the Board	Oct. 2015 – present
Vittorio Paulo P. Lim	Filipino	35	President	Dec. 2015 – present
Edwin T. Lim	Filipino	45	Treasurer	Oct. 2015 – present
Gary B. Olivar	Filipino	68	Chief Operating Officer	Jul. 2019 – present
Christopher C. Go	Filipino	52	Chief Financial Officer	Mar. 2019 – present
Lucky Dickinson T. Uy	Filipino	38	Compliance Officer	May 2017 – present
Kristina Joyce C. Caro-Gangan	Filipino	38	Corporate Secretary	Oct. 2015 – present

Business Experience and Other Directorships
The business experience of each of the directors and executive officers of the Parent Company is as follows:

Mr. Salvador A. Santos-Ocampo (Chairman of the Board) has been the President of Victoneta Rentals Corporation since 2014. He is also the President of SAMI Food and Beverage Specialist Corporation since 2013 and the Treasurer of Salvador Araneta Memorial Institute since 2001. He obtained his degree in Business Management and Economics in the International Academy of Management and Economics (I/AME).

Mr. Vittorio Paulo P. Lim (Director/President) is the President of V2S Property Developer Co., Inc. He is also the Corporate Secretary of B and P Realty, Inc., Champaca Development Corporation, PX2 Enterprises Co., Inc., VNP Properties Development Inc., Zelle Dev't Corporation, Tarlac Centerpoint, Panlilio Centerpoint. Likewise, he is the Treasurer of Vini Agro Products, Inc. He holds a degree in Interdisciplinary Studies from the Ateneo de Manila University.

Mr. Edwin T. Lim (Director/Treasurer) has been the General Manager of BLIM's Textile Manufacturing Industries, Inc. since 2000. He obtained his Bachelor of Science in Civil Engineering from the Mapua Institute of Technology in 1997.

Mr. Gary B. Olivar (Chief Operating Officer) is a senior financial executive with thirty five years of experience in banking and telecoms finance, both here and abroad. He worked with BPI's merchant bank here and with American Express Bank (credit management) and Sumitomo Trust Bank (public finance) in Hongkong and New York. He was a risk management consultant with BDO Unibank from 2010 to 2016. He was a member of Smart Communications management committee and was also a chief financial officer of Bayan Communications. He earned his MS from the UP School of Economics in 1978 and an MBA from Harvard Business School in 1980.

Mr. Christopher C. Go (Director/Chief Finance Officer) is a Certified Public Accountant and currently is the CEO and President of Moderno Citihomes Dev't Corporation, Perfectspot Development Incorporated, Nation Builders Global Logistics Corp. and Sky Builders Dev't Corporation. He obtained his Bachelor of Science in Accountancy degree from De La Salle University in 1988.

Mr. David M. De La Cruz (Director) is a director of the Company since February 2017. He has been the EVP and CFO of Sta. Lucia Land, Inc. since 2012. He obtained his Bachelor of Arts in Economics and BSC Accounting and Masters from De La Salle University in 1986 and 2001, respectively.

Mr. Norman de Leon (Director) is the President and Authorized Managing Officer of MVW Construction and Trading Corporation since 2015. He obtained his Bachelor of Science in Information and Communications Technology degree from San Beda College Manila in 2013.

Ms. Bernadette Herrera-Dy (Director) is a returning member of the 17th Congress of the House of Representatives representing Bagong Henerasyon Partylist. In the 17th Congress, she is the Chairperson of the Committee on Women and Gender Equality, the House body responsible for matters directly and principally relating to the rights and welfare of women and female children and youth, and the Vice-Chairperson of the Committee on Welfare of Children. She graduated from the University of the Philippines with a degree in B.S. Business Economics and M.S. Finance.

Mr. John Oliver L. Pascual (Director) is currently a director of Level Up Gastronomy Inc., and WLCL Manpower Solutions Inc. He is also the Treasurer and Managing Director of Philippines International Life Insurance Co., Inc. and a manager and director in Filipino Loan and Credit Corporation. Mr. Pascual graduated from the De La Salle University with a degree in AB Economics.

Mr. Lloyd Reagan C. Taboso (Director) is the vice president and co-founder of Cignus Philippines Inc. He is also the current vice president of Cagayan Blue Ocean Offshore Aquamarine Services Corp. He took up Bachelor of Aets in Multimedia Arts at De La Salle – College of Saint Benilde.

Mr. Lucky Dickinson T. Uy (Compliance Officer) is a stockbroker at SB Equities since October 2017. Prior to his current position, he was a stockbroker at Venture Securities from 2013 to September 2017. He obtained his Bachelor of Science in Chemical Engineering degree from the Dela Salle University in 2005.

Atty. Kristina Joyce C. Caro-Gangan (Corporate Secretary) is a Partner at Picazo Buyco Tan Fider & Santos Law Offices. She graduated cum laude with the degree of Bachelor of Arts, Major in Political Science, from the University of the Philippines in 2002, and with the degree of Bachelor of Laws also from the University of the Philippines in 2006.

Mr. Klarence T. Dy (Independent Director) is a Trader in Tower Securities, Inc. Prior to his current position, he was the Vice President for Sales in Tower Securities, inc. from 2000 to June 2004. Mr. Dy was previously a trader and Corporate Secretary in Cathay Securities, Co., Inc. from 1990 to 1998. In 1989, Mr. Dy graduated from the University of Southern California, where he obtained his Bachelor of Science Degree in Accountancy.

Atty. Deogracias G. Contreras, Jr. (Independent Director) is a legal consultant of Nationwide Development Corporation-Kingking Copper and Gold Project, and of Nickel Asia Corporation. He is also the President of AMDGY Consultancy on Mining, HR and General Legal. Atty. Contreras was formerly an in-house legal manager of Benguet Corporation, the former Executive Vice President of Chamber of Mines of the Philippines, and also a former partner in Leyco-Contreras Law Office. He was a member of the Drafting Panel of the Philippine Mining Act of 1995 and Republic Act 7729 (Act Lowering Excise Tax on Mineral Products). He earned his Bachelor of Arts in Political Science degree and his law degree from the University of the Philippines.

X. Executive Compensation

All of the Company's directors and officers have not received any form of compensation from inception up to present other than a per diem for each meeting attended and annual per diem during stockholder's meeting. There is no employment contract between the Company and the current executive officers. In addition there are no compensatory plans or arrangements with respect the named executive officers that resulted in or will result from the resignation, retirement or termination of such executive director or from a change-in-control in the Company.

The Company has no price or stock warrants.

XI. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

The persons or groups identified in the table below are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of **December 31, 2020**:

Title of Class	Name of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Hyung Rae Doo	Hyung Rae Doo	Korean	109,065,080,064 (D)	38.91%
Common	Lloyd Reagan C. Taboso	Lloyd Reagan C. Taboso	Filipino	46,471,972,000 (D)	16.58%
Common	Napoleon M. De Leon Jr.	Napoleon M. De Leon Jr.	Filipino	46,224,979,304 (D)	16.49%
Common	Daniel C. Go	Daniel C. Go	Filipino	45,634,040,152 (D)	16.28%
Common	PCD Nominee Corp. - Filipino	Public ownership	Filipino	26,880,986,928 (D)	9.59%

Security Ownership of Management

The following table shows the shares beneficially owned by the directors and officers of the Company as of **December 31, 2020**:

Title of Class	Name of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Lloyd Reagan C. Taboso	Lloyd Reagan C. Taboso	Filipino	46,471,972,000 (D)	16.58%
Common	John Oliver L. Pascual	John Oliver L. Pascual	Filipino	1,060,000 (D)	0.00%
Common	Edwin T. Lim	Edwin T. Lim	Filipino	258,700 (D)	0.00%
Common	David M. De La Cruz	David M. De La Cruz	Filipino	100,000 (D)	0.00%
Common	Christopher C. Go	Christopher C. Go	Filipino	100,000 (D)	0.00%
Common	Lucky Dickinson T. Uy	Lucky Dickinson T. Uy	Filipino	10,000 (D)	0.00%
Common	Vittorio Paulo P. Lim	Vittorio Paulo P. Lim	Filipino	9,100 (D)	0.00%
Common	Salvador A. Santos-Ocampo	Salvador A. Santos-Ocampo	Filipino	100 (D)	0.00%
Common	Klarence T. Dy	Klarence T. Dy	Filipino	100 (D)	0.00%
Common	Deogracias G. Contreras Jr.	Deogracias G. Contreras Jr.	Filipino	10 (D)	0.00%
Common	Bernadette Herrera-Dy	Bernadette Herrera-Dy	Filipino	1 (D)	0.00%
Common	Norman De Leon	Norman De Leon	Filipino	0 (D)	0.00%
Common	Gary B. Olivar	Gary B. Olivar	Filipino	0 (D)	0.00%
Common	Kristina Joyce C. Caro-Gangan	Kristina Joyce C. Caro-Gangan	Filipino	0 (D)	0.00%

Voting Trust Holders

There is no party known to the Company as holding any voting trust or any similar arrangement for five percent (5%) or more of the Company's voting securities.

XII. Certain Relationships and Related Transactions

There are no significant employees and no family relationships among the current directors and officers, as well as the nominated directors and officers.

Transactions with Related Parties

The Company enters into transactions with affiliates and other related parties on an arm's length basis. Aligned with this thrust, the Company, in dealing with affiliates and other related parties, ensures above-board transactions and fairness and equity among all parties.

The Company exerts efforts to obtain the most beneficial terms and conditions for the Company, taking into consideration various factors including pricing and quality.

For this purpose, the Company determines the prevailing and applicable price in the market. In the process, it also gathers quotes and/or proposals from other parties engaged in similar or the same undertaking. Based on these, a comparable summary is presented to ascertain a fair price for the applicable related party transaction.

Moving forward, the related party transaction committee shall review all related party transactions of the Company.

Related party transactions are discussed in Note 23, *Related Party Transactions*, to the 2020 audited financial statements.

PART IV – CORPORATE GOVERNANCE

XIII. Corporate Governance

The Manual on Corporate Governance (MOCG) of the Group details the standards by which it conducts sound corporate governance that are coherent and consistent with relevant laws and regulatory rules, and constantly strives to create value for its shareholders.

Evaluation System
Evaluation is delegated to the Compliance Officer who is part of the Company's management and is tasked with the monitoring compliance with the MOCG and related impositions of regulatory agencies.

Ultimate responsibility for the Group's adherence to its MOCG rests with its Board of Directors, who maintains four (4) committees, each charged with oversight into specific areas of the Group's business activities:

- The Executive Committee (EC) assists the Board of Directors in oversight responsibilities over the Group and execution of strategies and practices including regulatory and ethical compliance monitoring. The EC ensures that the Group conducts its business following sound corporate governance principles and in accordance with relevant laws and regulatory rules. They are also tasked with overall risk management of the Group.
- The Audit Committee (AC) is responsible for recommending the external auditor and ensuring that non-audit work does not compromise their independence. The AC reviews financial and accounting matters.
- The Nominations Committee (NC) is charged with ensuring that membership to the Board of Directors is filled by qualified members. The NC also ensures fair representation of independent members on the Board of Directors by formulating screening policies to effectively review the qualification of nominees for independent directors.
- The Compensation and Remuneration Committee (CRC) is tasked to ensure fair compensation practices are adhered to throughout the organization.

Measures Taken to Comply with Adopted Leading Practices on Good Corporate Governance
The Board of Directors of the Group holds regular meetings, each with a valid quorum. The Board committees regularly meet to ensure fair corporate governance standards were being applied throughout the organization.

Deviations from the MOCG
The Group is committed to fostering good corporate governance practices including a clear understanding by directors of the Group's strategic objectives, structures to ensure that the objectives are being met, systems to ensure the effective management of risks, and the mechanisms to ensure that the Group's obligations are identified and discharged in all aspects of its business.

Plans to Improve Corporate Governance
The Group continues to evaluate and review its MOCG to ensure that the leading practices on good corporate governance are being adopted.

PART V – EXHIBITS AND SCHEDULES

XIV. Exhibits and Reports on SEC Form 17-C

List of Corporate Disclosures under SEC Form 17-C (Current Reports)
APL reported the following items on SEC Form 17-C for the year 2020:

Document Date	Filing Date	Item No.	Matter
Jan. 7	Jan. 7	9	Results of the 2019 Annual Stockholders' Meeting
Jan. 7	Jan. 7	9	Results of Organizational Meeting of the Board of Directors
Jan. 7	Jan. 8	9	Amendment of Article II, Section 11 of the By-Laws
Jan. 7	Feb. 12	9	[Amend] Results of the 2019 Annual Stockholders' Meeting
Mar. 13	Mar. 16	9	Filing of Current Report under Section 17 of the Securities Regulation Code and COVID-19 Pandemic
Apr. 8	Apr. 8	9	Postponement of the Annual Stockholders' Meeting
Aug. 17	Aug. 17	9	Board Approval for the Additional Listing of Shares of APL and the Conduct of a Follow On Offering ("FOO")
Aug. 17	Aug. 17	9	Notice of Annual Stockholders' Meeting for the Year 2020
Oct. 2	Oct. 2	9	Results of the 2020 Annual Stockholders' Meeting
Oct. 2	Oct. 2	9	Results of Organizational Meeting of Board of Directors
Oct. 5	Oct. 5	9	Development Bank of the Philippines (DBP) Approval of the Credit Line of Apollo Global Capital, Inc.'s Subsidiary
Oct. 5	Oct. 5	9	[Amend]Development Bank of the Philippines (DBP) Approval of the Credit Line of Apollo Global Capital, Inc.'s Subsidiary
Dec. 9	Dec. 10	9	Clarification of News Report – The Manila Times "Apollo Unit to Mine Magnetite in Cagayan"
Dec. 9	Dec. 10	9	Clarification of News Report – The Manila Times "Apollo Unit to Mine Magnetite in Cagayan"
Dec. 21	Dec. 22	9	Change in the Shareholdings of a Director

See attached exhibits.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of Apollo Global Capital, Inc., by the undersigned, thereunto duly authorized, in Quezon City on May 11, 2021.

Issuer: **APOLLO GLOBAL CAPITAL, INC.**

Pursuant to the requirements of the Securities Regulation Code, this annual report has been signed by the following persons in the capacities and on the dates indicated.

By:

Signature	**Vittorio Paulo P. Lim**	Signature	**Christopher Go**
Title	*President*	Title	*Chief Financial Officer*
Date	May 11, 2021	Date	May 11, 2021
Signature	**Gary B. Olivar**	Signature	**Kristina Joyce C. Caro-Gañgan**
Title	*Chief Operating Officer*	Title	*Corporate Secretary*
Date	May 11, 2021	Date	May 11, 2021

SUBSCRIBED AND SWORN to before me, a Notary Public for and in QUEZON CITY, Philippines, this 12 MAY 2021, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants' photograph and signature.

Name	Identification	Date of Issue	Place of Issue
Vittorio Paulo P. Lim	Drivers' License No. N02-02-001052	Mar. 10, 2018	LTO – Robinsons Galleria
Gary B. Olivar	Drivers' License No. X01-82-036691	Nov. 8, 2018	LTO – San Juan
Christopher C. Go	Passport No. P1142367A	Dec. 9, 2016	DFA – NCR East
Kristina Joyce C. Caro-Gañgan	Drivers' License No. D04-09-004375	Mar 21, 2018	LTO – Biñan, Laguna

NOTARY PUBLIC

GODFREY V. CAMALIGAN
Notary Public for and in Quezon City
Valid until Dec. 31, 2021
IBP No 103170; 03 January 2020, Quezon City
PTR No. 5242104: 04 January 2020, Pasig City
Adm Matter No 055 (2020-2021)
Roll No 46083 / TIN-214-859-946
MCLE Comp No VI-0020508, March 25, 2019
Lot 8 Blk. Hito Street, Silvina Subdivision
Brgy Talipapa Novaliches, Quezon City

Doc. No. 189
Page No. 39
Book No. CXXVII
Series of 2021

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

	A	1	9	9	8	0	6	8	6	5

Company Name

APOLLO GLOBAL INC. AND ITS SUBSIDIARY

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

UNIT 504 GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, BRGY. UGONG NORTE, QUEZON CITY

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
ACFS AMENDED	MSRD	

COMPANY INFORMATION

Company's E-mail Address	Company's Telephone Number/s	Mobile Number
N/A	(632) 532-8654	N/A

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
799	Last Friday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	E-mail Address	Telephone Number/s	Mobile Number
Kristina Joyce Caro-Gangan	main@picozolaw.com	(632) 532-8654	N/A

Contact Person's Address

Unit 504 Galleria Corporate Center, Edsa Corner Ortigas Avenue, Brgy. Ugong Norte, Quezon City

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

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

Apollo Global Capital

Statement of Management's Responsibility for Consolidated Financial Statements

The Management of **Apollo Global Capital, Inc.** and its subsidiary (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2020 and 2019 and for the three years ended December 31, 2020, 2019 and 2018, in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the shareholders.

Valdes Abad & Company, CPAs and **Reyes Tacandong & Co.**, the independent auditors appointed by the shareholders for the years ended December 31, 2020 and 2019, respectively, have audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in their reports to the shareholders, have expressed their opinions on the fairness of presentation upon completion of such audits.

Salvador A. Santos-Ocampo	**Vittorio Paulo P. Lim**	**Christopher C. Go**
Chairman of the Board	President	Chief Financial Officer

Signed this 11th day of May, 2021.

Apollo Global Capital

SUBSCRIBED AND SWORN to before me, a Notary Public for and in QUEZON CITY, Philippines, this 12 MAY 2021, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants' photograph and signature.

Name	Identification	Date of Issue	Place of Issue
Salvador A. Santos-Ocampo	Passport No. P1998740A	Feb. 23, 2017	DFA – NCR East
Vittorio Paulo P. Lim	Drivers' License No. N02-02-001052	Mar. 10, 2018	LTO – Robinsons Galleria
Christopher C. Go	Passport No. P1142367A	Dec. 9, 2016	DFA – NCR East

NOTARY PUBLIC

GODFREY V. CAMALIGAN
Notary Public for and in Quezon City
Valid until Dec. 31, 2021
IBP No 103170; 03 January 2020, Quezon City
PTR No. 5242104: 04 January 2020, Pasig City
Adm Matter No 055 (2020-2021)
Roll No 46083 / TIN-214-859-946
MCLE Comp No VI-0020608, March 25, 2019
Lot 8 Blk. Hito Street, Silvina Subdivision
Brgy Talipapa Novaliches, Quezon City

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Series of 2021

Valdes Abad &
Company
(Formerly: Valdes Abad & Associates)
certified public accountants

CJV Building 108 Aguirre Street, Legaspi Village, Makati City, Philippines

Branches:
Cebu and Davao

Phone: (632) 8892-5931 to 35
(632) 8519-2105
Fax: (632) 8819-1468
Website: www.vacocpa.com.ph
BOA/PRC Reg. No. 0314
SEC Accreditation No. 0361-F

gmni member
an association of legally independent accounting firms
partnering for success

STATEMENT OF REPRESENTATION

TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the consolidated financial statements of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY** ***(Formerly Yehey! Corporation and Its Subsidiary)*** which are to be submitted to the Commission, I hereby represent the following:

1. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);
2. That said financial statements are presented in conformity with Philippine Financial Reporting Standards, in all cases where I shall express an unqualified opinion; except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;
3. That I shall fully meet the requirements of independence as provided under the Code of Professional Ethics for CPAs;
4. That in the conduct of the audit, I shall comply with the Philippine Standards on Auditing promulgated by the Board of Accountancy; in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion;
5. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements; and
6. That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under the Code of Professional Ethics for CPAs.

As a CPA engaged in public practice, I make these representations in my individual capacity and as a partner in the accounting firm of **VALDES ABAD & COMPANY, CPAs.**

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
BIR Accreditation No. 08-002126-000-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No.0361-F
Issued on August 23, 2018 Valid until August 22, 2021

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805, Valid until December 14, 2023
TIN No. 213-410-741-000
PTR No. 8544054, Issued Date: January 8, 2021, Makati City
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
SEC Accreditation No. 1701-A
Issued on August 23, 2018, Valid until August 22, 2021
BIR Accreditation No. 08-002126-005-2021
Issued on March 19, 2021, Valid until March 18, 2024

Makati City, Philippines
May 11, 2021

Valdes Abad & Company
(Formerly: Valdes Abad & Associates)
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partnering for success

INDEPENDENT AUDITOR'S REPORT

The Shareholders and Board of Directors
APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
(Formerly Yehey! Corporation and Its Subsidiary)
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

Opinion

We have audited the consolidated financial statements of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY** ***(Formerly Yehey! Corporation and Its Subsidiary)*** which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of income, statements of changes in equity, and statements of cash flows for the years ended December 31, 2020, 2019 and 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY** ***(Formerly Yehey! Corporation and Its Subsidiary)*** as of December 31, 2020 and 2019 and of its financial performances and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements as at and for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit and how we addressed the matter is summarized as follows:

(a) Impairment Assessment of Mine Properties

The carrying amount of mine properties amounted to ₱3.3 billion as of December 31, 2020. This represents 98% of the Group's total assets and the management assesses the impairment of its mine properties whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. This matter requires the use of significant judgments and estimates and hence, is significant to our audit.

Audit response

We reviewed management's determination of impairment indicators and management's assessment on the recoverability of mine properties. We evaluated the assumptions used by the Group which include the estimated reserves, foreign exchange rate and discount rate and compared them against available market and industry information, taking into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. We also reviewed the adequacy of the Group's disclosures in Note 5, Significant Judgment, Accounting Estimates and Assumptions, and Note 11, Mine Properties of the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.

(ii) 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 entity's internal control. In circumstances when the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor shall omit the phrase that the auditor's consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(iv) 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 entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other Matters

The consolidated financial statements of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY** ***(Formerly Yehey! Corporation and Its Subsidiary)*** for the years ended December 31, 2019 and December 31, 2018 were audited by another independent auditor whose report dated June 2, 2020 and April 12, 2019, respectively, expressed an unqualified opinion on those financial statements.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
BIR Accreditation No. 08-002126-000-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No.0361-F
Issued on August 23, 2018 Valid until August 22, 2021

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805, Valid until December 14, 2023
TIN No. 213-410-741-000
PTR No. 8544054, Issued Date: January 8, 2021, Makati City
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
SEC Accreditation No. 1701-A
Issued on August 23, 2018, Valid until August 22, 2021
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Makati City, Philippines
May 11, 2021

Securities and Exchange Commission
Electronic Records Management Division
ICTD JUN 07 2021 33
RECEIVED SUBJECT TO REVIEW OF

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Consolidated Statements of Financial Position

	Note/s		As at December 31, 2020		2019
ASSETS					
Current assets:					
Cash	9	₱	**909,057**	₱	1,284,390
Other current assets	10		**3,942,010**		3,634,557
Total current assets		₱	**4,851,067**	₱	4,918,947
Non-current assets:					
Mine properties	11	₱	**3,288,748,565**	₱	3,284,054,565
Advances to contractors	12		**44,888,691**		42,690,538
Property & equipment – net	13		**2,427,268**		1,230,174
Website costs	14		**360,777**		360,777
Deferred tax asset	21		**6,154,303**		5,431,194
Total non-current assets		₱	**3,342,579,604**	₱	3,333,767,248
TOTAL ASSETS		₱	**3,347,430,671**	₱	3,338,686,195
LIABILITIES & EQUITY					
Current liabilities:					
Accounts & other payables	15	₱	**41,576,576**	₱	40,237,120
Interest-bearing loans & borrowings – current	16		**13,950,000**		–
Advances from contractors	24		**55,151,000**		55,151,000
Total current liabilities		₱	**110,677,576**	₱	95,388,120
Non-current liabilities:					
Interest-bearing loans & borrowings – net of current portion	16	₱	**23,600,000**	₱	13,950,000
Deposits for future stock subscriptions	23		**–**		246,149,562
Advances from related parties	23		**247,924,585**		1,682,983
Total non-current liabilities		₱	**271,524,585**	₱	261,782,545
Total liabilities		₱	**382,202,161**	₱	357,170,665
Equity:					
Share capital	17	₱	**2,803,363,493**	₱	2,803,363,493
Share premium	17		**17,586,961**		17,586,961
Accumulated losses			**(101,328,091)**		(86,178,648)
Total equity attributable to Parent Company's shareholders		₱	**2,719,622,363**	₱	2,734,771,806
Non-controlling interest	6		**245,606,147**		246,743,724
Total equity		₱	**2,965,228,510**	₱	2,981,515,530
TOTAL LIABILITIES & EQUITY		₱	**3,347,430,671**	₱	3,338,686,195

See accompanying notes to the consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Consolidated Statements of Comprehensive Income

	Note/s		For the years ended December 31, 2020		2019		2018
Revenues		₱	–	₱	–	₱	–
Direct costs			–		–		–
Gross profit		₱	–	₱	–	₱	–
General & administrative costs	18		(15,734,516)		(18,982,963)		(16,039,520)
Operating loss		₱	(15,734,516)	₱	(18,982,963)	₱	(16,039,520)
Finance income	20		4,797		2,292,074		2,275,959
Finance costs	20		(1,276,450)		(2,177,028)		(600,000)
Other income (losses) – net	20		(3,960)		(969)		1,351
Loss before tax benefit		₱	(17,010,129)	₱	(18,868,886)	₱	(14,362,210)
Income tax benefit	21		723,109		1,181,491		2,028,857
Loss for the period		₱	(16,287,020)	₱	(17,687,395)	₱	(12,333,353)
Loss attributable to:							
Parent Company		₱	(15,149,443)	₱	(16,001,786)	₱	(10,195,983)
Non-controlling interests			(1,137,577)		(1,685,609)		(2,137,370)
		₱	(16,287,020)	₱	(17,687,395)	₱	(12,333,353)
Basic loss per share	22	₱	(0.00005)	₱	(0.00006)	₱	(0.00004)

See accompanying notes to the consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020, 2019 and 2018

	Equity Attributable to Parent Company's Shareholders					
	Share Capital	Share premium	Accumulated Losses	Total	Non-controlling Interests	Total Equity
Note/s	17	17			6	
Balances at January 1, 2020	**₱ 2,803,363,493**	**₱ 17,586,961**	**₱ (86,178,648)**	**₱ 2,734,771,806**	**₱ 246,743,724**	**₱ 2,981,515,530**
Loss for the period	**–**	**–**	**(15,149,443)**	**(15,149,443)**	**(1,137,577)**	**(16,287,020)**
Balances at December 31, 2020	**₱ 2,803,363,493**	**₱ 17,586,961**	**₱ (101,328,091)**	**₱ 2,719,622,363**	**₱ 245,606,147**	**₱ 2,965,228,510**
Balances at January 1, 2019	₱ 2,751,960,715	₱ 17,586,961	₱ (70,176,862)	₱ 2,699,370,814	₱ 516,036,443	₱ 3,215,407,257
Issuance during the year (see Note 16 and 17)	51,402,778	–	–	51,402,778	–	51,402,778
Additional acquisition of NCI (see Note 6)	–	–	–	–	(267,607,110)	(267,607,110)
Loss for the period	–	–	(16,001,786)	(16,001,786)	(1,685,609)	(17,687,395)
Balances at December 31, 2019	₱ 2,803,363,493	₱ 17,586,961	₱ (86,178,648)	₱ 2,734,771,806	₱ 246,743,724	₱ 2,981,515,530
Balances at January 1, 2018	₱ 2,751,960,715	₱ 17,586,961	₱ (59,980,879)	₱ 2,709,566,797	₱ 518,173,813	₱ 3,227,740,610
Loss for the period	–	–	(10,195,983)	(10,195,983)	(2,137,370)	(12,333,353)
Balances at December 31, 2018	₱ 2,751,960,715	₱ 17,586,961	₱ (70,176,862)	₱ 2,699,370,814	₱ 516,036,443	₱ 3,215,407,257

See accompanying notes to the consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Consolidated Statements of Cash Flows

			For the years ended December 31,				
	Note/s		2020		2019		2018
Cash flows from operating activities:							
Loss for the year before tax		₱	(17,010,129)	₱	(18,868,886)	₱	(14,362,210)
Adjustments for:							
Finance income	20		(4,796)		(2,292,074)		(2,275,959)
Finance costs	20		1,276,450		2,177,028		600,000
Unrealized foreign exchange loss (gain)	20		3,960		969		(1,351)
Depreciation	13		580,054		418,573		45,552
Operating loss before working capital adjustments		₱	(15,154,461)	₱	(18,564,390)	₱	(15,993,968)
Working capital adjustments:							
Decrease (Increase) in:							
Advances to contractors			(2,198,153)		(2,112,575)		(15,380,858)
Other current assets			(307,453)		(880,021)		(126,054)
Other non-current assets			–		–		153,152
Increase (Decrease) in:							
Accounts & other payables			1,339,456		(1,059,701)		(99,349)
Advances from contractors			–		3,651,000		–
Net cash used in operations		₱	(16,320,611)	₱	(18,965,687)	₱	(31,447,077)
Interest received	20		4,796		19,753		3,638
Income tax paid			–		(45,446)		(45,446)
Net cash used in operating activities		₱	(16,315,815)	₱	(18,991,380)	₱	(31,488,885)
Cash flows from investing activities:							
Additional acquisition of NCI of subsidiary	6	₱	–	₱	(267,607,110)	₱	–
Collection of:							
Loan receivable			–		254,500,000		–
Interest receivable			–		12,834,071		–
Advances to related parties	23		–		2,595,022		7,410,856
Additions to:							
Mine properties	11		(4,694,000)		(26,900,514)		(29,726,658)
Property & equipment	13		(1,777,148)		(1,573,129)		(62,223)
Website costs	14		–		(34,677)		–
Net cash used in investing activities		₱	(6,471,148)	₱	(26,186,337)	₱	(22,378,025)
Cash flows from financing activities:							
Proceeds from loans & borrowings	16, 17	₱	23,600,000	₱	63,950,000	₱	–
Repayment of loans & borrowings	23		–		(10,000,000)		–
Proceeds from (return of) deposits for future stock subscriptions	23		–		(8,077,745)		61,515,000
Availments (repayments) of advances from related parties	23		92,040		(179,981)		(7,192,215)
Interest paid	20		(1,276,450)		(774,250)		–
Net cash provided by financing activities		₱	22,415,590	₱	44,918,024	₱	54,322,785
Effects of foreign exchange rate changes on cash	20		(3,960)		(969)		1,351
Net increase (decrease) in cash		₱	(375,333)	₱	(260,662)	₱	457,226
Cash at beginning of year			1,284,390		1,545,052		1,087,826
Cash at end of period	9	₱	909,057	₱	1,284,390	₱	1,545,052

See accompanying notes to the consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Notes to the Consolidated Financial Statements

As at December 31, 2020 and 2019, and
For each of the three-years in the period ended December 31, 2020

1. Reporting Entity

1.1 Formation and Operations

APOLLO GLOBAL CAPITAL, INC. (the Parent Company or APL), formerly known as YEHEY! CORPORATION, was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) per SEC Registration No. A199806865 on June 10, 1998. Prior to the approval of the change in the corporate name and its business on October 7, 2016, the Parent Company's primary purpose is to engage in the business of internal online-related products relating to database search engine, such as, but not limited to, conceptualizing, designing, illustrating, processing and editing websites; to engage in other pre-production and postproduction work on websites in the internet; and to sell and market said products in the form of advertising of finished products in the domestic or export market.

On August 9, 2012, the SEC approved the Parent Company's application to list 27.8-billion common shares by way of introduction in the second board of the Philippine Stock Exchange (PSE) at an initial price of ₱1 per share. On October 18, 2012, the Parent Company was listed in the PSE.

As of December 31, 2014, the Parent Company is 66.95% owned by Vantage Equities, Inc. (Vantage), a company also incorporated in the Philippines and listed in the PSE. On July 7, 2015, Vantage entered into a Sale and Purchase Agreement (SPA), with third party buyers for the sale of the entire shares owned by Vantage. 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 on October 15, 2015. Accordingly, on October 15, 2015, the Parent Company ceased as a majority owned subsidiary of Vantage when Vantage sold its shares at ₱290 million to a group of individual shareholders.

Pursuant to the SPA, the Board of Directors (BOD) of the Parent Company approved on October 30, 2015 the assignment of the noncash assets and liabilities of the Parent Company to Vantage. Total amount assigned is a net liability of ₱2,693,438. Such amount was recognized as miscellaneous income in the Parent Company's 2015 separate statement of comprehensive income.

On December 7, 2015, the BOD approved the change of the Parent Company's name from YEHEY! CORPORATION to APOLLO GLOBAL CAPITAL, INC. The amendment was filed with the SEC and was approved on October 7, 2016. Along with the change in the corporate name, the Parent Company's primary purpose was likewise amended to that of a holding company which 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.

The current registered office address of the Parent Company is located at Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City.

1.2 Subsidiary Information

JDVC Resources Corporation (referred to as “JDVC” or the “Subsidiary”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 24, 2011 under SEC Reg. No. CS201120574. The Subsidiary is primarily established to carry on business of exploring, prospecting and operating mines and quarries of all kind of ores and minerals, metallic and non-metallic, such as nickel, iron, gold, copper, silver, lead, manganese, chromite, molybdenite pyrite, sulfur, silica, kaolin clay, zeolite, perlite, diatomaceous earth, diorite, basalt, gabbro, coal, hydrocarbons, oil, natural gas, etc.; filing, negotiating or applying for mineral agreements, operating agreements, mining leases, timber and water rights and surface rights, and of milling concentrating, processing, refining and smelting such minerals, and manufacturing, utilizing, trading, marketing or selling such mineral products, likewise acquiring and operating all kinds of equipment, vehicles, instruments, machineries, chemicals supplies and other logistic structures that may be vital and necessary for the furtherance of the foregoing purposes, with financial and technical assistance agreement with the government.

The Subsidiary’s principal and administrative office address is at 2nd Floor L&L Bldg., Panay Ave. Cor. EDSA, Quezon City.

The Parent Company and its subsidiary are collectively known herein as the “Group”. On February 17, 2017, the Parent Company and JDVC’s shareholders entered into a Deed of Exchange of Shares where in the former had issued 247,396,071,520 shares (par value of ₱0.01 per share) in exchange for 4,133,740 shares (par value of ₱100 per share) at an exchange price of ₱598.48 of the latter. The deed covering the transaction was approved by SEC on October 9, 2017. As a result of this transaction, the Parent Company owns 82.67% of JDVC.

In December 2019, the Parent Company purchased additional 389,530 shares of JDVC from its existing stockholders for ₱267.6 million resulting to an increase in ownership of JDVC to 90.47%.

1.3 Approval on the Release of the Consolidated Financial Statements

The accompanying consolidated financial statements of the Group as at December 31, 2020 (including comparative amounts as at December 31, 2019 and for the years ended December 31, 2019 and 2018) were approved and authorized for issue by the Board of Directors on May 11, 2021.

2. Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared using the measurement bases specified by Philippine Financial Reporting Standards (PFRS) for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

2.1 Statement of Compliance

The accompanying consolidated financial statements of the Group have been prepared in accordance with PFRS.

The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), interpretations of the Philippine Interpretations Committee (PIC), and Philippine interpretations from International Financial Reporting Interpretations Committee. These standards are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB), and approved by the Philippine Board of Accountancy (BOA).

2.2 Going Concern Assumption

The preparation of the accompanying consolidated financial statements of the Group is based on the premise that the Group operates on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business. The management does not intend to liquidate.

2.3 Functional and Presentation Currency

The consolidated financial statements are presented in Philippine Pesos (₱), the Group's functional and presentation currency.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

All values are presented in absolute amounts and are rounded off to the nearest peso except when otherwise indicated.

2.4 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company and its subsidiary, after the elimination of intercompany transactions. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The financial statements of JDVC are prepared for the same reporting period as that of the Parent Company, using consistent accounting policies.

Investment in Subsidiary
Subsidiaries are entities (including structured entities) over which the Parent Company has control. The Parent Company has control when (a) it has power over the entity, (b) it is exposed, or has rights to, variable returns from its involvement with the entity, and (c) it has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date the Company obtains control.

The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

Non-controlling Interests
Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. These are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of changes in equity. The account consists of the amount of those interests at the date of original business combination and are adjusted with their respective share in changes in equity since the date of the business combination.

Business Combinations
The acquisition method is applied to account for acquired subsidiaries. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Company, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities, including contingent liabilities, assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquire, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, either in profit or loss or as a change to other comprehensive income (OCI). Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree over the acquisition-date fair value of identifiable net assets acquired is recognized as goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly as gain in profit or loss.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition-date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill is tested annually for impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

<u>Transactions with Non-controlling Interests</u>
The Group's transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments to non-controlling interests results in gains and losses for the Group that are also recognized in equity.

<u>Loss of Control and Disposal of Subsidiaries</u>
When the Group ceases to have control over a subsidiary, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in OCI are reclassified to profit or loss.

3. Changes in Accounting Policies

The Group's accounting policies are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements:

3.1 New and Amended Standards Effective in 2020

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning January 1, 2020:

a.) Conceptual Framework for Financial Reporting
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements of any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

b.) PFRS 3 (amendments), *Business Combinations – Definition of a Business*.
The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

c.) PAS 1 (amendments), *Presentation of Financial Statements*, and PAS 8 (amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*.
The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgments.

An entity applies those amendments prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

d.) PFRS 9, PAS 39 and PFRS 7 (amendments), *Interest Rate Benchmark Reform*.
The amendments will affect entities that apply the hedge accounting requirements of PFRS 9 or PAS 39 to hedging relationships directly affected by the interest rate benchmark reform. The amendments modify specific hedge accounting requirements, so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform.

An entity applies those amendments prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

e.) IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 (amendments), *References to the Conceptual Framework in IFRS Standards.*
The pronouncements are updated to indicate which version of the framework they are referencing to or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

An entity applies those amendments prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

3.2 New and Amended Standards Effective Subsequent to 2020 but not Early Adopted

Pronouncements issued but not yet effective as at December 31, 2020 are listed below. The Group intends to adopt the following pronouncements when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new pronouncements to have a significant impact on the consolidated financial statements.

<u>Effective beginning on or after June 1, 2020</u>

a.) PFRS 16 (amendments), *Leases – COVID-19 Related Rent Concessions.*
The amendments introduce an optional practical expedient that simplifies how the lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The practical expedient applies if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before June 30, 2021; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose that fact, whether they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and the amount recognized in profit or loss for the reporting period arising from application of the practical expedient. No practical expedient is provided for lessors.

The amendment is effective for annual reporting period beginning on or after June 1, 2020. Early application is permitted. A lessee applies the amendments retrospectively, recognizing the cumulative effect of the amendments as the adjustment to the opening balance of the accumulated profits or other component of equity, as appropriate.

<u>Effective beginning on or after January 1, 2021</u>

a.) PFRS 9, PFRS 7, PFRS 4 and PFRS 16 (amendments), *Interest Rate Benchmark Reform – Phase 2*
The amendments provide in the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):
- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform;
- Relief from discontinuing hedging relationships;
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The Group shall also disclose information about:
- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and,
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition.

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and must be applied retrospectively.

<u>Effective beginning on or after January 1, 2022</u>

a.) PFRS 3 (amendments), *Reference to the Conceptual Framework.*
The amendments are intended to replace a reference to the Framework for the *Preparation and the Presentation of Financial Statements*, issued in 1989, with reference to the conceptual framework for Financial Reporting issued in March 2018 without significantly changing its requirements. An exception to the recognition principle if PFRS 3 was added to avoid the issue of potential “day 2” gains or losses arising from liabilities and contingent liabilities that would be in the scope of PAS 37 or IFRIC 21 *Levies,* if incurred separately.

At the same time, the existing guidance in PFRS 3 for contingent assets that would not be affected was clarified by replacing the reference to the Framework for the *Preparation and Presentation of the Financial Statements*. The amendments are effective for annual reporting period beginning on or after January 1, 2022 and apply prospectively.

The Group is currently assessing the impact of adopting these amendments.

b.) PAS 16 (amendments), *Property, Plant and Equipment – Proceeds before Intended Use.*
The amendments prohibit the Group from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location

and condition necessary for it to be capable of operating in the manner intended by the management. Instead, the Group recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual reporting period beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the earliest period presented when the Group first apply the amendment.

These amendments are not expected to have a material impact on the consolidated financial statements of the Group.

c.) PAS 37 (amendments), *Onerous Contracts – Cost of Fulfilling a Contract.*
The amendments specify which costs an entity needs to include in assessing whether a contact is onerous or loss-making. The amendments apply a "directly related cost approach." The costs that relate directly to a contract to provide goods or services include both incremental cost and allocation of costs directly related to contract activities. General and administrative costs that do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning January 1, 2022. The Group will apply the amendments to contracts which it has not yet fulfilled its obligations at the beginning of the annual reporting period in which it first applies its amendments.

<u>Effective beginning on or after January 1, 2023</u>

a.) PFRS 17, *Insurance Contracts*.
PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

b.) PAS 1 (amendments), *Classification of Liabilities as Current or Non-current.*
The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any assets, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of "settlements" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

Deferred

a.) PFRS 10 (amendments), *Consolidated Financial Statements*, and PAS 28 (amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.
The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3.3 Annual Improvements to PFRS

The annual improvements to PFRSs contain non-urgent but necessary amendments to PFRSs.

2018 to 2020 Cycle
The Annual Improvements to PFRSs (2018-2020 Cycle) are effective for annual periods beginning on or after January 1, 2022, with retrospective application.

a.) PFRS 1, *Subsidiary as a First-Time Adopter*.
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1: D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PRFS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1: D16 (a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

b.) PFRS 9 (amendments), *Financial Instruments – Fees in the '10 per cent' Test for the Derecognition of the Financial Liabilities.*
The amendment clarifies the fee that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to the financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the consolidated financial statements.

b.) PAS 41 (amendments), *Agriculture – Taxation in Fair Value Measurements.*
The amendments removed the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the consolidated financial statements.

4. Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of the consolidated financial statements are summarized below and have been applied consistently to all years presented, unless otherwise stated.

4.1 Current versus Non-current Classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current or non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or,
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is:

- Expected to be settled in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period; or,
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other assets and liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

4.2 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Executive Committee (ExeCom), its chief operating decision-maker. The ExeCom is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's main service lines as disclosed in Note 6, which represent the main services provided by the Group.

Each of these operating segments is managed separately as each of these service lines require different resources as well as marketing approaches. All intersegment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, *Operating Segments*, are the same as those used in its consolidated financial statements.
There have been no significant changes from prior periods in the measurement methods used to determine reported segment profit or loss.

4.3 Cash

Cash includes cash on hand and in banks. It is unrestricted in use and is measured at face value. Cash in banks earns interest at the prevailing bank deposit rates.

4.4 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or,
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of observable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

Level 1	:	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	:	Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3	:	Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring and non-recurring fair value measurements.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.5 Financial Instruments

A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date on which the Group commits to purchase or sell the assets.

"Day 1" Difference
When the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

Initial Recognition
The Group initially measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at transaction price determined under PFRS 15.

Classification and Subsequent Measurement of Financial Assets
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI or FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments);
- Financial assets at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss (debt instruments);
- Financial assets designated at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss (equity instruments); or,
- Financial assets at FVPL

Financial Assets at Amortized Cost. The Group measures financial assets at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method, less any impairment in value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at amortized cost includes cash, and security and bond deposits.

Security and Bond Deposits. These are refundable, noninterest-bearing and unsecured amounts upon the termination of contracts with lessors and utilities companies or the performance of commitments covered by certain provisions of contracts.

Financial Assets at FVOCI – Debt Instruments. The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

These financial assets are subsequently measured at fair value. Gains and losses arising from changes in fair value are included in OCI within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit or loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost.

Financial Assets at FVOCI – Equity Instruments. The Group may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. The classification is determined on an instrument-by-instrument basis.

Gains or losses on these financial assets are never recycled to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial Assets at FVPL. Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of comprehensive income.

As of reporting date, the Group does not have any financial assets at FVPL, or any debt or equity instruments at FVOCI.

Classification and Subsequent Measurement of Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL or financial liabilities at amortized cost.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual agreement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

After initial recognition, financial liabilities at amortized cost are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statements of comprehensive income.

Financial liabilities at amortized cost include accounts & other payables, and loans & borrowings.

Accounts & Other Payables. Accounts and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Loans & Borrowings. Loans and other similar borrowings are raised for funding support of operations or projects.

Financial Liabilities at FVPL. Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of comprehensive income.

A financial liability may be designated at FVPL if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch);
- a host contract contains one or more embedded derivatives; or,
- a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVPL, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in OCI.

The Group has not designated any financial liability at FVPL. As of reporting date, the Group has no financial liability at FVPL.

Reclassification of Financial Instruments

The Group reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Group and any previously recognized gains, losses or interest shall not be restated. The Group does not reclassify its financial liabilities.

Classification of Financial Instruments Between Debt and Equity

Financial instruments are classified as debt or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as debt, if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

<u>Derecognition</u>
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:
- the rights to receive cash flows from the asset have expired;
- the Group 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 Group 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.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations of that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognized when the obligation under the financial liability is discharged or cancelled or has 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 financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

<u>Offsetting Financial Instruments</u>
Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assess that it has a currently enforceable right to offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

4.6 Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are stated at the lower of cost and net realizable value (NRV). Cost is calculated using the weighted average method. NRV represents the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When the NRV of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in profit or loss. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are used and sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

4.7 Mine Properties

Mine properties consist of mineral assets, mining development costs, and patent.

Mineral Assets
Mineral assets include costs incurred in connection with acquisition of rights over mineral resources. Rights over mineral resources, which are measured, indicated or inferred, are capitalized as part of mineral assets on explored resources if the resources are commercially producible and that geological data demonstrate, with a specified degree of certainty, that recovery in future years is probable.

Mineral assets are subject to depletion upon the commencement of production on a unit-of-production method, based on proven and probable resources. Costs used in the unit of production calculation comprise the net book value of capitalized costs plus the estimated future development costs. Changes in the estimates of mineral resources or future development costs are accounted for prospectively.

Mining Development Costs
Exploration and Evaluation Assets. Exploration and evaluation assets include costs incurred in connection with exploration activities. Exploration and evaluation assets are carried at cost less accumulated impairment losses.

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource. It includes:
- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and,
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Mine Under Development. Once the technical feasibility and commercial viability of extracting the resources are demonstrable, exploration and evaluation assets are tested for impairment and reclassified to mine under development, a subcategory of mine properties.

After transfer of the exploration and evaluation assets, all subsequent expenditures on the construction, installation or completion of infrastructure facilities is capitalized in mines under development. Development expenditure is net of proceeds from the sale of minerals extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if these are functioning as intended, are capitalized, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognized in the consolidated statements of comprehensive income.

Producing Mines. Upon start of commercial operations, mine under development are reclassified as part of producing mines, a subcategory of mine properties. These costs are subject to depletion, which is computed using the units-of-production method based on proven and probable resources, which is reviewed periodically to ensure that the estimated depletion is consistent with the expected pattern of economic benefits from the mine properties.

Patent
Patent includes directly attributable costs incurred to acquire or obtain the rights to the use of the siphon vessel for the Group's offshore mining and/or incidental costs related to the registration and protection of a patent.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually either individually or at the cash generating unit level. The useful life of an intangible asset is assessed as indefinite if it is expected to contribute net cash inflows indefinitely and is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

4.8 Property and Equipment

These are tangible assets that are held for use in production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period.

Initial Recognition
The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use and any estimated costs of dismantling and removing the property and equipment item and restoring the site on which it is located to the extent that the Group had recognized the obligation to that cost.

Subsequent Expenditures
Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged against operations in the period which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Subsequent Measurement
Property and equipment accounted for under the cost model and are stated at cost less accumulated depreciation and depletion and any impairment in value.

Depreciation and Depletion Method
Depletion or amortization of mine and mining properties is calculated using the units-of-production method based on estimated recoverable resources. Depreciation of other property and equipment is computed using the straight-line method to allocate their cost over their EUL or mine life, whichever is shorter, as follows:

Asset	Estimated Useful Life
Office furniture & equipment	3 years
Motor vehicles	3-5 years

Depreciation or depletion of an item of property and equipment begins when it becomes available for use i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation or depletion ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

The estimated recoverable resources, EUL, and depreciation and depletion method are reviewed periodically to ensure that the period and method of depreciation and depletion are consistent with the expected pattern of economic benefits from items of property and equipment.

Derecognition
Full depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation and depletion is charged against current operations. When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and depletion and accumulated impairment loss, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

4.9 Other Assets

Other assets mainly consist of prepayments and other prepaid expenses. Other assets are carried at cost. Other assets that are expected to be realized within 12 months after reporting date are classified as current assets. Otherwise, these are classified as non-current assets.

4.10 Impairment of Assets

If an asset's carrying amount is higher than its recoverable amount, the asset is judged to have suffered an impairment loss. The asset shall therefore be written-down to its recoverable amount and the difference shall be reported as impairment loss chargeable against operations during the period the loss was recognized.

Financial Assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are also recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

The Group applies a simplified approach in calculating ECLs for trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial Assets
The Group assesses at each reporting date whether there is an indication that its non-financial assets (e.g., property and equipment, investment properties, and intangible assets) may be impaired. If any

such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is calculated as the higher of the asset's or CGU's fair value less costs to sell and it value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In determining fair value less costs to sell, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators. 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 expense categories of profit or loss consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any 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 accumulated depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss 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.

<u>Mine Properties</u>
An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess if fully provided against, in the financial reporting period in which this is determined.

Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- The period for which the Group has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed;
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- When a service contract where the Group has participating interest in is permanently abandoned; and,
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Mine properties are reassessed for impairment on a regular basis.

4.11 Other Liabilities

Other liabilities mainly consist of statutory payables. Other liabilities that are expected to be earned or settled within 12 months after reporting date are classified as current liabilities. Otherwise, these are classified as non-current liabilities.

4.12 Value-Added Tax (VAT)

Revenues, expenses, assets and liabilities are recognized net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

Output tax pertains to the 12% VAT received or receivable on the local sale of goods or services by the Group. Input tax pertains to the 12% VAT paid or payable by the Group in the course of its trade or business on purchase of goods or services. At the end of each taxable period, if output tax exceeds input tax, the outstanding balance is paid to the taxation authority. If input tax exceeds output tax, the excess shall be carried over to the succeeding months.

4.13 Deposits for Future Stock Subscriptions

Deposits for future subscription of the Company's shares are amounts received based on a Subscription Agreement, where the Company shall issue a fixed number of its own shares for a fixed amount of cash or property, and the Company shall not be contractually obligated to return these deposits to the subscribers. The deposits are recorded based on the amounts received from subscribers.

Pursuant to SEC Financial Reporting Bulletin 006 (the Bulletin), as revised, the Deposits for Future Subscription shall be classified as equity if, and only if, all of the following elements are present as of the end of the reporting periods:

- The unissued authorized share capital of the Company is insufficient to cover the amount of shares indicated in the contract;
- There is BOD approval on the proposed increase in authorized share capital (for which a deposit was received by the Corporation);
- There is shareholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

If Deposits for future subscription fails to qualify as equity, it shall be classified as a liability.

4.14 Equity

Equity is the residual interest in the assets of the Group after deducting all of its liabilities. It is increased by profitable operations and contribution by owners but is decreased by unprofitable operations and distribution to owners.

<u>Share Capital and Share Premium</u>
Share capital is measured at par value for all shares issued. Incremental costs directly attributable to the issue of new shares are shown in equity as a reduction from proceeds, net of tax. Proceeds and/or fair value of consideration received in excess of par value are recognized as share premium.

<u>Accumulated Profits (Losses)</u>
Accumulated profits (losses) represent the cumulative balance of net profit or loss, dividend distributions, effect of changes in accounting policy and other capital adjustments. These represent unrestricted earnings which can be declared as dividends to shareholders.

<u>Dividend Distribution</u>
Dividend distribution to the Parent Company's shareholders is recognized as a liability and deducted from equity in the period in which the dividends are declared and approved by the BOD. Dividends that are approved after the reporting period are disclosed as events after the end of the reporting period.

4.15 Revenue Recognition

Revenue from Contracts with Customers

The Group is in the business of exploration and mining. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

To determine whether to recognize revenue, the Group follows a five-step process:

1. identifying the contract with a customer:
2. identifying the performance obligation;
3. determining the transaction price;
4. allocating the transaction price to the performance obligations; and,
5. recognizing revenue when/as performance obligations are satisfied.

For Step 1 to be achieved, the following gating criteria must be present:

i. the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
ii. each party's rights regarding the goods or services to be transferred or performed can be identified;
iii. the payment terms for the goods or services to be transferred or performed can be identified;
iv. the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract; and,
v. collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the Group satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

i. the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
ii. the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
iii. the Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

The transaction price allocated to the performance obligations satisfied at a point in time is recognized as revenue when control of goods or services transfers to the customer. As a matter of accounting policy when applicable, if the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 5.

Sale of Mineral Products. Revenue from sale of mineral products is measured based on shipment value price, which is based on quoted metal prices in the London Metals Exchange (LME) and London Bullion Metal Association (LBMA) and weight and assay content, as adjusted for smelting charges to reflect the NRV of mineral products inventory at the end of the financial reporting period. Contract terms for the Group's sale of metals in concentrates and bullion allow for a price adjustment based on final assay results of the metal content by the customer. Income is recognized upon actual shipment of mineral products.

Interest Income. Interest income is recognized as the interest accrues using the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount.

Contract Balances

Receivable from Customers. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

4.16 Cost and Expense Recognition

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

Costs and expenses are recognized in profit or loss in the consolidated statements of comprehensive income:

- on the basis of a direct association between the costs incurred and the earning of specific items of income;
- on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or,
- immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the consolidated statements of financial position as an asset.

Production Costs and Excise Taxes

Production costs, which include all direct materials, power and labor costs, handling, hauling and storage, and other costs related to the mining and milling operations, and all direct expenses incurred for logistics and storeroom costs for mine and mining inventories, are expensed as incurred. Excise taxes pertain to the taxes paid or accrued by the Group for its legal obligation arising from the production of mineral products and are likewise expense when incurred.

Selling, Administrative, and Other Operating Expenses

Selling expenses are costs incurred to sell or distribute inventories. Administrative expenses normally include costs of administering the business as incurred by administrative departments. Other operating expenses are costs incurred other than for selling or administrative purposes.

4.17 Leases

The Group assesses at inception of contract whether a contract is, or contains, a lease. That is, if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Group as Lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of cost to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Lease liabilities. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense (unless they are incurred to produce inventories) in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the date of initial application. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets. The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.18 Employee Benefits

Employee benefits are all forms of consideration given by the Group in exchange for services rendered by employees or for the termination of employment.

Short-term Benefits
These benefits are recognized as expense in the period when the economic benefit is given or as an asset when such costs may be capitalized and is measured at an undiscounted basis. These include salaries, wages and social security contributions, leave entitlement, profit-sharing, bonuses, and other non-monetary benefits.

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Termination Benefits
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the Group's decision to terminate an employee's

employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefit, short-term employee benefits, or other long-term employee benefits.

Retirement Benefits

The Group does not have a defined contribution plan or any formal retirement plan that covers the retirement benefits of its employees. However, under the existing regulatory framework, Republic Act No. 7641, otherwise known as the *Philippine Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining agreement and other agreements shall not be less than those provided under law. The law does not require minimum funding of the plan.

Republic Act No. 7641 relates to a defined benefit plan. A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Group. The Group's defined benefit post-employment plan covers all regular full-time employees.

4.19 Borrowing Costs

Borrowing costs directly attributable to the development of the Group's projects that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.20 Income Tax

Income tax expense is composed of current and deferred tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or in OCI, in which case it is recognized in equity or OCI.

Current Tax

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 have been enacted or substantively enacted as of the reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The current tax assets included in other current assets (presented as prepayments) and current tax liabilities presented as current tax payable are presented at gross amounts in the consolidated statements of financial position.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except;

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of taxable temporary differences associated with investments in subsidiaries and associates and interest in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and by the parent, venture or investor, respectively, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences the carry-forward benefits of unused tax credits and any unused tax losses from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO) to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward benefits of unused tax credits and unused tax losses can be utilized except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply 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 as at the reporting date.

Deferred tax relating to items recognized in OCI account are included in OCI account in the consolidated statements of comprehensive income and not in profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and levied by the same taxation authority.

4.21 Earnings per Share (EPS) Attributable to Equity Holders

Basic EPS is computed by dividing net profit or loss for the year attributable to common equity holders of the parent, after recognition of the dividend requirement of preferred shares, as applicable, by the weighted average number of issued and outstanding common shares during the year, after giving retroactive effect to any stock dividends declared during the year.

Diluted EPS is computed by dividing net profit or loss for the year attributable to common equity holders of the parent by the weighted average number of issued and outstanding common shares during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an anti-dilutive effect on EPS.

The Group has no dilutive potential common shares outstanding.

4.22 Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and, a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented as part of profit or loss in the statement of comprehensive income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

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

4.23 Foreign Currency Transactions and Translation

Transactions denominated in foreign currency are recorded in functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of transaction. Monetary assets and monetary liabilities denominated in foreign currencies are translated using the closing exchange rate at the reporting date. All differences arising from settlement or translation are recognized in profit or loss in the consolidated statements of comprehensive income. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.24 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the Group and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include:

a.) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group;
b.) associates;
c.) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and,
d.) the Group's retirement plan.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

4.25 Events after the Reporting Period

Post year-end events that provide additional information about the Group's financial position at the reporting period (adjusting events), if any, are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

5. Significant Accounting Estimates and Judgments

The preparation of the consolidated financial statements in accordance with PFRS requires the Group to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

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.

5.1 Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the consolidated financial statements:

a.) *Assessing Significant Influence and Control*
Judgment is exercised in determining whether the Group has control or significant influence over an entity. In assessing each interest over an entity, the Group considers voting rights, representation on the board of directors or equivalent governing body of the investee, participation in policy-making process and all other facts and circumstances, including terms of any contractual arrangement.

Management has assessed the level of influence the Parent Company has on JDVC and determines that it has control by virtue of the Parent Company holding 90.47% voting power over JDVC.

b.) *Accounting for Lease Commitments – Group as Lessee*
The Group has a lease agreement for its office space with a term of 12 months and is renewable upon mutual agreement of both parties. The Group recognizes ROU assets and lease liabilities measured at the present value of lease payments to be made over the lease term using the Group's incremental borrowing rate. The Group availed of exemption for short-term leases with term of 12 months or less. Accordingly, lease payments on the short-term lease are recognized as expense on a straight-line basis over the lease term.

Rent expense arising from operating lease agreements amounted to ₱0.8-million, ₱0.7-million, and ₱0.8-million in 2020, 2019 and 2018, respectively (see Note 18).

c.) *Determining Costs to Capitalize as Mine Properties*
The capitalization of mine properties requires judgment in determining whether there are future economic benefits from future exploration or sale of resources. It requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, recovery of such expenditure becomes unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

d.) *Assessing Production Start Date*
The Group assesses the stage of each mine development project to determine when a mine moves into the production stage. The criteria to assess the start date of a mine are determined based on the unique nature of each mine development project. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production phase.

Some of the criteria include, but are not limited to the following:

- The level of capital expenditure compared to construction cost estimates;
- Completion of a reasonable period of testing of the property and equipment;
- Ability to produce ore in saleable form; and,
- Ability to sustain ongoing production of ore.

When a mine development project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for capitalizable costs related to mine property additions or improvements, mine development or mineable reserve development. It is also at this point that depreciation or depletion commences.

e.) *Repairs and Maintenance*
Costs of repairs and maintenance that do not result in an increase in the future economic benefit of an item of property and equipment is charged to operations in the period it is incurred. Otherwise, it is capitalized as part of the asset.

5.2 Estimates and Assumptions

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a.) *Fair Values of Financial Instruments*
PFRS requires that financial assets and financial liabilities be carried or disclosed at fair value, which requires the use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, and volatility rates), the amount of changes in fair value would differ if the Group utilized different valuation methodologies. Any change in the fair values of financial assets and financial liabilities directly affects profit or loss, equity, and the required disclosures.

Where the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from active markets, their fair values are determined using valuation techniques that are generally-accepted market valuations including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values.

The fair values of financial assets and financial liabilities by category and their fair value hierarchy are set out in Note 24 to the financial statements.

b.) *Estimating Mineral Reserves and Resources*
Mineral reserves and resources estimate for development projects are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, estimated climatic, conditions and other factors. Proven resources estimates are attributed to future development projects only where there is a significant commitment to project funding and extraction and for which applicable governmental and regulatory approvals have been secured or are reasonably certain to be secured. All proven reserve estimates are subject to revision, either upward or downward, based on new information, such as from block grading and production activities or from changes in economic factors including product prices, contract terms or development plans.

Estimates of resources for undeveloped or partially developed area are subjected to greater uncertainty over their future life than estimates of resources for areas that are substantially developed and depleted. As an area goes into production, the number of proven resources will be subject to future revision once additional information becomes available. As those areas are further developed, new information may lead to revisions. The estimated recoverable resources are used in of life of mine and forecasting the timing of the payment of provision for mine rehabilitation and decommissioning.

Depletion of mining property is computed based on ore extraction over the estimated volume of proved and probable ore resources as estimated by the geologists. The Group recognized no depletion cost for years 2020, 2019 and 2018 since no production has yet been made.

c.) *Assessing Unit-of-Production Depletion*
Estimated recoverable resources are used in determining the depletion of mine properties. This results in a depletion charge proportional to the depletion of the anticipated remaining mine life. Each item's life, which is assessed annually, has regard to both physical life limitations and to present assessments of economically recoverable resources of the mine property at which the asset is located. The calculations require the use of estimates for future capital expenditure. The Group uses the tons of minerals produced as the basis for depletion. Any change in estimates is accounted for prospectively.

d.) *Estimating Impairment of Mine Properties*
The Group assesses impairment on mine properties when facts and circumstances suggest that the carrying amount of mine properties may exceed its recoverable amount. The factors that the Group considers important which could trigger an impairment review include the following:

- A significant decline in the market capitalization of the entity or other entities producing the same commodity;
- A significant deterioration in expected future commodity prices;
- A large cost overrun on a capital project such as an overrun during the development and construction of a new mine;
- A significant revision of the life of mine plan; and,
- Adverse changes in government regulations and environmental law, including a significant increase in the tax or royalty burden payable by the mine.

In the event that the carrying amount of mine properties exceed its recoverable amount, an impairment loss will be recognized in profit or loss. Reductions in price forecasts, amount of recoverable mineral reserves and mineral resources, and/or adverse current economics can result in a write-down of the carrying amounts of the Group's mine properties.

Management has assessed that there are no indicators of impairment on the Group's mine properties. Accordingly, no impairment loss was recognized in 2020, 2019 and 2018. The carrying amount of mine properties amounted to ₱3,288.7-million as at December 31, 2020 and ₱3,284.1-million as at December 31, 2019 (see Note 11).

e.) *Estimating Residual Values and Useful Lives of Property and Equipment*
The Group estimates residual values and useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that the future results of operations could be materially affected by changes in estimates brought by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded expenses and decrease non-current assets.

Related depreciation charged for the years 2020, 2019 and 2018 amounted to ₱580,054, ₱418,573 and ₱45,552, respectively. The carrying amounts of property and equipment amounted to ₱2,427,268 and ₱1,230,174 as at December 31, 2020 and 2019, respectively (see Note 13).

f.) Impairment of Non-financial Assets
The Group assesses impairment on its non-financial assets and considers factors such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, a drop in revenues or other external indicators.

If such indicators 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 asset's fair value less cost to sell or value in use whichever is higher. The fair value less cost to sell 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 be generated from the continued use of the asset.

Determining the recoverable amounts of the non-financial assets, which involve determination of future cash flows expected to be generated from continued use and ultimate disposition of such assets, require the use of estimates and assumptions that can materially affect the financial statements. Future events could indicate that these non-financial assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and performance of the Group.

g.) Realizability of Deferred Tax Assets
The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces the amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized in the future. The amount of deferred tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

The Group's deferred tax asset amounted to ₱6,154,303 and ₱5,431,194 as of December 31, 2020 and 2019, respectively (Note 21).

6. Business Combination

On 17 February 2017, the Board of Directors of APL approved the subscription by certain individuals (the "Subscribers") to a total of 247,396,071,520 APL shares (the "subscription shares") to be issued out of the proposed increase of APL's capital stock in exchange for the assignment of the subscribers' 4,133,740 JDVC Resources Corporation ("JDVC") common shares to APL representing 82.67% of the outstanding capital stock of JDVC (the "share swap transaction").

The transfer value of the JDVC shares at ₱598.48 per share or an aggregate transfer value of ₱2,473,960,715.20 is based on the appraised value of JDVC's net assets at business combination date.

A deed of exchange and an amended deed of exchange covering the share swap transaction was entered into by APL and the subscribers on 17 February 2017 and 18 May 2017, respectively. The aforesaid increase in APL's capital stock and the above subscriptions (share swap transaction) was approved by the SEC on October 9, 2017.

Acquisition of Non-controlling Interests
On December 10, 2019, the BOD approved the additional acquisition of 389,530 shares from existing stockholders of JDVC for ₱267.6 million. As a result, the Parent Company has 90.47% ownership of JDVC as at December 31, 2019 and no subsequent movement for the year ended December 31, 2020.

7. Subsidiary with Material Non-controlling Interests

In determining whether an NCI is material to the Parent Company, management employs both quantitative and qualitative factors to evaluate the nature of, and risks associated with, the Parent Company's interests in these entities, and the effects of those interests on the Parent Company's financial position. Factors considered include, but not limited to, carrying value of the subsidiary's NCI relative to the NCI recognized in the Parent Company's consolidated financial statements, the subsidiary's contribution to the Parent Company's consolidated revenues and net income, and other relevant qualitative risks associated with the subsidiary's nature, purpose and size of activities.

Based on management's assessment, the Group has concluded that JDVC is considered a subsidiary with NCI that is material to the Parent Company.

The ability of the subsidiary to pay dividends or make other distributions or payments to their shareholders (including the Parent Company) is subject to applicable law and other restrictions contained in financing agreements, shareholder agreements and other agreements that prohibit or limit the payment of dividends or other transfers of funds.

The summarized financial information of JDVC is presented below, before inter-company eliminations but after consolidation adjustments for goodwill, other fair value adjustments on acquisition and adjustments required to apply uniform accounting policies at group level.

	2020	2019
Equity share held by NCI	**9.53%**	9.53%
Summarized Statements of Financial Position:		
Current assets	**2,365,089**	2,734,402
Non-current assets	**841,142,623**	833,669,240
Current liabilities	**113,962,037**	104,571,238
Non-current liabilities	**269,749,562**	260,099,562
Total Equity	**459,796,113**	471,732,842
Equity attributable to Parent Company shareholders	**214,189,966**	224,989,118
Equity attributable to NCI	**245,606,147**	246,743,724
Summarized Statements of Comprehensive Income:		
Revenues	**-**	-
Net loss	**(11,936,729)**	(10,866,738)
Loss attributable to Parent Company shareholders	**(10,799,152)**	(9,181,129)
Loss attributable to NCI	**(1,137,577)**	(1,685,609)
Dividends declared to NCI	**-**	-
Dividends paid to NCI	**-**	-
Summarized Statements of Cash Flows:		
Operating activities	**(11,906,884)**	(14,316,262)
Investing activities	**(5,062,142)**	4,627,656
Financing activities	**16,585,035**	9,809,723
Effects of changes in foreign exchanges rates in cash	**(3,960)**	(969)
Net increase (decrease) in cash	**(387,951)**	120,148

8. Segment Information

The Group has only one business segment which is primarily involved in mining. The Group operates in one geographic location only and therefore, no information on geographical segment is presented.

9. Cash

This account consists of:

		2020		2019
Petty cash fund	₱	**20,000**	₱	20,000
Cash in banks		**889,057**		1,264,390
Total	₱	**909,057**	₱	1,284,390

Cash in banks are demand deposit accounts in various universal banks that generally earn interest at their respective daily bank deposit rates.

Interest income earned from cash in banks amounted to ₱4,797, ₱19,753 and ₱3,638 for the years ended December 31, 2020, 2019 and 2018 (see Note 20).

Included in cash in banks are amounts in US dollar. The Group recognized unrealized foreign exchange gains (losses) in profit or loss arising from foreign exchange translation at year-end spot rates (see Note 20).

10. Other Current Assets

This account consists of:

		2020		2019
Input taxes	₱	**2,582,729**	₱	2,325,276
Prior year's excess credit		**1,237,509**		1,237,509
Security deposit		**71,772**		71,772
Construction bonds		**50,000**		–
Total	₱	**3,942,010**	₱	3,634,557

Input tax is the 12% value added tax (VAT) on purchase of goods or services in the course of its trade or business. At the end of each taxable period, input tax can be applied against output tax.

Prior year's excess credits represent excess tax payments and credits over tax liabilities of the immediately preceding taxable period which may be refunded, converted to tax credit certificates, or carried over to the next taxable year.

Security deposits represent noninterest-bearing deposits made on lease and are usually refundable after the end of contract or services less any charges. Construction bonds represent noninterest-bearing bonds that are used to secure against damages during construction and will be refundable after the end of construction, net of any charges.

11. Mine Properties

The carrying amount of this account is as follows:

		Mineral Assets		Mining Development Costs		Patent		Total
Cost:								
As at December 31, 2018	₱	2,500,098,008	₱	668,056,043	₱	89,000,000	₱	3,257,154,051
Additions		–		26,900,514		–		26,900,514
As at December 31, 2019	₱	2,500,098,008	₱	694,956,557	₱	89,000,000	₱	3,284,054,565
Additions		–		4,694,000		–		4,694,000
As at December 31, 2020	**₱**	**2,500,098,008**	**₱**	**699,650,557**	**₱**	**89,000,000**	**₱**	**3,288,748,565**

JDVC was granted by the Department of Environment and Natural Resources (DENR) a Mineral Production Sharing Agreement (MPSA) No. 338-2010-II-OMR covering an area of approximately 14,240 hectares (ha) located within the municipal waters of the Municipalities of Sanchez Mira, Pamplona, Abulug, Ballesteros, Appari, Buguey, and Gonzaga, in the Province of Cagayan for a term of 25 years and renewable for another 25 years.

Originally, the MPSA was granted to Bo Go Resources Mining Corporation (Bo Go) on June 9, 2010. On November 25, 2011, Bo Go executed a deed of assignment (DOA) to transfer to JDVC all its rights and interest in and title to the MPSA. On January 27, 2012, the DOA was approved by the Mines and Geosciences Bureau (MGB) and was duly approved a year after, January 25, 2013, by the DENR.

The DOA, as approved, carries with it the responsibility to implement the Exploration Work Program and the Environmental Work Program which were eventually taken over by JDVC, as well as the submission of the regular Technical/Progress Reports. The Environmental Impact Assessment likewise was completed and presented to the various municipalities and stakeholders in the Province of Cagayan. After the approval of the DENR, pursuant to the agreement, the Subsidiary proceeded to do the Technical or Progress Report Exploration, Environmental Work Programs and Exploration Work Programs.

JDVC, through a DOA, transferred all rights and interest in the 2,400-ha portion of the MPSA No. 338-2010-II-OMR to Sanlorenzo Mines, Inc. The DOA was approved by the DENR on May 20, 2016. The remaining 11,840-ha was redenominated as MPSA No. 338-2010-II-OMR-Amended A.

On March 14, 2017, 3,161.84-ha of the remaining 11,840 ha were relinquished by JDVC in favor of the Government.

On August 9, 2017, the Subsidiary executed DOAs, which was registered with the DENR on April 2, 2018, assigning portion of MPSA No. 338-2010-II-OMR-Amended A as follows:

	Area Assigned (in ha)
Catagayan Iron Sand Mining Resources Corp.	3,182.78
Cagayan Ore Metal Mining Exploration Corp.	2,149.85
Catagayan Mining Resources (Phils.) Inc.	1,448.51

These companies were all incorporated in the Philippines and registered with the SEC on July 1, 2016, primarily to engage on the business of exploring, prospecting and operating mines and quarries of all kind of ores and minerals.

On August 6, 2019, the Declaration of Mining Project Feasibility filed by JDVC last May 25, 2016, was approved by the DENR authorizing JDVC to proceed with the Development and Operating Periods of MPSA No. 338-2010-II-OMR-Amended A covering the 4,999.24-ha, including extraction and commercial disposition of magnetite iron sand and other associated minerals at the offshore areas in the Province of Cagayan.
As at December 31, 2020, only 1,897.02-ha remains from contract area of the MPSA No. 338-2010-IIOMR-Amended A which has been fully explored since 2017.

Mineral Assets
Mineral assets pertain to the acquisition cost of the rights over mineral resources represented by the excess of the fair value of shares issued by the Parent Company over the carrying amount of the net assets of JDVC when the Parent acquired 82.67% ownership JDVC.

Patent
Patent was acquired by Agbiag Mining Development Corporation (Agbiag) for the siphon vessel used in the exploration of the mining in Cagayan. Agbiag allows the Group to use its research, study and intellectual property right on a non-exclusive basis, for the duly researched and studied siphon vessel for the offshore magnetite iron sand commercial extraction through a MOA signed on September 2014.

The Group has an outstanding liability to Agbiag amounting to ₱37.5-million as at reporting dates (see Note 15).

Mining Development Costs

Mining development costs include the costs incurred in the exploration and evaluation phase of mining. Such costs consist of expenditures related to the exploration of the mines, drilling activities, and other direct costs related to the exploration activities. The recovery of these costs depends upon the success of the exploration activities, the future development of the corresponding mining properties and the extraction of mineral products as these properties shift into commercial operations.

The exploration activities for the mine area of the Group were completed in 2017, hence, the related exploration and evaluation assets were transferred to mine under development. Mine under development are not subject to depletion until the production has commenced.

Estimated Units of Production of Mine

The computation of mineral resources was done by a competent individual geologist using the Polygon Method. The mineral resources are estimated at a total of 606.458 million tons. With the computed indicated resource, the mine life for the current mineral resources is 87.7 years for the siphoning and utilizing magnetic separation on-board of the vessels. With the yearly production schedule of 6.91 million tons of raw sand with an average magnetite fraction of 19.79% and 95% material recovery, the operations can yield an iron concentrate of 1.30 million metric tons per annum production, using 3 units of production lines of platform.

12. Advances to Contractors

This account consists of:

		2020		2019
Agbiag Mining Development Corporation	₱	43,851,191	₱	41,690,538
Offshore Mining Chamber of the Philippines		1,000,000		1,000,000
Others		37,500		–
Total	₱	44,888,691	₱	42,690,538

This account pertains to the unsecured and noninterest-bearing cash advances extended by the Subsidiary to its contractors for the payment on permits, overhead fees, exploration services, depth and sounding survey studies and other technical expenses incurred by the latter.

These advances have no fixed repayment date and are not expected to be collected within one year from the financial reporting date, hence, classified as non-current asset in the consolidated statements of financial position.

13. Property & Equipment

The roll-forward analyses of this account follows:

		Office Furniture & Equipment		Motor Vehicle		Total
Carrying amounts at December 31, 2018	₱	75,618	₱	–	₱	75,618
Additions		225,849		1,347,280		1,573,129
Depreciation for the period		(250,163)		(168,410)		(418,573)
Carrying amounts at December 31, 2019	₱	51,304	₱	1,178,870	₱	1,230,174
Additions		1,777,148		–		1,777,148
Depreciation for the period		(74,824)		(505,230)		(580,054)
Carrying amounts at December 31, 2020	₱	**1,753,628**	₱	**673,640**	₱	**2,427,268**

Reconciliation of the carrying amounts are as follows:

	December 31, 2020					
		Office Furniture & Equipment		Motor Vehicle		Total
Cost	₱	2,226,145	₱	1,347,280	₱	3,573,425
Accumulated depreciation		(472,517)		(673,640)		(1,146,157)
Carrying amount	₱	1,753,628	₱	673,640	₱	2,427,268

	December 31, 2019					
		Office Furniture & Equipment		Motor Vehicle		Total
Cost	₱	448,997	₱	1,347,280	₱	1,796,277
Accumulated depreciation		(397,693)		(168,410)		(566,103)
Carrying amount	₱	51,304	₱	1,178,870	₱	1,230,174

As at December 31, 2020 and 2019, there are no indication of any impairment loss on the carrying amount of property & equipment since its recoverable amount exceeds its carrying amount.

The amount of depreciation is charged to general and administrative expenses (see Note 18).

None of the properties were pledged or mortgaged as collateral to secure any of the Group's loans.

14. Website Costs

Movement of this account is as follows:

		Website Costs
Cost:		
As at December 31, 2018	₱	326,100
Additions		34,677
As at December 31, 2019	₱	360,777
Additions		–
As at December 31, 2020	**₱**	**360,777**

The Group's website is determined to have an indefinite useful life because considering all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate cash inflows for the Group. Website cost is not amortized but is tested for impairment annually either individually or at the cash generating unit level.

As at December 31, 2020 and 2019, there are no indication of any impairment loss on the carrying amount of intangible assets since its recoverable amount exceeds its carrying amount.

15. Accounts & Other Payables

This account consists of:

		2020		2019
Payable to a contractor	₱	37,500,000	₱	37,500,000
Statutory payables		415,699		348,263
Deferred output tax		818,036		818,036
Accrued expenses		2,097,698		821,450
Accounts payable		745,143		749,371
Total	₱	41,576,576	₱	40,237,120

Payable to a contractor pertains to the outstanding liability to Agbiag for the patent for the siphon vessel used in its exploration activities (see Note 12). It is unsecured and is payable on demand. Due to budgetary constraints, the Company is unable to pay the contractor and the contractor agreed to settle once the Company is able to do so.

Statutory payables consist of withholding taxes and other payables to government agencies. Accrued expenses include professional fees and various unpaid expenses. Accounts payable consist of liabilities arising from transactions with suppliers and contractors related to the normal course of business.

These liabilities are unsecured and noninterest-bearing and are normally settled within the next 12 months.

16. Interest-bearing Loans & Borrowings

This account consists of unsecured, long-term loan obtained by the Group from Cagayan Blue Ocean Offshore Aquamarine Services Corporation (CBO). Details are as follows:

	Principal				Outstanding Balances			
	2020	2019	Interest Rate	Maturity		**2020**		2019
Loans from CBO, interest and principal payable upon maturity, unsecured	₱37.6-million	₱14.0-million	Fixed at 6%	2 years	₱	**37,550,000**	₱	13,950,000
Total					₱	**37,550,000**	₱	13,950,000

Total borrowing costs attributable to these loans amounted to ₱1,276,450, ₱2,177,028 and ₱600,000 for the years ended December 31, 2020, 2019 and 2018, respectively, and were charged as Interest expense in the consolidated statements of comprehensive income (see Note 20).

Loan Facility from CBO

In October 2019, JDVC obtained credit from CBO to finance the Group's working capital requirements. The loans were drawn from a series of promissory notes in various dates, and as of reporting date, ₱37,550,000 (2019: ₱13,950,000) have been availed from CBO.

The loans bear a fixed annual interest of 6% per annum and have maturities of 2 years, with the option to convert the loan and accrued interest into common shares of JDVC, at the option of CBO, at any time during the loan period with an exercise price of ₱100 per share. The parties agreed that the loans are non-assignable and unless the lender exercises his conversion right, JDVC shall repay the loan, including the accrued interests, in full at maturity date.

The Group classifies currently maturing loans within the next 12 months as current liabilities amounting to ₱13,950,000 (2019: nil) in the consolidated statements of financial position. The remaining loan balance are classified as non-current liabilities.

Convertible Loan Agreement

On February 20, 2019, the BOD authorized the Parent Company to enter into a convertible loan agreement with a third party amounting to ₱50.0 million. The loan bears an interest of 5% per annum and will mature on February 20, 2021. The principal and interest are convertible to shares at ₱0.01 per share any time until the 10th day before the maturity date at the option of the third party (see Note 17).

17. Equity

Share capital consists of:

	No. of Shares		Amount			
	2020	2019		**2020**		2019
Authorized – ₱0.01 par value	**600,000,000,000**	600,000,000,000	₱	**6,000,000,000**	₱	6,000,000,000
Subscribed, Issued, paid-up & outstanding:						
Balance at beginning of year	**280,336,349,297**	275,196,071,520	₱	**2,803,363,493**	₱	2,751,960,715
Issuance of shares	**–**	5,140,277,777		**–**		51,402,778
Balance at end of year	**280,336,349,297**	280,336,349,297	₱	**2,803,363,493**	₱	2,803,363,493
Ordinary share capital	**280,336,349,297**	280,336,349,297	₱	**2,803,363,493**	₱	2,803,363,493

Below is the track record of issuance of the Parent Company's securities:

Date of Approval	Nature	Authorized	No. of Shares Issue/Offer	Price
October 18, 2012	Listing of shares	100,000,000,000	27,800,000,000	₱1.00
October 9, 2017	Share swap	600,000,000,000	247,396,071,520	0.01
September 11, 2019	Loan conversion	600,000,000,000	5,140,277,777	0.01

As at December 31, 2020, the Parent Company has a total of 799 shareholders.

Increase in Authorized Capital Stock of APL

On October 9, 2017, the SEC approved the increase in the capital stock of the Parent Company from ₱1.0-billion divided into 100.0-billion shares to ₱6.0-billion divided into 600.0-billion shares both with a par value of ₱0.01.

Convertible Loan Agreement

On September 11, 2019, the third party exercised the right to convert the loan (see Note 16) at ₱0.01 per share. On the same date, the BOD approved the conversion of the principal amount, including the interest accrued up to date of the conversion amounting to ₱1,402,778. The Parent Company issued additional 5,140,277,777 shares as a result of the conversion. Consequently, such valuation was duly approved by the SEC on December 7, 2020.

18. General & Administrative Costs

The following shows the breakdown of general & administrative costs:

	Note/s	2020	2019	2018
Professional fees		₱ 3,511,161	₱ 2,192,004	₱ 3,958,726
Salaries & employee benefits	19	3,058,192	2,500,096	2,706,987
Mobilization costs		2,298,021	3,368,891	1,601,195
Taxes & licenses		1,376,625	4,931,891	3,837,948
Representation		863,707	1,357,235	397,529
Rent	24	804,928	698,020	762,941
Transportation & travel		494,974	1,959,469	315,524
Office supplies		410,460	225,907	290,373
Advertising		170,048	–	–
Repairs & maintenance		82,156	185,649	2,500
Association dues		–	155,469	52,335
Depreciation	13	580,053	418,573	45,552
Miscellaneous		2,084,191	989,759	2,067,910
Total		₱ 15,734,516	₱ 18,982,963	₱ 16,039,520

Miscellaneous expenses mainly include various marginal expenses covering office utilities, bank charge, meetings and conferences, etc.

19. Employee Benefits

Expenses recognized for salaries & employee benefits are presented below:

	2020	2019	2018
Short-term employee benefits	₱ 3,058,192	₱ 2,500,096	₱ 2,706,987
Total	₱ 3,058,192	₱ 2,500,096	₱ 2,706,987

The amount of salaries & employee benefits is charged to general & administrative costs (see Note 18).

Post-employment Defined Benefits

The Group has not established a formal retirement plan. As at the end of each reporting dates, the Group employs less than ten (10) employees, most of whom do not qualify or meet the minimum requirements of Retirement Pay Law. Therefore, as of reporting dates, no accrued retirement benefit obligation has been recognized. However, it is required to pay qualified employees retirement benefits under Republic Act No. 7641 once it meets the requirements of said law.

20. Finance and Other Income (Charges)

This account consists of the following:

	Note/s		2020		2019		2018
Interest income from bank deposits	9	₱	**4,797**	₱	19,753	₱	3,638
Interest income from loans	23		**–**		2,272,321		2,272,321
Foreign exchange gain (loss)	9		**(3,960)**		(969)		1,351
Interest expense	16		**(1,276,450)**		(2,177,028)		(600,000)
Total		₱	**(1,275,613)**	₱	114,077	₱	1,677,310

21. Income Tax

The computation of tax expense (benefit) as reported in the statements of comprehensive income:

		2020		2019		2018
Current tax expense	₱	**–**	₱	45,446	₱	45,446
Deferred tax benefit		**(723,109)**		(1,226,937)		(2,074,303)
Income tax benefit	₱	**(723,109)**	₱	(1,181,491)	₱	(2,028,857)

The schedule of deferred tax assets is as follows:

	Consolidated statements of Financial Position				Consolidated statements of Comprehensive Income					
		2020		2019		2020		2019		2018
Deferred tax assets:										
NOLCO	₱	**6,154,303**	₱	5,431,194	₱	**723,109**	₱	1,226,937	₱	2,074,303
Deferred tax assets – net	₱	**6,154,303**	₱	5,431,194						
Deferred tax benefit – net					₱	**723,109**	₱	1,226,937	₱	2,074,303

The NOLCO of the business for any taxable year shall be carried over as a deduction from gross income for the next three (3) consecutive years. In effect, therefore, a tax benefit arises on the year the losses were incurred. Such tax benefits are reported in the statement of financial position as deferred tax assets and are reported at current statutory tax rates.

The Group believes that it is not reasonably probable that future taxable profit against which the benefit of the Group's deferred tax assets can be utilized. Details of recognized and unrecognized deferred tax assets of the Group are as follows:

		2020		2019		2018
Unrecognized:						
NOLCO	₱	**4,732,786**	₱	8,848,248	₱	7,686,311
Excess MCIT		**90,892**		136,338		137,358
Total	₱	**4,823,678**	₱	8,984,606	₱	7,823,669

Recognized:						
NOLCO	₱	**6,154,303**	₱	5,431,194	₱	4,204,257
Total	₱	**6,154,303**	₱	5,431,194	₱	4,204,257

The amount of NOLCO and the applicable years these are valid and deductible from the taxable income are shown below:

Taxable Years	Valid Until		Original Amount		Used/Expired		Balance		Tax Effect
2020	2025*	₱	13,850,107	₱	–	₱	13,850,107	₱	4,155,032
2019	2022		11,250,350		–		11,250,350		3,375,105
2018	2021		11,189,840		–		11,189,840		3,356,952
2017	2020		25,157,951		(25,157,951)		–		–
Total		₱	61,448,248	₱	(25,157,951)	₱	36,290,297	₱	10,887,089

In 2020, the Government recognized the effect of COVID 19 pandemic to various Companies, therefore, enacted the Bayanihan to Recover as One Act (RA No. 11494). Under Section 4 (bbbb) of the Act, it allows qualified businesses which incurred net operating loss for taxable years 2020 and 2021 to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The amounts of excess MCIT and the applicable years these are valid and deductible from the taxable income are shown below:

Taxable Years	Valid Until		Original Amount		Used/Expired		Balance
2019	2022	₱	45,446	₱	–	₱	45,446
2018	2021		45,446		–		45,446
2017	2020		45,446		(45,446)		–
Total		₱	136,338	₱	(46,446)	₱	90,892

The reconciliation of income tax at the statutory tax rate to the income tax as shown in the consolidated statement of comprehensive income is as follows:

		2020		2019		2018
Income tax at statutory tax rate	₱	**(5,103,039)**	₱	(5,660,666)	₱	(4,308,663)
Change in unrecognized deferred tax assets		**(4,160,928)**		1,160,937		1,529,757
Tax effects of:						
Non-deductible expenses		**949,446**		2,291,487		502,967
Income subject to final tax		**(1,439)**		(5,926)		(1,091)
Expired NOLCO		**7,546,405**		986,231		248,173
Expired excess MCIT		**46,446**		46,446		–
Income tax benefit	₱	**(723,109)**	₱	(1,181,491)	₱	(2,028,857)

22. Basic Loss Per Share

Basic loss per share is computed as follows:

		2020		2019		2018
Loss attributable to common shareholders of the Parent Company	₱	**(15,149,443)**	₱	(16,001,786)	₱	(10,195,983)
Divide by: Weighted average number of common shares outstanding*		**280,336,349,297**		276,759,279,282		275,196,071,520
Basic loss per share	₱	**(0.00005)**	₱	(0.00006)	₱	(0.00004)

Weighted average number of common shares outstanding is computed as follows:

	2020	2019	2018
Balance at beginning of year	**280,336,349,297**	275,196,071,520	275,196,071,520
Effect of shares issued during the year	**–**	1,563,207,762	–
Weighted average number of shares outstanding	**280,336,349,297**	276,759,279,282	275,196,071,520

There are no potential dilutive ordinary shares outstanding as at December 31, 2020, 2019 and 2018.

23. Related Party Transactions

The Group, in the normal course of business, has significant transactions with related parties pertaining to granting and availing of advances for operational expenses.

The details of the Group's related parties are summarized as follows:

Name of related party	Relationship	Country of Incorporation
Cagayan Ore Metal Mining Exploration Corporation	With common shareholders	Philippines
Catagayan Iron Sand Resources Corporation	With common shareholders	Philippines
Catagayan Mining Resources (Phils.) Inc.	With common shareholders	Philippines
Individuals	Key management personnel/shareholders	-

The Group, in the normal course of business, has entered into transactions with related parties principally consisting of:

				December 31, 2020	
Related Party	Nature	Terms & Conditions	Note/s	Amount of Transaction	Outstanding Receivable (Payable)
Shareholders	Advances for working capital purposes	Long-term, unsecured, non-interest bearing, repayable in cash		**₱ 207,101,733**	**₱ (208,784,715)**
	Deposits for future stock subscription	Long-term, unsecured, non-interest bearing, for future issuance of common shares of JDVC		**(207,009,692)**	**–**
Key Management personnel	Advances for working capital purposes	Long-term, unsecured, non-interest bearing, repayable in cash		**39,139,870**	**(39,139,870)**
	Deposits for future stock subscription	Long-term, unsecured, non-interest bearing, for future issuance of common shares of JDVC		**(39,139,870)**	

				December 31, 2019	
Related Party	Nature	Terms & Conditions	Note/s	Amount of Transaction	Outstanding Receivable (Payable)
Entities under Common Control	Advances to related parties – reimbursement of expenses	Long-term, unsecured, non-interest bearing, collectible in cash, not impaired		2,595,022	–
Shareholders	Advances for working capital	Long-term, unsecured, non-interest bearing, repayable in cash		(179,981)	(1,682,983)
	Deposits for future stock subscription	Long-term, unsecured, non-interest bearing, for future issuance of common shares of JDVC		(8,077,745)	(207,009,692)

Key Management personnel	Interest-bearing loan for working capital purposes	Long-term, unsecured, 0.5% monthly interest, repayable in cash	(10,000,000)	–
	Deposits for future stock subscription	Long-term, unsecured, non-interest bearing, for future issuance of common shares of JDVC	–	(39,139,870)

Advances from Related Parties

The Group often borrows funds to finance its operating expenses and working capital. The advances are unsecured, noninterest-bearing and are repayable in cash beyond 12 months. The Group has the discretion to refinance these advances on a long-term basis and expects to repay the advances when the Group has sustained sufficient financial capacity.

Loan from Related Party

In 2017, the Group obtained an unsecured loan from a related party amounting to ₱10.0-million for working capital purposes. The loans bear a monthly interest rate of 0.5%. The loan was paid in full in 2019.

Deposits for Future Stock Subscription

This account refers to amounts collected from existing shareholders of JDVC to issue a specified number of common shares of JDVC at par value. Deposits for future subscription were classified as non-current liabilities since the BOD of JDVC expects to apply for an increase in capital stock beyond 12 months from reporting date and it has not yet complied with all the criteria pursuant to SEC Financial Reporting Bulletin 006 to be classified as equity. The deposits are refundable upon the request of the shareholder if they wish to withdraw.

On July 6, 2020, the Board of Directors of JDVC has discarded its plans to apply for an increase in capital stock and have subsequently decided to reclassify the Deposits for Future Stock Subscription to Advances from Shareholders account. The advances are intended for temporary financing to JDVC and shall be noninterest-bearing, unsecured and repayable in cash within 2 years, with option to extend terms. These advances are classified as non-current liabilities since the Group expects to repay these advances when the Group can generate positive cash flows from operations.

Key Management Personnel Compensation

Since the Group is in its pre-operating stages, there are no key management personnel compensation recognized in December 30, 2020, 2019 and 2018, since the officers offer their services pro-bono to save on operating costs. Likewise, the Group does not provide post-employment benefit plans or equity-based compensation benefits to any of its directors or executive officers.

24. Commitments and Other Matters

Lease Agreements

In 2016, JDVC entered into a cancellable lease agreement with a third party for its office space. The lease term is for a period of 2 years commencing on December 15, 2016 until January 14, 2018. The contract was renewed thereafter but was terminated by JDVC on February 15, 2018. Upon termination of the lease agreement, the Parent Company allows its Subsidiary to use its office space at no cost to the Subsidiary.

In 2019, the Parent Company entered into a lease agreement with a third party for its office space with a term of one year and is renewable upon mutual agreement of both parties. The lease agreement has an escalation clause of 5% per annum upon renewal. Security deposit amounted to ₱71,772 as at December 31, 2020 and 2019 (see Note 9).

Total expense from these leases amounted to ₱804,928 in 2020, ₱698,020 in 2019, and ₱762,941 in 2018 which was charged to general & administrative costs (see Note 17).

Royalty Agreement

On September 1, 2014, JDVC entered in a royalty agreement with Agbiag, operating contractor of JDVC, by granting the latter irrecoverable and unrestricted rights and privileges to occupy, explore, develop, utilize, mine and undertake other activities to the mining area owned by JDVC in various areas in Cagayan Province, for twenty-five (25) years or the life of JDVC's MPSA No. 338-2010-II-OMR with the Republic of the Philippines, whichever is shorter.

All costs and expenses related to the MPSA, commercial extraction permits and such other fees required by the Government and for non-government related expenses which include community expenses and social compliances among others shall be for the account of Agbiag.

As consideration, JDVC shall earn royalty income of US$4.00 up to US$9.33 per ton or specifically in accordance with the proposed slide-up-slide-down net share remittance, or size percent (6%) of cost, whichever is shorter. In 2017, JDVC received advance royalty payment from Agbiag amounting to ₱51.5-million.

In a special meeting held by the BOD on October 10, 2018, it was resolved that due to the failure of both parties to conduct full extraction operation during the year, the advance royalty payment will be returned by JDVC to Agbiag. This was presented under "Advances from contractor" account in the consolidated statement of financial position.

Social and Environmental Responsibilities

In 2019, JDVC secured the regulatory approvals of the following programs:

Social Development Management Program (SDMP)

SDMP are five (5) year programs of the projects identified and approved for implementation, in consultation with the host communities. The Group provides an annual budget for SDMP projects that focus on health, education, livelihood, public utilities and socio-cultural preservation. The implementation of the program is monitored by the MGB.

Environmental Protection and Enhancement Program (EPEP)

EPEP refers to comprehensive and strategic environmental management plan to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the affected environment. This program is monitored by the Multipartite Monitoring Team, a group headed by a representative from the Regional MGB and representatives of Local Government Units (LGU), other government agencies, non-government organizations, the church sector and the representatives of the Group.

JDVC will start implementing these programs upon commencement of operations.

25. Fair Value Measurement

Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of certain assets and liabilities presented in the consolidated statements of financial position are as follows:

		December 31, 2020		December 31, 2019	
	Note/s	Carrying amounts	Fair Values	Carrying amounts	Fair Values
Financial assets:					
At amortized cost:					
Cash	9	₱ 889,057	₱ 889,057	₱ 1,264,390	₱ 1,264,390
Security deposit	10	71,772	71,772	71,772	71,772
Construction bond	10	50,000	50,000	–	–
Total		₱ 1,010,829	₱ 1,010,829	₱ 1,336,162	₱ 1,336,162

Financial liabilities:					
At amortized cost:					
Loans & borrowings		₱ 37,550,000	₱ 37,550,000	₱ 13,950,000	₱ 13,950,000
Accounts & other payables	16	40,342,841	40,342,841	39,070,821	39,070,821
Deposits for future stock subscriptions	15	–	–	246,149,562	246,149,562
Advances from related parties	23	247,924,585	247,924,585	1,682,983	1,682,983
Total	23	₱ 325,817,426	₱ 325,817,426	₱ 300,853,366	₱ 300,853,366

Cash excludes petty cash fund. Accounts & other payables exclude statutory obligations.

Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and financial liabilities on a recurring or non-recurring basis and those financial assets, financial liabilities and non-financial assets not measured at fair value but for which fair value is disclosed with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for asset or liability that are not based on observable market data (unobservable inputs).

The following table summarizes the fair value hierarchy of the Group's financial assets and liabilities, which are measured at fair value or requires disclosure as prescribed by other PFRS, as at December 31, 2020 and 2019:

		December 31, 2020			
	Note/s	Level 1	Level 2	Level 3	Total
Financial assets:					
At amortized cost:					
Cash	9	₱ 889,057	₱ –	₱ –	₱ 889,057
Security deposit	10	–	–	71,772	71,772
Construction bond	10	–	–	50,000	50,000
Total		₱ 889,057	₱ –	₱ 121,772	₱ 1,010,829
Financial liabilities:					
At amortized cost:					
Loans & borrowings	16	₱ –	₱ –	₱ 37,550,000	₱ 37,550,000
Accounts & other payables	15	–	–	40,342,841	40,342,841
Deposits for future stock subscription	23	–	–	–	–
Advances from related parties	23	–	–	247,924,585	247,924,585
Total		₱ –	₱ –	₱ 325,817,426	₱ 325,817,426

		December 31, 2019			
	Note/s	Level 1	Level 2	Level 3	Total
Financial assets:					
At amortized cost:					
Cash	9	₱ 1,264,390	₱ –	₱ –	₱ 1,264,390
Security deposit	10	–	–	71,772	71,772
Construction bond	10	–	–	–	–
Total		₱ 1,264,390	₱ –	₱ 71,772	₱ 1,336,162
Financial liabilities:					
At amortized cost:					
Loans & borrowings	16	₱ –	₱ –	₱ 13,950,000	₱ 13,950,000
Accounts & other payables	15	–	–	39,070,821	39,070,821
Deposits for future stock subscription	23	–	–	246,149,562	246,149,562
Advances from related parties	23	–	–	1,682,983	1,682,983
Total		₱ –	₱ –	₱ 300,853,366	₱ 300,853,366

As at December 31, 2020 and 2019, there are no financial assets or financial liabilities measured at fair value. There were no transfers between levels in 2020 and 2019.

Financial Instruments Not Measured at Fair Value for Which Fair Value is Disclosed

For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine fair value of such instruments are not based on observable market data.

26. Financial Risk Management Policies and Objectives

Introduction

The Group's principal financial instruments comprise of cash and cash equivalents, receivable and payables. The main purpose of these financial instruments is to raise finances for the Group's operations. The risks arising from the use of financial instruments are managed through a process of on-going identification, measurement, and monitoring. This process of risk management is critical to the Group's continuing profitability.

The BOD is ultimately responsible for overall risk management approach, monitoring risk exposures, and approving risk mitigation strategies and policies.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from financial instruments or its fair value will fluctuate because of changes in market interest rates. As at December 31, 2020 and 2019, the Group does not have any repriceable financial instruments subject to variable interest rates. There are no significant interest rate risk exposures since the interest-bearing loans & borrowings are subject to fixed interest rates and all other financial assets and liabilities are non-interest bearing.

Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counter parties failed to discharge their contractual obligations. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis and appropriate credit treatments are executed for overdue accounts. Likewise, other receivable balances are also being monitored and subjected to appropriate actions to manage credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to the consolidated financial statements).

As at December 31, 2020 and 2019, the Group has no financial assets for which credit risk has increased significantly since initial recognition and that are credit-impaired.

Credit Risk Exposure
The table below shows the gross maximum exposure to credit risk of the Group as at December 31, 2020 and 2019, without considering the effects of collaterals and other credit risk mitigation techniques:

	Note/s		2020		2019
Cash in banks	9	₱	889,057	₱	1,264,390
Security deposits	10		71,772		71,772
Construction bond	10		50,000		–
Total		₱	1,010,829	₱	1,336,162

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 per depositor per banking institution.

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash.

Credit Quality per Class of Financial Assets
The tables below show a comparison of the credit quality of the Group's financial assets as at December 31, 2020 and 2019:

	Neither Past Due Nor Impaired		Past Due But		
December 31, 2020	High Grade	Standard Grade	Not Impaired	Impaired	Total
Cash in bank	₱ 889,057	₱ –	₱ –	₱ –	₱ 889,057
Security deposits	71,772	–	–	–	71,772
Construction bond	50,000	–	–	–	50,000
Total	₱ 1,010,829	₱ –	₱ –	₱ –	₱ 1,010,829

	Neither Past Due Nor Impaired		Past Due But		
December 31, 2019	High Grade	Standard Grade	Not Impaired	Impaired	Total
Cash in bank	₱ 1,264,390	₱ –	₱ –	₱ –	₱ 1,264,390
Security deposits	71,772	–	–	–	71,772
Construction bond	–	–	–	–	–
Total	₱ 1,336,162	₱ –	₱ –	₱ –	₱ 1,336,162

The Group evaluates credit quality on the basis of the credit strength of the security and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty. The Group determines if credit risk have increased significantly when financial assets are more than 30 days past due.

The Group's management considers none of the financial assets to be impaired or past due at the end of each financial reporting period.

Cash in banks. The credit risks for cash in banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Security deposits and Construction bond. These pertain to receivables from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.

Liquidity Risk
Liquidity risk refers to the risk that the Group will not be able to meet its financial obligations as these fall due. To limit this risk, the Group closely monitors its cash flows and ensures that credit facilities are available to meet its obligations as and when these fall due. The Group also has a committed line of credit that it can access to meet liquidity needs.

Maturity Profile of Financial Assets and Liabilities

The tables below summarize the maturity profile of the Group's financial liabilities December 31, 2020 and 2019 based on the remaining undiscounted contractual cash flows:

	December 31, 2020			
	Carrying Value	On Demand	Within 1 year	Beyond 1 year
Financial assets:				
At amortized cost:				
Cash	₱ 889,057	₱ 889,057	₱ –	₱ –
Security deposits	71,772	–	71,772	–
Construction bond	50,000	–	50,000	–
Total	₱ 1,010,829	₱ 889,057	₱ 131,772	₱ –
Financial liabilities:				
At amortized cost:				
Loans & borrowings	₱ 37,550,000	₱ –	₱ 13,950,000	₱ 23,600,000
Accounts & other payables	40,342,841	37,500,000	2,842,841	–
Deposits for future stock subscription	–	–	–	–
Advances from related parties	247,924,585	–	–	247,924,585
Total	₱ 325,817,426	₱ 37,500,000	₱ 16,792,841	₱ 271,524,585

	December 31, 2019			
	Carrying Value	On Demand	Within 1 year	Beyond 1 year
Financial assets:				
At amortized cost:				
Cash	₱ 1,264,390	₱ 1,264,390	₱ –	₱ –
Security deposits	71,772	–	71,772	–
Construction bond	–	–	–	–
Total	₱ 1,336,162	₱ 1,264,390	₱ 71,772	₱ –
Financial liabilities:				
At amortized cost:				
Loans & borrowings	₱ 13,950,000	₱ –	₱ –	₱ 13,950,000
Accounts & other payables	39,070,821	37,500,000	–	–
Deposits for future stock subscription	246,149,562	–	–	246,149,562
Advances from related parties	1,682,983	–	–	1,682,983
Total	₱ 300,853,366	₱ 37,500,000	₱ –	₱ 261,782,545

27. Capital Management Objectives, Policies, & Procedures

The Group's capital management objectives are:

- To ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.
- To invest the capital in investments that meet the expected return with the commensurate level of risk exposure.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders or issue new shares. The Group considers its equity and loans & borrowings as capital.
The Group monitors its financial leverage using the debt-to-equity which is computed as total liabilities divided by total equity as shown in the table below:

	2020	2019
Total liabilities	**₱ 382,202,161**	₱ 357,170,665
Total equity	**₱ 2,965,228,510**	₱ 2,981,515,530
Debt-to-equity ratio	**0.13:1**	0.12:1

The Group is not subject to any externally imposed capital requirements. There were no changes in the Group 's approach to capital management during the year.

28. Supplemental Disclosure of Cash Flow Information

Changes in Liabilities Arising from Financing Activities

The disclosure requirements enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities of the Group.

The movement of liabilities from financing activities are as follows:

December 31, 2020	January 1, 2020	Cash Flows	Reclassification	Interest Expense	December 31, 2020
Loans & borrowings	₱ 13,950,000	₱ 23,600,000	₱ –	₱ –	₱ 37,550,000
Advances from related parties	1,682,983	92,040	246,149,562	–	247,924,585
Deposits for future stock subscriptions	246,149,562	–	(246,149,562)	–	–
Interest payable	–	(1,276,450)	–	1,276,450	–
Total liabilities from financing activities	₱ 261,782,545	₱ 22,415,590	₱ –	₱ 1,276,450	₱ 285,474,585

December 31, 2019	January 1, 2019	Cash Flows	Reclassification	Interest Expense	December 31, 2019
Loans & borrowings	₱ 10,000,000	₱ 53,950,000	₱ (50,000,000)	₱ –	₱ 13,950,000
Advances from related parties	1,862,964	(179,981)	–	–	1,682,983
Deposits for future stock subscriptions	254,227,307	(8,077,745)	–	–	246,149,562
Interest payable	–	(774,250)		774,250	–
Total liabilities from financing activities	₱ 266,090,271	₱ 44,918,024	₱ (50,000,000)	₱ 774,250	₱ 261,782,545

Non-cash Activities

The Group had no material non-cash investing or financing activity-related transactions for the period ended December 31, 2020 except for the reclassification of deposits for future subscription to advances from related parties (see Note 19).

The Group had no material non-cash investing or financing activity-related transactions for the year ended December 31 2019, except for the conversion of interest bearing loans and borrowing amounting to ₱50.0 million and accrued interest amounting to ₱1,402,778 into share capital with a par value of ₱0.01 per share with an equivalent of 5,140,277,777 shares.

29. Events After the End of the Reporting Period

Corporate Recovery and Tax Incentive for Enterprises (CREATE) Act

On March 26, 2021, the President of the Republic of the Philippines signed into law R.A. No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act, which amends certain provisions of the National Internal Revenue Code of 1997, as amended, with veto on certain provisions and shall be effective 15 days after its publication. The CREATE Act seeks to reduce the corporate income tax rate and rationalize the current fiscal incentives by making them time-bound, targeted and performance-based.

Among others, the key changes of the CREATE Act relevant to the Company are as follows:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5.0-million and with total assets not exceeding ₱100-million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%;
- Minimum corporate income tax (MCIT) is reduced from 2% to 1% for the period beginning July 1, 2020 until June 30, 2023;

- Imposition of improperly accumulated earnings tax of 10% is repealed;
- Allowable deduction for interest expense is reduced by 20% (from 33%) of the interest income subjected to final tax.

As clarified by the Philippine Financial Reporting Standards Council (FRSC) in its Philippine Interpretations Committee (PIC) Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive application on July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as at and for the year ended December 31, 2020 was computed and measured using the applicable income tax rates prior to CREATE i.e., 30% RCIT or 2% MCIT, for financial reporting purposes.

Applying the provisions of CREATE Act, the Company would have been subjected to lower RCIT rate of 27.5%. Management estimates the following impact on the balances of current and deferred income taxes as of December 31, 2020:

	Carrying Amount	Effect of Change in Tax Rate	Adjusted Carrying Amount
Deferred tax assets	₱ 6,154,303	₱ (1,025,717)	₱ 5,128,586

The effects of change in tax rates and any excess accrual of RCIT and MCIT will be considered in the 2021 financial statements.

Continuing COVID-19 Pandemic

From March 29, 2021 to April 4, 2021, following the spike in the number of new COVID-19 cases, the Philippine Government has placed cities comprising the Greater Metro Manila Region (NCR, Bulacan, Rizal, Cavite and Laguna) back to Enhanced Community Quarantine and was later extended to April 11, 2021.

The scale and duration of these developments remain uncertain as at reporting date. The COVID-19 pandemic could have a material impact on the Company's financial results for the rest of 2021 and even periods thereafter. Considering the evolving nature of the pandemic, the Company will continue to monitor the situation.

Commencement of Operations

JDVC has effectively deployed and positioned the first deep sea siphon mining vessel, MB Siphon 1, into the offshore mining tenement area of operation as of April 14, 2021. MB Siphon 1 has completed all the necessary offshore commissioning stages and necessary permits to start production. JDVC will proceed into the developmental stage on the mining tenement area in preparation for commercial export shipments.

Valdes Abad & Company
(Formerly: Valdes Abad & Associates)
certified public accountants

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BOA/PRC Reg. No. 0314
SEC Accreditation No. 0361-F

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INDEPENDENT AUDITOR'S REPORT TO ACCOMPANYING FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Shareholders and Board of Directors
APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
(Formerly Yehey! Corporation and Its Subsidiary)
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

We have examined the consolidated financial statements of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY** ***(Formerly Yehey! Corporation and Its Subsidiary)*** for the year ended December 31, 2020, on which we have rendered the attached report dated May 11, 2021.

In compliance with Revised SRC Rule 68, we are stating that the Group has seven hundred ninety-nine (799) stockholders owning one hundred (100) or more shares each as of December 31, 2020.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
BIR Accreditation No. 08-002126-000-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No.0361-F
Issued on August 23, 2018 Valid until August 22, 2021

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805, Valid until December 14, 2023
TIN No. 213-410-741-000
PTR No. 8544054, Issued Date: January 8, 2021, Makati City
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
SEC Accreditation No. 1701-A
Issued on August 23, 2018, Valid until August 22, 2021
BIR Accreditation No. 08-002126-005-2021
Issued on March 19, 2021, Valid until March 18, 2024

Makati City, Philippines
May 11, 2021

INDEPENDENT PUBLIC AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Shareholders and Board of Directors
APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
(Formerly Yehey! Corporation and Its Subsidiary)
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY** ***(Formerly Yehey! Corporation and Its Subsidiary)*** as at December 31, 2020 and 2019 and have issued our report thereon dated May 11, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2020 and 2019 and no material exceptions were noted.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
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ALFONSO L. CAY-AN
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Issued on March 19, 2021, Valid until March 18, 2024

Makati City, Philippines
May 11, 2021

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Supplementary Schedules under Annex 68-E

Pursuant to the Revised Securities Regulation Code (SRC) Rule 68
As at December 31, 2020 and 2019

Schedule of Financial Soundness Indicators

		2020		2019
Liquidity Ratios:				
Current Ratio				
Current Assets	₱	4,851,067	₱	4,918,947
Current Liabilities	₱	110,677,576	₱	95,388,120
		0.04 : 1		0.05 : 1
Acid Test Ratio				
Liquid Assets	₱	909,057	₱	1,284,390
Current Liabilities	₱	110,677,576	₱	95,388,120
		0.01 : 1		0.01 : 1
Solvency Ratios:				
Debt-to-Equity Ratio				
Total Liabilities	₱	382,202,161	₱	357,170,665
Total Equity	₱	2,965,228,510	₱	2,981,515,530
		0.13 : 1		0.12 : 1
Asset-to-Equity Ratio				
Total Assets	₱	3,347,430,671	₱	3,338,686,195
Total Equity	₱	2,965,228,510	₱	2,981,515,530
		1.13 : 1		1.12 : 1
Profitability Ratios:				
Interest Coverage Ratio				
Earnings Before Interest and Taxes	₱	N/A	₱	N/A
Interest Expense	₱	1,276,450	₱	2,177,028
		N/A		N/A
Return on Assets				
Net Profit	₱	N/A	₱	N/A
Total Assets	₱	3,347,430,671	₱	3,338,686,195
		N/A		N/A
Return on Equity				
Net Profit	₱	N/A	₱	N/A
Total Equity	₱	2,965,228,510	₱	2,981,515,530
		N/A		N/A
Net Profit Margin				
Net Profit	₱	N/A	₱	N/A
Revenues	₱	N/A	₱	N/A
		N/A		N/A

Valdes Abad &
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(Formerly: Valdes Abad & Associates)
certified public accountants

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BOA/PRC Reg. No. 0314
SEC Accreditation No. 0361-F

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**REPORT OF INDEPENDENT PUBLIC AUDITORS
TO ACCOMPANY SEC SCHEDULES FILED SEPARATELY FROM THE
BASIC FINANCIAL STATEMENTS**

The Shareholders and Board of Directors
APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
(Formerly Yehey! Corporation and Its Subsidiary)
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

We have examined the consolidated financial statements of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY** ***(Formerly Yehey! Corporation and Its Subsidiary)*** as of December 31, 2020 on which we have rendered the attached report dated May 11, 2021. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary schedules of the Group as of December 31, 2020 and for the year then ended, required by the Securities and Exchange Commission, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
BIR Accreditation No. 08-002126-000-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No.0361-F
Issued on August 23, 2018 Valid until August 22, 2021

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805, Valid until December 14, 2023
TIN No. 213-410-741-000
PTR No. 8544054, Issued Date: January 8, 2021, Makati City
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
SEC Accreditation No. 1701-A
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BIR Accreditation No. 08-002126-005-2021
Issued on March 19, 2021, Valid until March 18, 2024

Makati City, Philippines
May 11, 2021

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Reconciliation of Retained Earnings Available for Dividend Declaration

Pursuant to Revised Securities Regulation Code (SRC) Rule 68
As of December 31, 2020

Unappropriated retained earnings at beginning of year			₱	(86,178,648)
Prior years' outstanding reconciling items, net of tax				
Unrealized forex exchange gains – net				(382)
Unappropriated retained earnings available for dividend declaration at beginning of year, as adjusted			₱	(86,179,030)
Net income realized during the year				
Profit for the year	₱	(15,149,443)		
Non-actual or unrealized losses (gains):				
Unrealized foreign exchange losses – net		3,960		(15,145,483)
Unappropriated retained earnings available for dividend declaration at end of year			₱	(101,324,513)

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Conglomerate Map of Companies

Pursuant to Revised Securities Regulation Code (SRC) Rule 68
As of December 31, 2020

Apollo Global Capital, Inc.
Parent Company

90.47%

JDVC Resources Corporation
Subsidiary

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Supplementary Schedules under Annex 68-J

Pursuant to the Revised Securities Regulation Code (SRC) Rule 68
As of December 31, 2020

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statements of financial position	Value based on market quotation at end of reporting period	Income received and accrued
Cash	N/A	₱909,057	N/A	₱4,796
Security deposits	N/A	71,772	N/A	–
Construction bond	N/A	50,000	N/A	–

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Non-current	Balance at end of period
			Amounts collected	Amounts written-off			
N/A	–	–	–	–	–	–	–

Schedule C. Amounts Receivable from Related Parties which are eliminated during Consolidation of Financial Statements

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Non-current	Balance at end of period
			Amounts collected	Amounts written-off			
JDVC Resources Corporation	14,937,469	N/A	(5,738,515)	N/A	N/A	9,198,954	9,198,954

Schedule D. Long-Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related statement of financial position	Amount shown under caption "Long-term debt" in related statement of financial position
Interest - bearing loans & borrowings	–	13,950,000	23,600,000

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
Shareholders and Key Management Personnel	1,682,983	247,924,585

Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the Group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common	600,000,000,000	280,336,349,297	–	–	46,507,293,501	233,829,055,796

ANNEX C

COVER SHEET

For

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A 1 9 9 8 0 6 8 6 5

COMPANY NAME

APOLLO GLOBAL CAPITAL, INC.

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

Unit 1204, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AASFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
–	(02) 8 532-8654	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
799	Last Friday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Kristina Joyce Caro-Gangan	main@picazolaw.com	(02) 8 532-8654	–

CONTACT PERSON'S ADDRESS

Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City

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

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

Apollo Global Capital

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE SEPARATE FINANCIAL STATEMENTS

The management of **APOLLO GLOBAL CAPITAL, INC.** ***(Formerly Yehey! Corporation)*** is responsible for the preparation and fair presentation of the separate financial statements including the schedules attached therein, for the year ended **December 31, 2020 with comparative figures as of December 31, 2019**, 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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 basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

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

The Board of Directors reviews and approves the separate financial statements including the schedules attached therein and submits the same to the stockholders.

Valdes, Abad and Company, CPAs and **Reyes Tacandong & Co.**, the independent auditor appointed by the stockholders for the years ended December 31, 2020 and 2019, respectively, has examined the separate financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signature : SALVADOR SANTOS-OCAMPO
Chairman of the Board

Signature : VITTORIO PAULO P. LIM
Chief Executive Officer

Signature : CHRISTOPHER GO
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this APR 1 5 2021 affiant/s personally appeared and showed to me / their competent evidence of identity in:

Signed this ___ day of ___ APR 1 5 2021

Doc. No. 170
Page No. 34
Book No. 228
Series of 2021

ATTY. JASON G. DE BELEN
Roll No. 36259
Adm. NP-019 Notary Public (2020-2021)
Unit M Panay Commercial Building
No. 7 Panay Ave. cor. Sgt. Borromeo St. Q.C.
IBP AR No. 34918187; QC 1-4-2021
PTR No. 0598847; QC 1-4-2021
MCLE VI-0022012; 4-14-22

INDEPENDENT AUDITOR'S REPORT TO ACCOMPANYING FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors
APOLLO GLOBAL CAPITAL, INC. *(Formerly Yehey! Corporation)*
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

We have examined the separate financial statements of **APOLLO GLOBAL CAPITAL, INC. *(Formerly Yehey! Corporation)*** for the year ended December 31, 2020, on which we have rendered the attached report dated April 15, 2021.

In compliance with Revised SRC Rule 68, we are stating that the Company has seven hundred ninety-nine (799) stockholders owning one hundred (100) or more shares each as of December 31, 2020.

VALDES ABAD & COMPANY, CPAs
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SEC Accreditation No.0361-F
Issued on August 23, 2018 Valid until August 22, 2021

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805, Valid until December 14, 2023
TIN No. 213-410-741-000
PTR No. 8544054, Issued Date: January 8, 2021, Makati City
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
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Makati City, Philippines
April 15, 2021

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certified public accountants

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STATEMENT OF REPRESENTATION

TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the separate financial statements of **APOLLO GLOBAL CAPITAL, INC.** ***(Formerly Yehey! Corporation)*** which are to be submitted to the Commission, I hereby represent the following:

1. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);
2. That said financial statements are presented in conformity with Philippine Financial Reporting Standards, in all cases where I shall express an unqualified opinion; except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;
3. That I shall fully meet the requirements of independence as provided under the Code of Professional Ethics for CPAs;
4. That in the conduct of the audit, I shall comply with the Philippine Standards on Auditing promulgated by the Board of Accountancy; in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion;
5. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements; and
6. That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under the Code of Professional Ethics for CPAs.

As a CPA engaged in public practice, I make these representations in my individual capacity and as a partner in the accounting firm of **VALDES ABAD & COMPANY, CPAs.**

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April 15, 2021

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REPORT OF INDEPENDENT PUBLIC AUDITORS TO ACCOMPANY SEC SCHEDULES FILED SEPARATELY FROM THE BASIC FINANCIAL STATEMENTS

The Board of Directors
APOLLO GLOBAL CAPITAL, INC. ***(Formerly Yehey! Corporation)***
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

We have examined the separate financial statements of **APOLLO GLOBAL CAPITAL, INC.** ***(Formerly Yehey! Corporation)*** as of December 31, 2020 on which we have rendered the attached report dated April 15, 2021. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary schedules of the Company as of December 31, 2020 and for the year then ended, required by the Securities and Exchange Commission, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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Makati City, Philippines
April 15, 2021

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INDEPENDENT PUBLIC AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors
APOLLO GLOBAL CAPITAL, INC. ***(Formerly Yehey! Corporation)***
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **APOLLO GLOBAL CAPITAL, INC.** ***(Formerly Yehey! Corporation)*** as at December 31, 2020 and 2019 and have issued our report thereon dated April 15, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2020 and 2019 and no material exceptions were noted.

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For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805, Valid until December 14, 2023
TIN No. 213-410-741-000
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Makati City, Philippines
April 15, 2021

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
APOLLO GLOBAL CAPITAL, INC. ***(Formerly Yehey! Corporation)***
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

Opinion

We have audited the separate financial statements of **APOLLO GLOBAL CAPITAL, INC.** ***(Formerly Yehey! Corporation)*** which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of income, statements of changes in equity, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of **APOLLO GLOBAL CAPITAL, INC.** ***(Formerly Yehey! Corporation)*** as of December 31, 2020 and 2019 and of its financial performances and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Philippine Financial Reporting Standards, 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.

(ii) 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 entity's internal control. In circumstances when the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor shall omit the phrase that the auditor's consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(iv) 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 entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on Note 24 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are 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 our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Matters

The separate financial statements of **APOLLO GLOBAL CAPITAL, INC.** ***(Formerly Yehey! Corporation)*** for the year ended December 31, 2019 were audited by another independent auditor whose report dated June 2, 2020 expressed an unqualified opinion on those financial statements.

VALDES ABAD & COMPANY, CPAs
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EAST NCR - PASIG CITY
RDO 43
2021 BIR TAX CAMPAIGN KICKOFF
RECEIVED
MAY 14 2021
SAMA-SAMA SA HAMON NG PANAHON
BUWIS KO, PARA SA PILIPINO
#006 COLLECTION SECTION

Makati City, Philippines
April 15, 2021

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF FINANCIAL POSITION

(In Philippine Peso)

(With Comparative Figures for the Year Ended December 31, 2019)

		December 31,	
ASSETS	Note	2020	2019
CURRENT ASSETS			
Cash in banks	8	**505,834**	493,216
Other current assets	9	**1,980,145**	1,691,329
Advances to related party	15	**9,198,954**	14,937,469
Total Current Assets		**11,684,933**	17,122,014
NON CURRENT ASSETS			
Property and equipment, net	10	**1,339,041**	-
Investment in subsidiary	11	**2,741,567,825**	2,741,567,825
Total Non Current Assets		**2,742,906,866**	2,741,567,825
TOTAL ASSETS		**2,754,591,799**	2,758,689,839
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts and other payables	12	**2,263,494**	2,103,351
Advances from contractor	20	**3,651,000**	3,651,000
Total Current Liabilities		**5,914,494**	5,754,351
NON CURRENT LIABILITIES			
Advances from related parties	15	**1,775,024**	1,682,983
EQUITY			
Share capital	13	**2,803,363,493**	2,803,363,493
Share premium	14	**17,586,961**	17,586,961
Deficit		**(74,048,173)**	(69,697,949)
Total Equity		**2,746,902,281**	2,751,252,505
TOTAL LIABILITIES AND EQUITY		**2,754,591,799**	2,758,689,839

See Notes to the Separate Financial Statements

APOLLO GLOBAL CAPITAL, INC.

(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF INCOME

(In Philippine Peso)

(With Comparative Figures for the Year Ended December 31, 2019)

For the Years Ended December 31,	Notes	2020	2019
INTEREST INCOME	8, 17	**1,485**	2,275,603
EXPENSES			
Professional fees	16	**1,841,650**	1,394,765
Taxes and licenses	16, 24	**1,116,331**	4,824,386
Rent	16, 20	**804,928**	698,020
Advertisement	16	**170,048**	-
Transportation	16	**80,760**	-
Depreciation	10, 16	**69,965**	-
Office supplies	16	**60,000**	-
Repairs and maintenance	16	**5,550**	-
Interest expense	16	**-**	1,402,778
Association dues	16	**-**	155,469
Others	16	**202,477**	575,396
Total Operating Expenses		**4,351,709**	9,050,814
LOSS BEFORE TAX		**(4,350,224)**	(6,775,211)
INCOME TAX EXPENSE	18	**-**	(45,446)
NET LOSS		**(4,350,224)**	(6,820,657)

See Notes to the Separate Financial Statements

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APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF CHANGES IN EQUITY
(In Philippine Peso)
(With Comparative Figures for the Year Ended December 31, 2019)

For the Years Ended December 31,	Note	2020	2019
SHARE CAPITAL	13		
Balance at beginning of year		**2,803,363,493**	2,751,960,715
Issued share capital		**-**	51,402,778
Balance at end of year		**2,803,363,493**	2,803,363,493
SHARE PREMIUM	14		
Balance at beginning and end of year		**17,586,961**	17,586,961
CUMULATIVE DEFICIT			
Balance at beginning of year		**(69,697,949)**	(62,877,292)
Net loss for the year		**(4,350,224)**	(6,820,657)
Balance at end of year		**(74,048,173)**	(69,697,949)
TOTAL EQUITY		**2,746,902,281**	2,751,252,505

See Notes to the Separate Financial Statements

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF CASH FLOWS
(In Philippine Peso)
(With Comparative Figures for the Year Ended December 31, 2019)

For the Years Ended December 31,	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(4,350,224)**	(6,775,211)
Adjustment for:			
Depreciation	10, 16	**69,965**	-
Interest income	8, 17	**(1,485)**	(2,275,603)
Interest expense	13, 16, 21	**-**	1,402,778
Operating loss before changes in working capital		**(4,281,744)**	(7,648,036)
Decrease (increase) in:			
Other current assets		**(243,370)**	(207,226)
Increase (decrease) in:			
Accrued expenses and other payables		**160,143**	(202,942)
Advances from a contractor	20	**-**	3,651,000
Cash generated from (used for) operations		**(4,364,971)**	(4,407,204)
Interest received	17	**1,485**	3,282
Income taxes paid	18	**(45,446)**	(45,446)
Net Cash from Operating Activities		**(4,408,932)**	(4,449,368)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additional acquisition of ownership	11	**-**	(267,607,110)
Collections of:			
Loan receivable		**-**	254,500,000
Accrued interest receivable		**-**	12,834,071
Advances to a related party	15	**5,738,515**	-
Additions to:			
Advances to a related party		**-**	(14,937,469)
Property and equipment	10	**(1,409,006)**	-
Net Cash from Investing Activities		**4,329,509**	(15,210,508)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from a convertible loan	13, 21	**-**	50,000,000
Availments (Repayments) of advances from related party	15	**92,041**	(30,720,934)
Net Cash from Financing Activities		**92,041**	19,279,066
NET INCREASE (DECREASE) IN CASH		**12,618**	(380,810)
CASH IN BANKS, BEGINNING	8	**493,216**	874,026
CASH IN BANKS, ENDING	8	**505,834**	493,216
NON-CASH FINANCIAL INFORMATION			
Conversion of loan to equity	13, 21	**-**	51,402,778

See Notes to the Separate Financial Statements

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
December 31, 2020 and 2019
(With Comparative Figures as of December 31, 2019)

NOTE 1 – GENERAL INFORMATION

APOLLO GLOBAL CAPITAL, INC. (the Company), formerly known as YEHEY! CORPORATION, was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) per SEC Registration No. A199806865 on June 10, 1998. Prior to the approval of the change in the corporate name and its business on October 7, 2016, the Company's primary purpose is to engage in the business of internal online-related products relating to database search engine, such as, but not limited to, conceptualizing, designing, illustrating, processing and editing websites; to engage in other pre-production and postproduction work on websites in the internet; and to sell and market said products in the form of advertising of finished products in the domestic or export market.

On August 9, 2012, the SEC approved the Company's application to list ₱278 million common shares by way of introduction in the second board of the Philippine Stock Exchange (PSE) at an initial price of P1 per share. On October 18, 2012, the Parent Company was listed in the PSE.

As of December 31, 2014, the Company is 66.95% owned by Vantage Equities, Inc. (Vantage), a company also incorporated in the Philippines and listed in the PSE. On July 7, 2015, Vantage entered into a Sale and Purchase Agreement (SPA), with third party buyers for the sale of the entire shares owned by Vantage. 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 on October 15, 2015. Accordingly, on October 15, 2015, the Parent Company ceased as a majority owned subsidiary of Vantage when Vantage sold its shares at ₱290 million to a group of individual shareholders.

Pursuant to the SPA, the Board of Directors (BOD) of the Company approved on October 30, 2015 the assignment of the noncash assets and liabilities of the Company to Vantage. Total amount assigned is a net liability of ₱2,693,438. Such amount was recognized as miscellaneous income in the Parent Company's 2015 separate statement of comprehensive income.

On December 7, 2015, the BOD approved the change of the Company's name from YEHEY! CORPORATION to APOLLO GLOBAL CAPITAL, INC. The amendment was filed with the SEC and was approved on October 7, 2016. Along with the change in the corporate name, the Company's primary purpose was likewise amended to that of a holding company which 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.

The current registered office address of the Parent Company is located at Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City.

Approval of financial statements

The separate financial statements for the years ended December 31, 2020 and 2019 were authorized for issuance by the BOD on April 15, 2021.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

The accompanying separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS are based on International Financial Reporting Standards issued by the

International Accounting Standards Board (IASB). PFRS consist of PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial Reporting Standards Council (FRSC).

2.2 Basis of presentation

The separate financial statements of the Company have been prepared on the historical cost basis.

2.3 Going Concern Assumption

The preparation of the accompanying separate financial statements of the Company is based on the premise that the Company operates on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business. The management does not intend to liquidate.

2.4 Functional and presentation currency

The separate financial statements are presented in Philippine peso (₱), which is the functional currency of the Company. All values are rounded off to the nearest peso.

2.5 Use of judgment and estimates

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an on-going basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revision 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 areas where significant judgments and estimates have been made in preparing the separate financial statements and their effects are disclosed in Note 4.

2.6 Adoption of new and revised accounting standards

New and Revised Accounting Standards Effective in 2020

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2020:

- *Conceptual Framework for Financial Reporting* – The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements of any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

  The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

- *Amendments to PAS 1, Presentation of Financial Statements and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material* – The amendments clarify the definition of "material" and how it should be applied by companies in making materiality judgments. The amendments ensure that the new definition is consistent across all PFRS standards. Based on the new definition, information is "material" if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

An entity applies those amendments prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

- *IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 (amendments), References to the Conceptual Framework in PFRS* – The amendments include a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance-in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurements uncertainty in financial reporting.

  An entity applies those amendments prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

- *Amendments to PFRS 3, Business Combinations - Definition of a Business* – This amendment provides a new definition of a "business" which emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. To be considered a business, 'an integrated set of activities and assets' must now include 'an input and a substantive process that together significantly contribute to the ability to create an output'. The distinction is important because an acquirer may recognize goodwill (or a bargain purchase) when acquiring a business but not a group of assets. An optional simplified assessment (the concentration test) has been introduced to help companies determine whether an acquisition is of a business or a group of assets.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

- *PFRS 9, PAS 39 and PFRS 7 (amendments), Interest Rate Benchmark Reform.* – The amendments will affect entities that apply the hedge accounting requirements of PFRS 9 or PAS 39 to hedging relationships directly affected by the interest rate benchmark reform. The amendments modify specific hedge accounting requirements, so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform.

  An entity applies those amendments prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

New and Amended Standards Effective Subsequent to 2020 but not Early Adopted

Pronouncements issued but not yet effective as at December 31, 2020 are listed below. The Company intends to adopt the following pronouncements when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

Effective beginning on or after June 1, 2020

Amendments to PFRS 16, COVID-19-related Rent Concessions – the amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. When there is a change in lease payments, the accounting consequences will depend on whether that change meets the definition of a lease modification, which PFRS 16 Leases defines as "a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term)".

The changes in Covid-19-Related Rent Concessions amend PFRS 16 to:

1) provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification;
2) require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications;
3) require lessees that apply the exemption to disclose that fact; and
4) require lessees to apply the exemption retrospectively in accordance with PAS 8, but not require them to restate prior period figures.

The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. A lessee applies the amendments retrospectively, recognizing the cumulative effect of the amendments as the adjustment to the opening balance of the accumulated profits or other component of equity, as appropriate.

The amendments have no effect or impact to the Company's financial statements.

<u>Effective beginning on or after January 1, 2021</u>

PFRS 9, PFRS 7, PFRS 4 and PFRS 16 (amendments), Interest Rate Benchmark Reform – Phase 2
The amendments provide in the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform;
- Relief from discontinuing hedging relationships;
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The Company shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and,
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition.

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and must be applied retrospectively.

<u>Effective beginning on or after January 1, 2022</u>

Amendments to PAS 16, Property, Plant and Equipment - Proceeds before Intended Use - the purpose of the amendments is to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Amendments to PAS 37, Onerous Contracts - Cost of Fulfilling a Contract – the amendment is regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to PFRS 3, Reference to the Conceptual Framework with amendments to PFRS 3 'Business Combinations – the amendments update an outdated reference in PFRS 3 without significantly changing its requirements. The changes are: update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to PFRS 3 a requirement that, for transactions and other events within the scope of PAS 37 or IFRIC 21, an acquirer applies PAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to PFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The Company is still assessing the impact of the preceding amendments to the financial statements.

Effective beginning on or after January 1, 2023

Amendments to PAS 1, Classification of Liabilities as Current or Non-current – the amendments provide a more general approach to the classification of liabilities under PAS 1 based on the contractual arrangements in place at the reporting date. The amendments affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. To:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to PFRS 17, Insurance Contracts – the amendments' purpose is to address concerns and implementation challenges that were identified after PFRS 17 'Insurance Contracts' was published in 2017. The main changes are: deferral of the date of initial application of PFRS 17 by two years to annual periods beginning on or after January 1, 2023; additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk; recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognized in a business acquired in a business combination; extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives; amendments to require an entity that at initial recognition recognizes losses on onerous insurance contracts issued to also recognize a gain on reinsurance contracts held; simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts; and several small amendments regarding minor application issues.

The Company is still assessing the impact of the preceding amendments to the financial statements.

Deferred

PFRS 10 (amendments), Consolidated Financial Statements, and PAS 28 (amendments), Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Annual Improvements to PFRS

The annual improvements to PFRSs contain non-urgent but necessary amendments to PFRSs.

2018-2020 Cycle
The Annual Improvements to PFRSs (2018-2020 Cycle) are effective for annual periods beginning on or after January 1, 2022, with retrospective application. The amendments to the following standards:

- PFRS 1, Subsidiary as a first-time adopter - The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1: D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PRFS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1: D16 (a).

- PFRS 9, Fees in the '10 per cent' test for derecognition of financial liabilities - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

  The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the financial statements.

- PFRS 16, Lease Incentives - The amendment removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- PAS 41, Taxation in fair value measurements - The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

  The amendments are not expected to have a material impact on the financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are summarized below. The policies have been consistently applied to all years presented unless otherwise stated.

3.1 Financial assets and financial liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

As of December 31, 2020 and 2019, the Company does not have financial assets and liabilities measured at FVPL.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As of December 31, 2020 and 2019, the Company's cash, and security and bond deposits, and advances to related party are included under this category.

Financial Assets at FVPL. Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statements of financial position at fair value with net changes in fair value recognized in the statements of comprehensive income. As at December 31, 2020 and 2019, the Company has no financial assets at FVPL.

Financial Assets at FVOCI. For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As of December 31, 2020 and 2019, the Company's has no financial assets at FVOCI.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As of December 31, 2020 and 2019, the Company's accounts and other payables and advances from related parties are included under this category.

3.2 Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

3.3 Impairment of financial assets at amortized cost and FVOCI

The Company records an allowance for "expected credit loss" (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For loan receivables, the Company has applied the simplified approach and has calculated ECLs based on the lifetime expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

At each reporting date, the Company assesses whether financial assets at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3.4 Derecognition of financial assets and liabilities

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

3.5 Offsetting financial instrument

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is 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 statement of financial position.

3.6 Classification of financial instrument between liability and equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

3.7 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/noncurrent classification.

An asset is current when:
- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within twelve months after the reporting period, or
- Cash on hand and in banks unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as noncurrent.

3.8 Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded by the Company at the respective functional currency rates prevailing at the date of the transaction.

Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the statements of comprehensive income with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in OCI until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits applicable to exchange differences on these monetary items are also recorded in the OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the par value is determined.

3.9 Fair value measurements

The Company measures a number of financial and non-financial assets and liabilities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

3.10 Cash in banks

Cash in banks earns interest at respective bank deposit rates. For the purpose of reporting cash flows, cash in banks is unrestricted and available for use in current operations.

3.11 Other current assets

Other current assets are recognized when the Company expects to receive future economic benefit from them, and the amount can be measured reliably. Other assets are classified in the statements of financial position as current assets when the cost of goods or services related to the assets are expected to be incurred within one year or the Company 's normal operating cycle, whichever is longer.

Other current assets consist of input value-added tax (VAT), creditable withholding taxes (CWTs) and security deposit.

Input VAT represents tax imposed on the Company by its suppliers and contractors for the purchase of goods and services, as required under Philippine taxation laws and regulations. The portion of input VAT that will be used to offset the Company's current VAT liabilities is presented as a current asset in the consolidated statement of financial position.

CWTs represent the amount withheld by the Company's customers in relation to its revenue. These are recognized upon collection of the related revenue and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations. CWTs are stated at their estimated net realizable value.

Security and bond deposits are refundable, noninterest-bearing and unsecured amounts upon the termination of contracts with lessors and utilities companies or the performance of commitments covered by certain provisions of contracts.

3.12 Property and equipment, net

Property and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property and equipment.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to income in the period in which the costs are incurred.
In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation on other assets is charged to allocate the cost of assets less their fair value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Office furniture & fixtures	3 years
Leasehold improvements	5 years

Depreciation of property and equipment begins when it becomes available for use (i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation and depletion ceases at the earlier of the date that the item is classified as held for sale in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations,* and the date the item is derecognized.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated recoverable reserves, useful lives, and depreciation and depletion methods are reviewed periodically to ensure that the estimated recoverable reserves, residual values, periods and methods of depreciation and depletion are consistent with the expected pattern of economic benefits from items of property and equipment. The residual values, if any, are reviewed and adjusted, if appropriate, at each end of reporting period. If there is an indication that there has been a significant change in depreciation and depletion rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When properties are retired or otherwise disposed of, the cost and related accumulated depreciation and depletion and any allowance for impairment loss are eliminated from the accounts and any resulting gain or loss is credited or charged to statements of comprehensive income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the items) is included in the statements of comprehensive income in the year the asset is derecognized.

Fully depreciated assets are retained as property and equipment until these are no longer in use.

3.13 Investment in subsidiaries

A subsidiary is an entity, including an unincorporated entity such as a partnership, which is controlled by the Parent Company. The Parent Company has control over an entity if it has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investment in subsidiary in the Parent Company financial statements is carried at cost, less any impairment in the value of the individual investment.

3.14 Impairments of non-financial assets

General

An assessment is made at each balance sheet date of whether there is any indication of impairment of an asset, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the assets recoverable amount is calculated as the higher of the assets value in use or net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, but only to the extent of the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is credit to current operations.

Property and equipment
The Company assesses at each financial reporting date whether there is an indication that an asset may be impaired. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amounts, the assets or cash generating units (CGU) are written down to their estimated recoverable amounts. The estimated recoverable amount of an asset is the greater of the fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal, while the value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the estimated recoverable amount is determined for the CGU to which the asset is belongs. Impairment losses of continuing operations are recognized in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date whether there is any 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 by a credit to current operations (unless the asset is carried at a revalued amount in which case the reversal of the impairment loss is credited to the revaluation increment of the same asset) to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and depletion) had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in statements of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on systematic basis over its remaining useful life.

3.15 Advances from/to related parties

Advances from/to related parties are non-interest-bearing borrowings. These are measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments.

3.16 Accounts and other payables

Accounts and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers which are unpaid. Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed upon by the supplier, including amounts due to employees. Accounts payable and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business of longer and recognized at fair value). If not, they are presented as non-current liabilities.

Accounts payables and accruals are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.17 Revenue recognition

Revenue from contracts with customers

The Company is principally engaged in the business of producing beneficiated nickel ore. It also generates revenue from sale of fuel to its contractors. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

To determine whether to recognize revenue, the Company follows a five-step process:
1. identifying the contract with a customer:
2. identifying the performance obligation;
3. determining the transaction price;
4. allocating the transaction price to the performance obligations; and,
5. recognizing revenue when/as performance obligations are satisfied.

For Step 1 to be achieved, the following gating criteria must be present:

- the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
- each party's rights regarding the goods or services to be transferred or performed can be identified;
- the payment terms for the goods or services to be transferred or performed can be identified;
- the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract; and,
- collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the Company satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
- the Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

The transaction price allocated to the performance obligations satisfied at a point in time is recognized as revenue when control of goods or services transfers to the customer. As a matter of accounting policy when applicable, if the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

Other income
Other income is recognized in the statements of comprehensive income as they are earned.

Finance income
Interest income is recorded using the EIR which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. Interest income is included in "other income" in the statements of comprehensive income.

<u>Contract balances</u>

Receivable from customers
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the Company performs under the contract.

3.18 Cost and expenses recognition

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

Costs and expenses are recognized in profit or loss in the consolidated statements of comprehensive income:

- on the basis of a direct association between the costs incurred and the earning of specific items of income;
- on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or,
- immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the consolidated statements of financial position as an asset.

Selling, administrative, and other operating expenses
Selling expenses are costs incurred to sell or distribute inventories. Administrative expenses normally include costs of administering the business as incurred by administrative departments. Other operating expenses are costs incurred other than for selling or administrative purposes.

3.19 Related party transactions and relationship

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company and close members of the family of nay individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

An entity is related to the Company if any of the following conditions apply:

- The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others)
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member)
- Both entities are joint ventures of the same third party
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity
- The entity is a post-employment benefit plan for the benefit of employees of either the Company of an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company
- The entity is controlled or jointly controlled by a person identified above
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Company and include that person's children and spouse or domestic partner, and dependents of that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the Company. Transactions between related parties are based on terms similar to those offered to non-related entities in an economically comparable market, except for non-interest-bearing advances with no definite repayment terms.

3.20 Equity

Share capital is measured at par value for all shares issued. When the shares are sold out at a premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained earnings represent the cumulative balance of periodic net income or loss, dividend distribution, prior period adjustments, effect of changes in accounting policy and other capital adjustments. When retained earnings account has a debit balance, it is called "deficit", and presented as a deduction from equity.

Dividends are recognized when they become legally payable. Dividend distribution to equity shareholders is recognized as liability in the Company's financial statements in the period in which the dividends are declared and approved by the Company's Board of Directors.

3.21 Income taxes

Current income tax

Current income tax assets and liabilities for the current period is 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 at the reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statements of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, when timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carry over (NOLCO), and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits from MCIT and NOLCO and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither the accounting profit nor taxable profit (or loss).

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle the liabilities simultaneously.

3.22 Value-added Tax (VAT)

Revenue, expenses and assets are recognized net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

For acquisition of capital goods over ₱1,000,000, the VAT is deferred and amortized over the useful life of the related capital goods or 60 months, whichever is shorter, commencing on the date of the acquisition.

Output tax pertains to the 12% VAT received or receivable on the local sale of goods or services by the Company. Input tax pertains to the 12% VAT paid or payable by the Company in the course of its trade or business on purchase of goods or services. At the end of each taxable period, if output tax exceeds input tax, the outstanding balance is paid to the taxation authority. If input tax exceeds output tax, the excess shall be carried over to the succeeding months.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of 'prepayments and other current assets' or 'trade and other payables' in the statements of financial position.

3.23 Employee benefits

Employee benefits are all forms of considerations given by the Company in exchange for service rendered by the employees. It includes short-term employee benefits and post-employment benefits.

Short-term benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Termination benefits
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the Company's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefit, short-term employee benefits, or other long-term employee benefits.

Retirement benefits
The Company does not have a defined contribution plan or any formal retirement plan that covers the retirement benefits of its employees. However, under the existing regulatory framework, Republic Act No. 7641, otherwise known as the Philippine Retirement Pay Law, requires a provision for retirement pay to qualified private sector

employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining agreement and other agreements shall not be less than those provided under law. The law does not require minimum funding of the plan.

Republic Act No. 7641 relates to a defined benefit plan. A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Company. The Company's defined benefit post-employment plan covers all regular full-time employees.

As of December 31, 2020 and 2019, the Company has not yet provided retirement benefits for its employees since the Company has no employees.

3.24 Leases

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company assesses whether the contract meets three key evaluations which are whether:

a) the contract contains an *identified asset*, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company,

b) the Company has the *right to obtain substantially all of the economic benefits* from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract,

c) the Company has the *right to direct the use* of the identified asset throughout the period of use.

The Company shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use asset

At the initial application date, the Company recognizes a right-of-use asset on the statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).
The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

(b) Lease liability

At the initial application date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets
The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.25 Provisions and contingencies

General
The Company recognizes a provision of a present obligation has arisen as a result of a past event, payment is probable and the amount can be measured reliably. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, that is, the amount the Company would rationally pay to settle the obligation to a third party.

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

3.26 Earnings per share (EPS) attributable to equity holders

Basic EPS is calculated by dividing the profit attributable to the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding and assume conversion of all dilutive potential ordinary shares.

If the number of ordinary or potential shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted EPS for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are authorized for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

The Company has no dilutive potential common shares outstanding.

3.27 Events after the end of the reporting period

Post year-end that provides 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 when material.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in conformity with PFRS requires the Company's management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes.

The estimates and associated assumptions are based on historical experiences and other various factors that are believed to be reasonable under the circumstances including expectations of related future events, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates, assumptions and judgments are reviewed and evaluated 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.

4.1 Judgments

Going concern
As of December 31, 2020, the Company's management has made an assessment on the Company's ability to continue as a going concern in the current evolving environment especially on the impact of COVID-19 pandemic and is satisfied that the Company has the resources to continue their business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Determination of functional currency
The financial statements are presented in the Philippine Peso, which is also the Company's functional currency. For each entity, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Fair value measurements
A number of the Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Company uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

If the inputs used to measure the fair value of an asset or a liability can be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy based on the lowest level input that is significant to the entire measurement.

Classifying financial instruments
The Company exercises judgments in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset or liability. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

Assessing significant influence and control over investee.
The Company determines that it has control over its subsidiaries by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following are also considered:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual agreements.
- The Company's voting rights and potential voting rights.

Management has assessed the level of influence the Company has on JDVC and determines that it has control by virtue of the Company holding 90.47% voting power over JDVC.

Determination whether an agreement contains a lease
The determination of whether a contract is, or contains a lease, is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting for lease commitments – Company as lessee
The Company has a lease agreement for its office space with a term of 12 months and is renewable upon mutual agreement of both parties. The Company availed of exemption for short-term leases with term of 12 months or less. Accordingly, lease payments on the short-term lease are recognized as expense on a straight-line basis over the lease term.

Rent expense arising from operating lease agreements amounted to ₱804,928 and ₱698,020 in 2020 and 2019, respectively (see Note 20).

4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below.

Fair values of financial instruments
PFRS requires that financial assets and financial liabilities be carried or disclosed at fair value, which requires the use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, and volatility rates), the amount of changes in fair value would differ if the Company utilized different valuation methodologies. Any change in the fair values of financial assets and financial liabilities directly affects profit or loss, equity, and the required disclosures.

Where the fair values of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from active markets, their fair values are determined using valuation techniques that are generally-accepted market valuations including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values.

The fair values of financial assets and financial liabilities by category and their fair value hierarchy are set out in Note 7 to the financial statements.

Assessing ECL on financial assets
The Company applies the general approach in measuring the ECL. For cash in banks the Company assessed that cash is deposited with reputable banks that possess good credit ratings. For loan receivable, accrued interest receivable, advances to contractors and related parties, the Company considers the financial capacity of the counterparty. No ECL was recognized in 2020 and 2019. The carrying amounts of the Company's financial assets are as follows:

	Note	2020	2019
Cash in banks	8	₱ **505,834**	₱ 493,219
Security deposit	9	**71,772**	71,772
Construction bond	9	**50,000**	-
Advances to related parties	15	**9,198,954**	14,937,469

Assessing impairment of investment in a subsidiary
The Company assesses impairment on investment in a subsidiary whenever events or changes in circumstances indicate that the carrying amount of its investment may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant negative industry or economic trends; and
- Significant changes in the manner of use of the acquired assets or the strategy for overall business.

In determining the present value of estimated future cash flows expected to be generated from the investment, the Company is required to make judgment and estimates that can materially affect the separate financial statements.

No impairment loss on investment in a subsidiary was recognized in 2020 and 2019.

The carrying amount of the Company's investment in a subsidiary amounted to ₱2,741,567,825 both as of December 31, 2020 and 2019. (see Note 11)

Estimating residual values and useful lives of property and equipment
The Company estimates residual values and useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that the future results of operations

could be materially affected by changes in estimates brought by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded expenses and decrease non-current assets.

The carrying amounts of property and equipment amounted to ₱1,339,041 and nil as of December 31, 2020 and 2019, respectively (see Note 10). Useful lives of property and equipment is disclosed in Note 3.12.

Estimating impairment losses on property and equipment
The Company assesses impairment on its property and equipment 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 the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

In determining the present value of estimated future cash flows expected to be generated from continued use of the assets, the Company is required to make estimates that can materially affect the financial statements.
The assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For purposes of assessing impairment, assets are assessed at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognized and charged to statements of loss if the discounted expected future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows. There was no provision for impairment loss on property and equipment recognized in 2020 and 2019.

Estimating allowance for impairment losses on non-financial assets (except property and equipment)
The Company provides allowance for impairment losses on non-financial assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease related assets.

There was no indication of impairment noted on the Company's non-financial assets in 2020 and 2019.

Assessing realizability of deferred income tax assets
The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces the amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized in the future. The amount of deferred tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

The Company did not recognize deferred tax assets on the carryforward benefits of NOLCO since management believes that it is more likely that the Company will not be able to realize their benefits in the future or prior to their expiration.

4.3 Provision and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. The policy on the recognition and disclosure of provisions is discussed in Note 3.

NOTE 5 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments are composed of cash in banks, receivables and payables. The main purpose of these financial instruments is to raise finances for the Company's operations. The risks arising from the use of financial instruments are managed through a process of on-going identification, measurement, and monitoring. This process of risk management is critical to the Company's continuing profitability.

The BOD is ultimately responsible for overall risk management approach, monitoring risk exposures, and approving risk mitigation strategies and policies.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk.

5.1 Objectives and policies

The Company has significant exposure to the following financial risks primarily from its use of financial instruments:

- Interest rate risk
- Liquidity risk
- Credit risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Company is cash. This financial instrument is used mainly for working capital management purposes. Trade-related financial assets and financial liabilities of the Company such as trade and other receivables and trade and other payables, excluding statutory liabilities, arise directly from and are used to facilitate its daily operations.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Company.

The risk management policies of the Company are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

5.2 Interest rate risk

The Company's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Company's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Company follows prudent policies in managing its exposures to interest rate fluctuation, and constantly monitors its exposure to fluctuation in interest rates to estimate the impact of interest rate movements on its interest expense.

As at December 31, 2020 and 2019, the Company does not have any repriceable financial instruments subject to variable interest rates. There are no significant interest rate risk exposures since the interest-bearing loans & borrowings are subject to fixed interest rates of 6% and all other financial assets and liabilities are non-interest bearing.

5.3 Liquidity risk

Liquidity risk pertains to the risk that the Company will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Company's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Company constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

	December 31, 2020			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost				
Cash in banks (Note 8)	₱ 505,834	₱ 889,057	₱ -	₱ -
Security deposit (Note 9)	71,772	-	71,772	-
Construction bond (Note 9)	50,000	-	50,000	-
Advances to related parties (Note 15)	9,198,954	-	-	9,198,954
Total	₱ 9,826,560	₱ 889,057	₱ 121,772	₱ 9,198,954
Financial liabilities at amortized cost				
Accounts and other payables* (Note 12)	₱ 1,167,692	₱ 1,167,692	₱ -	₱ -
Advances from related parties (Note 15)	1,775,024	-	-	1,775,024
Total	₱ 2,942,716	₱ 1,167,692	₱ -	₱ 1,775,024

**excluding government liabilities*

	December 31, 2019			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost				
Cash in banks (Note 8)	₱ 493,216	₱ 493,216	₱ -	₱ -
Security deposit (Note 9)	71,772	-	71,772	-
Advances to related parties (Note 15)	14,937,469	-	-	14,937,469
Total	₱ 15,502,457	₱ 493,216	₱ 71,772	₱ 14,937,469
Financial liabilities at amortized cost				
Accounts and other payables* (Note 12)	₱ 1,095,421	₱ 1,095,421	₱ -	₱ -
Advances from related parties (Note 15)	1,682,983	-	-	1,682,983
Total	₱ 2,778,404	₱ 1,095,421	₱ -	₱ 1,682,983

**excluding government liabilities*

5.3 Credit risk

Credit risk is the risk of financial loss to the Company when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from receivables. The Company manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Company's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Company has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position (or in the detailed analysis provided in the notes to the financial statements).

As at December 31, 2020 and 2019, the Company has no financial assets for which credit risk has increased significantly since initial recognition and that are credit-impaired.

Credit quality per class of financial assets

The following table show a comparison of the credit quality of the Company's financial assets by class as at the reporting date:

	As at December 31, 2020				
	Neither past due nor impaired		Past due but		
	High Grade	Standard Grade	not impaired	Impaired	Total
Financial assets at amortized cost					
Cash in banks (Note 8)	₱ 505,834	₱ -	₱ -	₱ -	₱ 505,834
Security deposit (Note 9)	71,772	-	-	-	71,772
Construction bond (Note 9)	50,000	-	-	-	50,000
Advances to related party (Note 15)	9,198,954	-	-	-	9,198,954
Total	₱ 9,826,560	₱ -	₱ -	₱ -	₱ 9,826,560

	As at December 31, 2019				
	Neither past due nor impaired		Past due but		
	High Grade	Standard Grade	not impaired	Impaired	Total
Financial assets at amortized cost					
Cash in banks (Note 8)	₱ 493,216	₱ -	₱ -	₱ -	₱ 493,216
Security deposit (Note 9)	71,772	-	-	-	71,772
Advances to related party (Note 15)	14,937,469	-	-	-	14,937,469
Total	₱ 15,502,457	₱ -	₱ -	₱ -	₱ 15,502,457

The Company evaluates credit quality on the basis of the credit strength of the security and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty. The Company determines if credit risk have increased significantly when financial assets are more than 30 days past due.

The Company's management considers none of the financial assets to be impaired or past due at the end of each financial reporting period.

Cash in banks

The credit risks for cash in banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Security deposits and Construction bond. These pertain to receivables from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.

Advances to related party

This pertain to receivable from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.

Maximum Credit Risk Exposure

Financial information on the Company's maximum exposure to credit risk without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	December 31,	
	2020	2019
Financial assets at amortized cost		
Cash in banks (Note 8)	₱ 505,834	₱ 493,216
Security deposit (Note 9)	71,772	71,772
Construction bond (Note 9)	50,000	-
Advances to related party (Note 15)	9,198,954	14,937,469
Total	₱ 9,826,560	₱ 15,502,457

The Company does not hold any collateral as security or other credit enhancements attached to its financial assets.

The credit risk for is considered negligible, since the counterparties are reputable entities with high quality external credit ratings.

The Company's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of receivables is its carrying amount without considering collaterals or credit enhancements, if any. The Company has no significant concentration of credit risk since the Company deals with a large number of homogenous counterparties. The Company does not execute any credit guarantee in favor of any counterparty.

NOTE 6 – CAPITAL MANAGEMENT OBJECTIVES, POLICIES, & PROCEDURES

The Company's capital management objectives are:

- To ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.
- To invest the capital in investments that meet the expected return with the commensurate level of risk exposure.

The Company maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Company manages its capital structure and makes adjustments, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, pay-off existing debt, return capital to shareholders or issue new shares.

The Company considers its equity as capital.

The Company monitors its financial leverage using the debt-to-equity which is computed as total liabilities divided by total equity as shown in the table below:

		2020		2019
Total liabilities	₱	**7,689,518**	₱	7,437,334
Total equity		**2,746,902,281**		2,751,252,505
Debt-to-equity ratio		**2.80:1**		2.70:1

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

NOTE 7 – FAIR VALUE MEASUREMENT

7.1 Carrying amounts and fair values by category

The table below presents a comparison by category of carrying amounts and fair values of the Company's financial instruments as of years ended December 31, 2020 and 2019:

	2020		2019	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial assets at amortized cost				
Cash in banks (Note 8)	₱ 505,834	₱ 505,834	₱ 493,216	₱ 493,216
Security deposit (Note 9)	71,772	71,772	71,772	71,772
Construction bond (Note 9)	50,000	50,000	-	-
Advances to related party (Note 15)	9,198,954	9,198,954	14,937,469	14,937,469
Total	₱ 9,826,560	₱ 9,826,560	₱ 15,502,457	₱ 15,502,457
Financial liabilities at amortized cost				
Accounts and other payables* (Note 12)	₱ 1,167,692	₱ 1,167,692	₱ 1,095,421	₱ 1,095,421
Advances from related parties (Note 15)	1,775,024	1,775,024	1,682,983	1,682,983
Total	₱ 2,942,716	₱ 2,942,716	₱ 2,778,404	₱ 2,778,404

**excluding statutory liabilities*

Cash, Accrued Expenses and Other Payables (excluding statutory payables). The carrying values of these financial instruments approximate their fair values due to the relatively short-term maturity of these financial instruments.

Advances to (from) Related Parties. The carrying amounts of these related party transactions approximate their fair values.

7.2 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy Company's financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for asset or liability that are not based on observable market data (unobservable inputs).

The following table summarizes the fair value hierarchy of the Company's financial assets and liabilities, which are measured at fair value or requires disclosure as prescribed by other PFRS, as at December 31, 2020 and 2019:

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in banks (Note 8)	₱ 505,834	₱ -	₱ -	₱ 505,834
Security deposit (Note 9)	-	-	71,772	71,772
Construction bond (Note 9)	-	-	50,000	50,000
Advances to related party (Note 15)	-	-	9,198,954	9,198,954
Total	₱ 505,834	₱ -	₱ 9,320,726	₱ 9,826,560
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 12)	₱ -	₱ -	₱ 1,167,692	₱ 1,167,692
Advances from related parties (Note 15)	-	-	1,775,024	1,775,024
Total	₱ -	₱ -	₱ 2,942,716	₱ 2,942,716

**excluding statutory liabilities*

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in banks (Note 8)	₱ 1,264,390	₱ -	₱ -	₱ 1,264,390
Security deposit (Note 9)	-	-	71,772	71,772
Construction bond (Note 9)	-	-	-	-
Advances to related party (Note 15)			14,937,469	14,937,469
Total	₱ 1,264,390	₱ -	₱ 15,009,241	₱ 16,273,631
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 12)	₱ -	₱ -	₱ 1,095,421	₱ 1,095,421
Advances from related parties (Note 15)	-	-	1,682,983	1,682,983
Total	₱ -	₱ -	₱ 2,778,404	₱ 2,778,404

**excluding statutory liabilities*

As at December 31, 2020 and 2019, there are no financial assets or financial liabilities measured at fair value. There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2020 and 2019.

<u>Financial instruments not measured at fair value for which fair value is disclosed</u>
For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine fair value of such instruments are not based on observable market data.

NOTE 8 – CASH IN BANKS

As of December 31, 2020 and 2019, this account amounted to ₱505,834 and ₱493,216, respectively.

Cash in bank earns interest at the respective bank deposit rates. Interest income from bank deposits amounted to ₱1,485 and ₱3,282 for the years ended December 31, 2020 and 2019, respectively (Note 17).

NOTE 9 – OTHER CURRENT ASSETS

As of December 31, this account consists of the following:

Particulars	2020	2019
Input taxes (Note 24)	₱ 620,864	₱ 382,048
Prior year's excess tax credit	1,237,509	1,237,509
Security deposit	71,772	71,772
Construction bonds	50,000	-
Total	₱ 1,980,145	₱ 1,691,329

Input tax is the 12% value added tax (VAT) on purchase of goods or services in the course of its trade or business. At the end of each taxable period, input tax can be applied against output tax.

Prior year's excess credits represent excess tax payments and credits over tax liabilities of the immediately preceding taxable period which may be refunded, converted to tax credit certificates, or carried over to the next taxable year.

Security deposits represent noninterest-bearing deposits made on lease and are usually refundable after the end of contract or services less any charges. Construction bonds represent noninterest-bearing bonds that are used to secure against damages during construction and will be refundable after the end of construction, net of any charges.

NOTE 10 – PROPERTY AND EQUIPMENT, NET

The movement of the property and equipment is as follows:

	December 31, 2020			
Particulars	Beginning Balance	Additions	Disposal	Ending Balance
Cost:				
Office furniture and fixtures	₱ -	₱ 1,358,606	₱ -	₱ **1,358,606**
Leasehold improvements	-	50,400	-	**50,400**
Sub-total	-	₱ 1,409,006	₱ -	**1,409,006**
Accumulated depreciation:				
Office furniture and fixtures	-	₱ 69,218	₱ -	**69,218**
Leasehold improvements	-	747	-	**747**
Sub-total	-	69,965	-	**69,965**
Net Book Value	₱ -			₱ **1,339,041**

As of December 31, 2019, the property and equipment amounted to nil.

The Company elected to use the cost model in accounting for property and equipment. They also believed that the carrying amount of its property and equipment during the year are not impaired.

Depreciation charged in the statements of income for the years ended December 31, 2020 and 2019 amounted to ₱69,965 and nil (Note 16), respectively.

None of the properties were pledged or mortgaged as collateral to secure any of the Company's loans.

NOTE 11 – INVESTMENT IN SUBSIDIARIES

Movements of this account are as follows:

	No. of shares		Amount	
	2020	2019	2020	2019
At January 1,	₱ 4,523,270	4,133,740	2,741,567,825	₱ 2,473,960,715
Acquisitions during the year	-	389,530	-	267,607,110
At December 31,	₱ 4,523,270	4,523,270	2,741,567,825	₱ 2,741,567,825

In 2017, the Company acquired 82.67% ownership interest or 4,133,740 shares of JDVC Resources Corporation (the Subsidiary or JDVC) from existing shareholders of JDVC through a share swap agreement approved by the SEC on October 9, 2017. The aggregate transfer value based on the appraised value of JDVC's net assets at acquisition date is ₱2,473,960,715 or ₱598.48 a share.

In December 2019, the Company purchased additional 389,530 shares of JDVC from its existing shareholders for ₱267.6 million resulting to an increase in ownership of JDVC to 90.47% as at December 31, 2019. JDVC is a domestic corporation registered with the Philippine SEC on June 10, 1998 to engage in the business of offshore exploring, prospecting and operating mines and quarries of magnetite iron sand and other kinds of ores and minerals. JDVC is a holder of Mineral Production Sharing Agreement (MPSA) No. 338-2010-II-Amended A which grants the Subsidiary the right to explore and develop magnetite resources within a specified area in Cagayan province.

On August 6, 2019, the DENR approved the Declaration of Mining Project Feasibility of JDVC and has authorized the Subsidiary to proceed to the development, including extraction and commercial disposition of magnetite iron sand other associated minerals at the offshore areas in the Province of Cagayan covered by the MPSA. The Company's management believes that future economic benefits will be available once the Subsidiary commences its operations in 2021.

As at December 31, 2020 and 2019, the Subsidiary has not yet started its offshore mining operations and has a deficit of ₱38.9 million and ₱28.2 million, respectively.

There were no dividends received from the investment in 2020 and 2019. The following summarizes the financial information of JDVC:

Particulars	2020	2019
Current assets	₱ 2,365,089	₱ 2,734,402
Noncurrent assets	841,142,556	833,669,240
Current liabilities	113,962,037	104,571,238
Noncurrent liabilities	269,749,562	260,099,562
Revenue	-	-
Net loss	11,936,796	10,866,738

NOTE 12 – ACCOUNTS AND OTHER PAYABLES

As of December 31, this account consists of the following:

Particulars	2020	2019
Deferred output VAT	₱ 818,036	₱ 818,036
Accounts payable	611,361	574,090
Accrued expenses	556,331	521,331
Statutory payables	277,766	189,894
Total	₱ 2,263,494	₱ 2,103,351

Statutory payables consist of withholding taxes and other payables to government agencies. Accrued expenses include professional fees and various unpaid expenses. Accounts payable consist of unsecured liabilities arising from transactions with contractors and suppliers related to the normal course of business.

These liabilities are unsecured and noninterest-bearing and are normally settled within the next 12 months.

NOTE 13 – SHARE CAPITAL

As of December 31, the share capital of the Company is as follows:

Particulars	2020		2019	
	No. of shares	**Amount**	No. of shares	Amount
Authorized ₱0.01 par				
Balance at beginning and end of year	**600,000,000,000**	**₱ 6,000,000,000**	600,000,000,000	₱ 6,000,000,000
Issued and Outstanding				
Balance at beginning of year	**280,336,349,297**	**₱ 2,803,363,493**	275,196,071,520	₱ 2,751,960,715
Conversion of loan	**-**	**-**	5,140,277,777	51,402,778
Balance at end of year	**280,336,349,297**	**₱ 2,803,363,493**	280,336,349,297	₱ 2,803,363,493

Below is the track record of issuance of the Parent Company's securities:

Date of Approval	Nature	Number of shares: Authorized	Number of shares: Issued/ Subscribed	Issue/ Offer Price
October 18, 2012	Listing of shares	100,000,000,000	27,800,000,000	1.00
October 9, 2017	Share swap	600,000,000,000	247,396,071,520	0.01
September 11, 2019	Loan conversion	600,000,000,000	5,140,277,777	0.01

Increase in Authorized Capital Stock of APL
On October 9, 2017, the SEC approved the increase in the capital stock of the Parent Company from ₱1,000,000,000 divided into 100,000,000,000 shares to ₱6,000,000,000 divided into 600,000,000,000 shares both with a par value of ₱0.01.

Convertible Loan Agreement
On February 20, 2019, the BOD authorized the Parent Company to enter into a convertible loan agreement with a third party amounting to ₱50 million. The loan bears an interest of 5% per annum and will mature on February 20, 2021. The principal and interest are convertible to shares at ₱0.01 per share any time until the 10th day before the maturity date at the option of the third party.

On September 11, 2019, the third party exercised the right to convert the loan at ₱0.01 per share. On the same date, the BOD approved the conversion of the principal amount, including the interest accrued up to date of the conversion amounting to ₱1,402,778. The Parent Company issued additional 5,140,277,777 shares as a result of the conversion. Consequently, such valuation was duly approved by the Securities and Exchange Commission (SEC) on the 7th day of December 2020.

The total number of stockholders of the Parent Company is 799 as of December 31, 2020.

NOTE 14 – SHARE PREMIUM

As of December 31, the movements of additional paid-in capital are as follows:

	2020	2019
At January 1	₱ 17,586,961	₱ 17,586,961
Share premium on common shares issued during the year		
Gross proceeds	-	-
Par value of issued shares	-	-
End	₱ 17,586,961	₱ 17,586,961

Share premium arises when the amount subscribed is in excess of nominal value.

NOTE 15 – RELATED PARTY TRANSACTIONS

The details of the Company's related parties are summarized as follows:

Name of related party	Relationship	Country of incorporation
JDVC Resource Corporation	Subsidiary	Philippines
Individuals	Key management personnel/shareholders	-

Significant transactions with related parties are as follows:

As of December 31, 2020,

Related Party	Transactions	Outstanding Balance	Nature	Terms and Conditions
Advances to related party				
JDVC Resource Corporation	₱ (5,738,515)	₱ 9,198,954	Reimbursement of Expenses	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Advances from related parties				
Stockholders	₱ 92,041	₱ 1,775,024	Portion is cash advances for temporary financing and other portion is reimbursement of expenses	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash

As of December 31, 2019,

Related Party	Transactions	Outstanding Balance	Nature, terms and Conditions	Nature of Consideration
Advances to related party				
JDVC Resource Corporation	₱ 14,937,469	₱ 14,937,469	Reimbursement of Expenses	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Advances from related parties				
Stockholders	₱ (30,720,934)	₱ 1,682,983	Portion is cash advances for temporary financing and other portion is reimbursement of expenses	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash

Terms and Conditions of Transactions with Related Parties

Advances to (from) Related Parties
Advances to (from) related parties are unsecured, noninterest-bearing, collectible and/or payable beyond 12 months and settlement occurs in cash. The Company did not recognize expected credit loss from advances to related parties. This assessment is undertaken each financial year by examining capacity and financial position of the related parties.

Compensation of Key Management Personnel

Since the Company is in its pre-operating stages, there are no key management personnel compensation recognized 2020 and 2019, since the officers offer their services pro-bono to save on operating costs. Likewise, the Company does not provide post-employment benefit plans or equity-based compensation benefits to any of its directors or executive officers.

NOTE 16 – GENERAL AND ADMINISTRATIVE EXPENSES

As of December 31, this account consists of the following:

Particulars	2020	2019
Professional fees	₱ **1,841,650**	₱ 1,394,765
Taxes and licenses (Note 24)	**1,116,331**	4,824,386
Rent (Note 20)	**804,928**	698,020
Advertising	**170,048**	-
Travel and transportation	**80,760**	-
Depreciation (Note 10)	**69,965**	-
Office supplies	**60,000**	-
Repairs and maintenance	**5,550**	-
Association dues	-	155,469
Interest expense	-	1,402,778
Others	**202,477**	575,396
Total	₱ **4,351,709**	₱ 9,050,814

Others mainly include expenses incurred for Company's utilities, dues, and bank service charges, etc.

NOTE 17 – INTEREST INCOME

As of December 31, this account consists of the following:

Particulars	2020	2019
Interest income from bank deposits	₱ **1,485**	₱ 3,282
Interest income from loans receivable	-	2,272,321
Other income	₱ **1,485**	₱ 2,275,603

The loan was due from a former stockholder at 12% interest rate per year which were collected in full in 2019 including its related interest.

NOTE 18 – INCOME TAXES

Tax expense (benefit) consists of the following:

Particulars		2020		2019
Current tax expense	₱	-	₱	45,446
Deferred tax income, net		-		-
Income tax benefit	₱	-	₱	45,446

The NOLCO of the business for any taxable year shall be carried over as a deduction from gross income for the next three (3) consecutive years. In effect, therefore, a tax benefit arises on the year the losses were incurred. Such tax benefits are reported in the statement of financial position as deferred tax assets and are reported at current statutory tax rates.

The Group believes that it is not reasonably probable that future taxable profit against which the benefit of the Group's deferred tax assets can be utilized. Hence, no deferred tax benefit was recognized.

Details of the Company's NOLCO are as follows:

Year incurred	Valid Until		Original Amount		Used/Expired		Balance		Tax Effect
2020	2025	₱	-	₱	4,351,709	₱	4,351,709	₱	830,651
2019	2022		3,873,124		-		3,873,124		1,161,937
2018	2021		3,448,254		-		3,448,254		1,034,476
2017	2020		22,172,784		(22,172,784)		-		-
		₱	29,494,162	₱	(17,821,075)	₱	11,673,087	₱	3,027,064

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover as One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The Company is subject to Minimum Corporate Income Tax (MCIT) which is computed at 2% of gross income, as defined under tax regulations, or RCIT, whichever is higher. In 2020, the Company does not have gross income hence not liable to MCIT nor RCIT. In 2019, the Company is liable of MCIT as the MCIT was higher than the RCIT.

Details of the Company's MCIT are as follows:

Year incurred	Valid Until		Beginning balance		Incurred		Expired		Ending Balance	Tax Effect
2020	2023	₱	-	₱	-	₱	-	₱	-	-
2019	2022		2,272,321		-		-		2,272,321	45,446
2018	2021		2,272,321		-		-		2,272,321	45,446
2017	2020		2,272,321		-		(2,272,321)		-	-
		₱	6,816,963	₱	2,768,837	₱	(2,272,321)	₱	4,544,642	90,892

The reconciliation of income tax at the statutory tax rate to the income tax as shown in the consolidated statement of comprehensive income is as follows:

		2020		2019
Income tax at statutory tax rate	₱	(1,305,067)	₱	(2,032,563)
Tax effects of:				
Non-deductible expenses		(5,346,323)		1,988,102
Income subject to final tax		(445)		(985)
Expired NOLCO		6,651,835		-
Income tax benefit	₱	-	₱	(45,446)

NOTE 19 – LOSS PER SHARE

As of December 31, the financial information pertinent to the derivation of the basic and diluted earnings per share are as follows:

		2020		2019
Net loss attributable to the equity holders of the Company	₱	(4,350,224)	₱	(6,820,657)
Weighted average number of shares outstanding:				
Balance at beginning of year		280,336,349,297		275,196,071,520
Effect of share issuances		-		1,563,207,762
Balance at end of year		280,336,349,297		276,759,279,282
Basic/Diluted loss per share	₱	(0.00002)	₱	(0.00002)

Diluted earnings per share is equal to the basic earnings per share since the Company does not have potential dilutive shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial reporting date and the date of authorization of these consolidated financial statements.

NOTE 20 – SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Lease Agreements

In 2016, the Subsidiary entered into a cancellable lease agreement with a third party for its office space. The lease term is for a period of 2 years commencing on December 15, 2016 until January 14, 2018. The contract was renewed thereafter but was terminated by the Subsidiary on February 15, 2018. Upon termination of the lease agreement, the Parent Company allows its Subsidiary to use its office space at no cost to the Subsidiary.

In 2019, the Parent Company entered into a lease agreement with a third party for its office space with a term of one year and is renewable upon mutual agreement of both parties. The lease agreement has an escalation clause of 5% per annum. Security deposit amounted to ₱0.1 million as at December 31, 2020 (see Note 9). As discussed in Note 2, the asset pertaining to such lease was classified as a short-term lease and its related rental payments are recognized in profit or loss on a straight-line basis.

Rent expense amounted to ₱804,928 and ₱698,020, for the years ended December 30, 2020 and 2019, respectively. (see Note 16)

COVID-19 Impact

In early 2020, the world was adversely affected by the COVID-19, which was declared a pandemic by the World Health Organization. In a move to contain the COVID-19 outbreak, the Philippine government initiated directives to impose stringent social distancing measures and guidelines under different levels of community quarantine depending on the assessment of the situation in the numerous parts of the country. These measures have cause disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

The Company's timeline for the commencement of the operations were delayed due to limited movement within the region and the start of monsoon season.

The overall impact of the COVID-19 pandemic is still uncertain and dependent on the progression of the virus and on actions taken by the government, businesses and individuals, which could result in different outcomes. Considering the evolving nature of the outbreak, the Company will continue to monitor the situation in subsequent periods.

NOTE 21 – OTHER MATTERS

21.1 Retirement benefits

The Company does not yet provide post-employment benefits to its employees. Management believes that the retirement expense is not significant since the Company has no employees as of period ended December 31, 2020.

21.2 Note to statement of cash flows

The table below details changes in the liabilities of the Company arising from financing activities, including both cash and non-cash changes.

Particulars	January 1, 2020	Cash flows	Reclassification	Interest expense	December 31, 2020
Advances from related parties	₱ 1,682,983	₱ 92,041	₱ -	₱ -	₱ 1,775,024
Total liabilities from financing activities	₱ 1,682,983	₱ 92,041	₱ -	₱ -	₱ 1,775,024

Particulars	January 1, 2019	Cash flows	Reclassification	Interest expense	December 31, 2019
Loans and borrowings	₱ 50,000,000	₱ -	₱ (50,000,000)	₱ -	₱ -
Advances from related parties	32,403,917	(30,720,934)	-	-	1,682,983
Interest payable	-	-	(1,402,778)	1,402,778	-
Total liabilities from financing activities	₱ 82,403,917	₱ (30,720,934)	₱ (51,402,778)	₱ 1,402,778	₱ 1,682,983

Non-cash Activities

The Company had no non-cash investing or financing activity-related transactions for the year ended December 31, 2020.

The Company had no material non-cash investing or financing activity-related transactions for the year ended December 31, 2019, except for the conversion of interest-bearing loans and borrowing amounting to ₱50.0 million and accrued interest amounting to ₱1,402,778 into share capital with a par value of ₱.01 per share with an equivalent of 5,140,277,777 shares.

NOTE 22 – CONTINGENCIES

The Company is a not party to any legal proceedings. There are no taxes, assessment and charges of whatsoever nature levied upon or against the Company, or against its properties, revenues, and assets.

NOTE 23 – EVENTS AFTER THE REPORTING PERIOD

Corporate Recovery and Tax Incentive for Enterprises (CREATE) Act

On March 26, 2021, the President of the Republic of the Philippines signed into law R.A. No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act, which amends certain provisions of the National Internal Revenue Code of 1997, as amended, with veto on certain provisions and shall be effective 15 days after its publication. The CREATE Act seeks to reduce the corporate income tax rate and rationalize the current fiscal incentives by making them time-bound, targeted and performance-based.

Among others, the key changes of the CREATE Act relevant to the Company are as follows:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5.0-million and with total assets not exceeding ₱100-million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%;
- Minimum corporate income tax (MCIT) is reduced from 2% to 1% for the period beginning July 1, 2020 until June 30, 2023;
- Imposition of improperly accumulated earnings tax of 10% is repealed;
- Allowable deduction for interest expense is reduced by 20% (from 33%) of the interest income subjected to final tax.

As clarified by the Philippine Financial Reporting Standards Council (FRSC) in its Philippine Interpretations Committee (PIC) Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive application on July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as at and for the year ended December 31, 2020 was computed and measured using the applicable income tax rates prior to CREATE i.e., 30% RCIT or 2% MCIT, for financial reporting purposes.

Applying the provisions of CREATE Act, the Company would have been subjected to lower RCIT rate of 27.5%.

The Company did not recognize any deferred tax as of December 31, 2020. Hence, the effects of change in tax rates would have no impact to 2021 financial statements.

Continuing COVID-19 Pandemic

From March 29, 2021 to April 4, 2021, following the spike in the number of new COVID-19 cases, the Philippine Government has placed cities comprising the Greater Metro Manila Region (NCR, Bulacan, Rizal, Cavite and Laguna) back to Enhanced Community Quarantine and was later extended to April 11, 2021.

The scale and duration of these developments remain uncertain as at reporting date. The COVID-19 pandemic could have a material impact on the Company's financial results for the rest of 2021 and even periods thereafter. Considering the evolving nature of the pandemic, the Company will continue to monitor the situation.

Commencement of Operations

The Company has effectively deployed and positioned the first deep sea siphon mining vessel, MB Siphon 1, into the offshore mining tenement area of operation as of April 14, 2021. MB Siphon 1 has completed all the necessary offshore commissioning stages and necessary permits to start production. The Company will proceed into the developmental stage on the mining tenement area in preparation for commercial export shipments.

NOTE 24 – SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

I. Information required under revenue Revenue Regulation (RR) No. 15-2010

In compliance with the requirements set forth by RR 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

24.1 Output tax

The Company has not declared any output VAT during the year as there are no transactions that would be subject to these taxes.

The Company has no zero-rated and exempt sales for the year ended December 31, 2020 pursuant to the provisions of Sections 106 (A) (2) and 108 (B) of the Tax Code.

24.2 Input tax

The amount of VAT Input taxes claimed are broken down as follows:

a. Beginning of the year (Note 9)	₱	**382,048**
b. Current year's domestic purchases:		**-**
Services lodged under other accounts		**238,816**
c. Claims for tax credit/refund and other adjustments		**-**
d. Balance at the end of year (Note 9)	₱	**620,864**

24.3 Importation

The Company has not paid any custom duties and tariff fees during the year as there are no transactions that would be subject to these taxes.

24.4 Excise taxes

The Company has not paid any excise taxes during the year as there are no transactions that would be subject to these taxes.

24.5 Documentary stamp tax

No documentary stamp tax paid (DST) paid in 2020.

24.6 Other taxes and licenses

Particulars		Amount
Filing and processing fee		866,331
Annual listing fee		250,000
Total	₱	1,116,331

24.7 Witholding taxes

The Company did not file withholding taxes during 2020. Accordingly, it shall file and pay in 2021 the withholding tax and its corresponding penalties.

24.8 Deficiency tax assessments

As of reporting date, the Company has no pending tax court cases or tax notices received from the BIR.

24.9 Deficiency tax assessments

As at December 31, 2020, the Company has no pending tax court cases nor has received tax assessment notices from the BIR.

II. BIR Revenue Regulation (RR) 34-2020

On December 18, 2020, BIR issued RR 34-2020 which prescribed the guidelines and procedures for the submission of BIR Form 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending the pertinent provision of RR No. 19-2020 and RR No. 15-2010.

The Company is covered by the requirements and procedures for related party transactions under the said regulation as it is one of the following taxpayers required to file and submit the RPT Form together with the Annual Income Tax Return (AITR) as provided under Section 2 thereof:

a. Large taxpayer;
b. Taxpayers enjoying tax incentives, i.e. Board of Investments (BOI)-registered and economic zone enterprises, those enjoying Income Tax Holiday (ITH) or subject to preferential income tax rate;
c. Taxpayers reporting net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years; and
d. A related party, as defined under Section 3 of Revenue Regulations (RR) No. 19- 2020, which has transactions with (a), (b) or (c). For this purpose, key management personnel (KMP), as defined under Section 3(7) of RR No. 19-2020, shall no longer be required to file and submit the RPT Form, nor shall there be any requirement to report any transaction between KMP and the reporting entity/parent company of the latter in the RPT Form.

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)
As of year ended December 31, 2020

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS REQUIRED BY REVISED SRC RULE 68 ANNEX 68-E

Ratio	Formula		As of December 31, 2020		2019
Current Ratio	Total current assets	₱	**11,684,933**	₱	17,122,014
	Divided by: Total current liabilities		**5,914,494**		5,754,351
	Current ratio		**1.98**		2.98
Acid test ratio	Total current assets	₱	**11,684,933**	₱	17,122,014
	Less: Other current assets		**1,980,145**		1,691,329
	Quick assets	₱	**9,704,788**	₱	15,430,685
	Divide by: Total current liabilities		**5,914,494**		5,754,351
	Acid test ratio		**1.64**		2.68
Solvency Ratio	Net loss	₱	**(4,350,224)**	₱	(6,820,657)
	Add: Depreciation		**69,965**		-
		₱	**(4,280,259)**	₱	(6,820,657)
	Divide by: Total liabilities		**7,689,518**		7,437,334
	Solvency ratio		**(0.56)**		(0.92)
Debt-to-Equity Ratio	Total liabilities	₱	**7,689,518**	₱	7,437,334
	Divided by: Total Equity		**2,746,902,281**		2,751,252,505
	Debt-to-equity ratio		**0.003**		0.003
Asset-to-equity ratio	Total assets	₱	**2,754,591,799**	₱	2,758,689,839
	Divided by: Total equity		**2,746,902,281**		2,751,252,505
	Asset-to-equity ratio		**1.00**		1.00
Interest rate coverage ratio	Loss before income tax	₱	**(4,350,224)**	₱	(6,775,211)
	Add: Interest expense		**-**		1,402,778
		₱	**(4,350,224)**	₱	(5,372,433)
	Divided by: Interest expense		**-**		1,402,778
	Interest rate coverage ratio		**N/A**		(3.83)
Return on equity	Net loss	₱	**(4,350,224)**	₱	(6,820,657)
	Divided by: Total equity		**2,746,902,281**		2,751,252,505
	Return on equity		**(0.0016)**		(0.002)
Return on assets	Net loss	₱	**(4,350,224)**	₱	(6,820,657)
	Divided by: Total assets		**2,754,591,799**		2,758,689,839
	Return on assets		**(0.0016)**		(0.0025)
Net profit margin	Net loss	₱	**(4,350,224)**	₱	(6,820,657)
	Net sales		**N/A**		N/A
	Net profit margin		**N/A**		N/A

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
(Formerly Yehey! Corporation and its Subsidiary)
As of year ended December 31, 2020

IV. SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS REQUIRED BY REVISED SRC RULE 68 ANNEX 68-E

Ratio	Formula		As of December 31, 2020		2019
Other ratios					
Basic earnings (loss) per share ratio	Net loss attributable to the equity holders of the Parent Company	₱	**(4,350,224)**	₱	(6,820,657)
	Divided by: Weighted average number of shares outstanding		**280,336,349,297**		276,759,279,282
	Basic earnings (loss) per share ratio		**(0.00002)**		(0.00002)
Diluted earnings (loss) per share ratio	Net loss attributable to the equity holders of the Parent Company	₱	**(4,350,224)**	₱	(6,820,657)
	Divided by: Weighted average number of diluted shares outstanding		**280,336,349,297**		276,759,279,282
	Diluted earnings (loss) per share ratio		**(0.00002)**		(0.00002)

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS
AS AT DECEMBER 31, 2020

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2020		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements		✓		
Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary		✓		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendment to PFRS 1: Meaning of Effective PFRSs	✓		
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendment to PFRS 2: Definition of Vesting Condition			✓
	Amendment of PFRS 2: Classification and Measurement of Share-Based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
	Amendment to PFRS 3: Accounting to Contingent Consideration in a Business Combination			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Arrangements			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PFRS 4: Applying PFRS 9, Financial Instruments with PFRS 4			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Amendment to PFRS 5: Sale of Controlling Interest in the Subsidiary			✓
	Amendment to PFRS 5: Changes in methods of disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
	Amendment to PFRS 6: Transition Relief			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2020		Adopted	Not Adopted	Not Applicable
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
	Amendment to PFRS 7: Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in PFRS 9			✓
	Amendment to PFRS 7: Servicing Contracts and Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
	Amendments to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
PFRS 8	Operating Segments			✓
	Amendments to PFRS 8: Disclosures of Operating Segments			✓
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets			✓
PFRS 9	Financial Instruments	✓		
	Financial Instruments: Classification and Measurement of Financial Liabilities	✓		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
	Reissue to incorporate a hedge accounting chapter and permit early application of the requirements for presenting in other comprehensive income the "own credit" gains or losses on financial liabilities designated under the fair value option without early applying to other requirements of PFRS 9			✓
	Financial Instruments (final version), incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition			✓
	Amendments to PFRS 9: Prepayment Features with Negative Compensation			✓
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Transition Guidance	✓		
	Amendments to PFRS 10: Investment Entities	✓		
	Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2020		Adopted	Not Adopted	Not Applicable
	Amendments to PFRS 10: Investment Entities – Applying the Consolidation Exception	✓		
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisition of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 12: Investment Entities			✓
	Amendments to PFRS 12: Applying the Consolidation Exception			✓
	Amendments to PFRS 12: Clarification of the Scope of the Standard			✓
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short- Term Receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers			✓
PFRS 16	Leases			✓
	Amendments to PFRS 16: Rent Concessions			✓
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Classification of Derivatives as Current or Non-Current			✓
	Amendments to PAS 1 - Classification of Liabilities as Current	✓		
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Clarification of Statement of Changes in Equity	✓		
	Amendments to PAS 1: Comparative information	✓		
	Amendments to PAS 1: Disclosure Initiative	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2020		Adopted	Not Adopted	Not Applicable
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to PAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses	✓		
PAS 16	Property, Plant and Equipment			✓
	Amendments to PAS 16: Revaluation Method – Proportionate Restatement of Accumulated Depreciation on Revaluation			✓
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
	Amendments to PAS 16 and PAS 41, Agriculture; Bearer Plants			✓
PAS 17	Leases			✓
	Amendments to PAS 17: Classification of Land Leases			✓
PAS 18	Revenue	✓		
	Amended by IAS 39 Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 18: Guidance for Determining Whether an Entity is Acting as a Principal or as an Agent.			✓
PAS 19	Employee Benefits			✓
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
	Amendments to PAS 19: Defined Benefit Plans: Employee Contribution			✓
	Amendments to PAS 19: Discount Rate: Regional Market			✓
PAS 19 (Amended)	Employee Benefits			✓
	Amendments to PAS 19: Plan Amendment, Curtailment or Settlement			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
	Amendment to PAS 23: Requirement of Capitalization of Borrowing Cost			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments for Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28	Investments in Associates and Joint Ventures			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2020		Adopted	Not Adopted	Not Applicable
PAS 28 (Amended)	Amendments to PAS 28: Investment Entities – Applying the Consolidation Exception			✓
	Amendments to PAS 28: Long-term Interests in Associates and Joint Ventures			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 32:Tax effect of Equity Distributions	✓		
PAS 33	Earnings per Share			✓
PAS 34	Interim Financial Reporting			✓
	Amendment to PAS 34: Disclosure of information 'Elsewhere in the Interim financial report'			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Disclosure of Estimates Used to Determine a Recoverable Amount	✓		
	Amendments to PAS 36: Units of Accounting for Goodwill Impairment Testing Using Segments Under PFRS 8 Before Aggregation			✓
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38: Proportionate Restatement of Accumulated Depreciation on Revaluation			✓
	Amendments to PAS 38: Revaluation Method – Proportionate Restatement of Accumulated Amortization			✓
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
	Amendments to PAS 38: Measurement of Intangible Assets in Business Combinations			✓
	Amendments to PAS 38: Proportionate Restatement of Accumulated Depreciation Under the Revaluation Method			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2020		Adopted	Not Adopted	Not Applicable
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Reclassifications of Financial Assets			✓
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property			✓
	Amendments to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-Occupied Property			✓
PAS 41	Agriculture			✓
	Amendments to PAS 16 and PAS 41, Agriculture: Bearer Plants			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
	Amendments to IFRIC 9: Prepayment Features with Negative Compensation			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 12 - Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2020		Adopted	Not Adopted	Not Applicable
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 15	Agreements for the Construction of Real Estate			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
	Amendments to Philippine Interpretations IFRIC 16: Entity That Can Hold Hedging Instruments			✓
IFRIC 17	Distributions of Non-Cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Investment			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
IFRIC 22	Foreign Currency Transactions and Advance Consideration			✓
IFRIC 23	Uncertainty Over Income Tax Treatments			✓
				✓
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC-12: Scope of SIC-12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease			✓
SIC 29	Service Concession Arrangements: Disclosures			✓
SIC 31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC 32	Intangible Assets - Web Site Costs			✓

ANNEX D

2021 INTERIM REPORT

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Unaudited Interim Condensed Consolidated Financial Statements
As at June 30, 2021 (Unaudited) and
December 31, 2020 (Audited),
and for the six-months periods ended
June 30, 2021 and 2020 (Unaudited)

COVER SHEET
for
UNAUDITED FINANCIAL STATEMENTS

SEC Registration Number

	A	1	9	9	8	0	6	8	6	5

Group Name

APOLLO GLOBAL INC. AND ITS SUBSIDIARY

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

UNIT 504 GALLERIA CORPORATE CENTER, EDSA CORNER ORTIGAS AVENUE, BRGY. UGONG NORTE, QUEZON CITY

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
17-Q		N/A

COMPANY INFORMATION

Group's E-mail Address	Group's Telephone Number/s	Mobile Number
N/A	(632) 532-8654	N/A

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
799	Last Friday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	E-mail Address	Telephone Number/s	Mobile Number
Kristina Joyce Caro-Gangan	main@picozolaw.com	(632) 532-8654	N/A

Contact Person's Address

Unit 504 Galleria Corporate Center, Edsa Corner Ortigas Avenue, Brgy. Ugong Norte, Quezon City

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

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

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the six-months ended June 30, 2021

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SECURITIES AND EXCHANGE COMISSION

SEC FORM 17-Q

QUARTERLY REPORT

Pursuant to Section 17 of the Securities Regulation Code
And SRC Rule 17(2)(b) thereunder

1. For the fiscal year ended **June 30, 2021**

2. SEC Identification Number **A199806865**   3. BIR Tax Identification No. **005-301-677**

4. Exact name of issuer as specified in its charter   **APOLLO GLOBAL CAPITAL, INC.** (formerly: **YEHEY! CORPORATION**)

5. **Metro Manila, Philippines**
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. **Unit 504 Galleria Corporate Center, Edsa cor. Ortigas Avenue, Brgy. Ugong Norte, Quezon City 1100** Address of principal office   Postal code

8. **+63 (02) 532-8654**
Issuer's telephone number, including area code

9. **N/A**
Former name, former address, and former fiscal year if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Section 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, ₱0.01 par value	**280,336,349,297**

11. Are any or all of these securities listed on a Stock Exchange?

Yes [✓]   No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)?

Yes [✓]   No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days?

Yes [✓]   No [ ]

PART I – FINANCIAL INFORMATION

I. Financial Statements

The accompanying interim financial report of Apollo Global Capital, Inc. (formerly: Yehey! Corporation) ("the Company" or "APL") which comprise the Company's interim condensed consolidated statements of financial position as of June 30, 2021 and December 31, 2020 and the interim condensed consolidated statements of comprehensive income, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for the six-months period ending June 30, 2021 and 2020 are filed as part of this SEC Form 17-Q.

II. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations (June 30, 2021 vs. June 30, 2020)

	For the six-months ended June 30,				Horizontal Analysis		Vertical Analysis	
		2021 (unaudited)		2020 (unaudited)	Inc (Dec)	%age	2021	2020
Revenues	₱	**–**	₱	**–**	–	n/a	n/a	n/a
Direct costs		**–**		**–**	–	n/a	n/a	n/a
Gross profit	₱	**–**	₱	–	–	n/a	n/a	n/a
General & administrative costs		**(16,244,312)**		(5,354,475)	10,889,837	203.38%	n/a	n/a
Operating loss	₱	**(16,244,312)**	₱	(5,354,475)	10,889,837	203.38%	n/a	n/a
Interest income		**533**		2,738	(2,205)	-80.53%	n/a	n/a
Finance costs		**(917,767)**		(579,083)	338,684	58.49%	n/a	n/a
Loss before tax benefit	₱	**(17,161,546)**	₱	(5,930,820)	11,230,726	189.36%	n/a	n/a
Income tax benefit		**–**		–	–	n/a	n/a	n/a
Loss for the period	₱	**(17,161,546)**	₱	(5,930,820)	11,230,726	189.36%	n/a	n/a

General & Administrative Costs

The Group's general & administrative costs has increased by 203.38% which was primarily due to the increase in filing & processing fees, professional fees, mobilization costs, salaries & employee benefits, taxes & licenses and transportation & travel (84.75% of the total general and administrative cost).

Loss Before Tax

The increase in loss before tax was primarily due to higher general and administrative cost incurred during the period.

Financial Condition (June 30, 2021 vs. December 31, 2020)

	As at				Horizontal Analysis		Vertical Analysis	
		June 30, 2021 (unaudited)		December 31, 2020 (audited)	Inc (Dec)	%age	2021	2020
ASSETS								
Current assets:								
Cash	₱	**1,068,552**	₱	909,057	159,495	17.55%	0.03%	0.03%
Other current assets		**4,590,256**		3,942,010	648,246	16.44%	0.14%	0.12%
Total current assets	₱	**5,658,808**	₱	4,851,067	807,741	16.65%	0.17%	0.14%
Non-current assets:								
Mine properties	₱	**3,292,209,365**	₱	3,288,748,565	3,460,800	0.11%	98.15%	98.25%
Advances to contractors		**47,617,251**		44,888,691	2,728,560	6.08%	1.42%	1.34%
Property & equipment – net		**2,151,612**		2,427,268	(275,656)	-11.36%	0.06%	0.07%
Website costs		**360,777**		360,777	–	0.00%	0.01%	0.01%
Deferred tax asset		**6,154,303**		6,154,303	–	0.00%	0.18%	0.18%
Total non-current assets	₱	**3,348,493,308**	₱	3,342,579,604	5,913,704	0.18%	99.82%	99.86%
TOTAL ASSETS	₱	**3,354,152,116**	₱	3,347,430,671	6,721,445	0.20%	100.00%	100.00%

LIABILITIES & EQUITY								
Current liabilities:								
Accounts and other payables	₱	**44,176,949**	₱	41,576,576	2,600,373	6.25%	1.32%	1.24%

Interest-bearing loans & borrowings	**–**	13,950,000	(13,950,000)	-100.00%	0.00%	0.42%
Advances from contractors	**55,151,000**	55,151,000	–	0.00%	1.64%	1.65%
Total current liabilities	₱ **99,327,949**	₱ 110,677,576	(11,349,627)	-10.25%	2.96%	3.31%
Non-current liabilities:						
Interest-bearing loans & borrowings	₱ **58,800,000**	₱ 23,600,000	35,200,000	149.15%	1.75%	0.71%
Advances from related parties	**247,957,203**	247,924,585	32,618	0.01%	7.39%	7.41%
Total non-current liabilities	₱ **306,757,203**	₱ 271,524,585	35,232,618	12.98%	9.14%	8.12%
Total liabilities	₱ **406,085,152**	₱ 382,202,161	23,882,991	6.25%	12.11%	11.43%
Equity:						
Share capital	₱ **2,803,363,493**	₱ 2,803,363,493	–	0.00%	83.58%	83.75%
Share premium	**17,586,961**	17,586,961	–	0.00%	0.52%	0.53%
Accumulated losses	**(117,641,972)**	(101,328,091)	16,313,881	16.10%	-3.51%	-3.03%
Total equity attributable to Parent Company's shareholders	₱ **2,703,308,482**	₱ 2,719,622,363	(16,313,881)	-0.60%	80.60%	81.25%
Non-controlling interest	**244,758,482**	245,606,147	(847,665)	-0.35%	7.30%	7.34%
Total equity	₱ **2,948,066,964**	₱ 2,965,228,510	(17,161,546)	-0.58%	87.89%	88.58%
TOTAL LIABILITIES & EQUITY	₱ **3,354,152,116**	₱ 3,347,430,671	6,721,445	0.20%	100.00%	100.00%

Total Assets
Total assets of the Group increased by ₱6.7-million (0.20%), which was primarily caused by the increase in mine properties and advances to contractors.

Other Current Assets
Other current assets increased by ₱648,246 (16.44%). The increase in other current assets is primarily caused by the increase in input taxes and prepaid expenses.

Mine Properties
Mine properties include mineral assets, patent and mining costs. The increase in mine properties is primarily caused by additional mining costs.

Property & Equipment – net
Property & equipment includes office furniture & equipment and motor vehicle.

The decrease in property and equipment is primarily due to depreciation charges.

Total Liabilities
Total liabilities have increased by ₱23.9-million (6.25%), which was primarily caused by increase in interest bearing loans & borrowings amounting to ₱35.2-million.

Interest-Bearing Loans & Borrowings
Loans & borrowings pertains to loans from Cagayan Blue Ocean Offshore Aquamarine Services Corporation (CBO).

In 2021, the Group availed of additional loan from CBO amounting to ₱35.2-million.

Total equity
The decrease in total equity of ₱17.2-million in this account pertains to the net loss that the Group incurred in its operations.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **APOLLO GLOBAL CAPITAL, INC.**

By:

Signature	**Vittorio Paulo P. Lim**	Signature	**Christopher Go**
Title	*President*	Title	*Chief Finance Officer*
Date	August 11, 2021	Date	August 11, 2021

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
Interim Condensed Consolidated Statements of Financial Position

	Note/s		June 30, 2021 (Unaudited)		December 31, 2020 (Audited)
			As at		
A S S E T S					
Current assets:					
Cash	5	₱	**1,068,552**	₱	909,057
Other current assets	6		**4,590,256**		3,942,010
Total current assets		₱	**5,658,808**	₱	4,851,067
Non-current assets:					
Mine properties	7	₱	**3,292,209,365**	₱	3,288,748,565
Advances to contractors	8		**47,617,251**		44,888,691
Property & equipment – net	9		**2,151,612**		2,427,268
Website costs	10		**360,777**		360,777
Deferred tax asset	17		**6,154,303**		6,154,303
Total non-current assets		₱	**3,348,493,308**	₱	3,342,579,604
TOTAL ASSETS		₱	**3,354,152,116**	₱	3,347,430,671
L I A B I L I T I E S & E Q U I T Y					
Current liabilities:					
Accounts & other payables	11	₱	**44,176,949**	₱	41,576,576
Interest-bearing loans & borrowings – current portion	12		**–**		13,950,000
Advances from contractors	20		**55,151,000**		55,151,000
Total current liabilities		₱	**99,327,949**	₱	110,677,576
Non-current liabilities:					
Interest-bearing loans & borrowings – net of current portion	12	₱	**58,800,000**	₱	23,600,000
Advances from related parties	19		**247,957,203**		247,924,585
Total non-current liabilities		₱	**306,757,203**	₱	271,524,585
Total liabilities		₱	**406,085,152**	₱	382,202,161
Equity:					
Share capital	13	₱	**2,803,363,493**	₱	2,803,363,493
Share premium			**17,586,961**		17,586,961
Accumulated losses			**(117,641,972)**		(101,328,091)
Total equity attributable to Parent Company's shareholders		₱	**2,703,308,482**	₱	2,719,622,363
Non-controlling interest			**244,758,482**		245,606,147
Total equity		₱	**2,948,066,964**	₱	2,965,228,510
TOTAL LIABILITIES & EQUITY		₱	**3,354,152,116**	₱	3,347,430,671

See accompanying notes to the interim condensed consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
Interim Condensed Consolidated Statements of Comprehensive Income

		For the three-months period ended June 30,				For the six-months period ended June 30,			
	Note/s		**2021 (Unaudited)**		2020 (Unaudited)		**2021 (Unaudited)**		2020 (Unaudited)
Revenues		₱	**–**	₱	–	₱	**–**	₱	–
Direct costs			**–**		–		**–**		–
Gross profit		₱	**–**	₱	–	₱	**–**	₱	–
General & administrative costs	14		**(7,579,519)**		(1,237,233)		**(16,244,312)**		(5,354,475)
Operating loss		₱	**(7,579,519)**	₱	(1,237,233)	₱	**(16,244,312)**	₱	(5,354,475)
Finance income	16		**285**		221		**533**		2,738
Finance costs	16		**(499,475)**		(319,333)		**(917,767)**		(579,083)
Loss before tax benefit		₱	**(8,078,709)**	₱	(1,556,345)	₱	**(17,161,546)**	₱	(5,930,820)
Income tax benefit	17		**–**		–		**–**		–
Loss for the period		₱	**(8,078,709)**	₱	(1,556,345)	₱	**(17,161,546)**	₱	(5,930,820)
Loss attributable to:									
Parent Company		₱	**(7,551,240)**	₱	(1,415,587)	₱	**(16,313,881)**	₱	(5,518,863)
Non-controlling interests			**(527,469)**		(140,758)		**(847,665)**		(411,957)
		₱	**(8,078,709)**	₱	(1,556,345)	₱	**(17,161,546)**	₱	(5,930,820)
Basic loss per share	18	₱	**(0.00003)**	₱	(0.00001)	₱	**(0.00006)**	₱	(0.00002)

See accompanying notes to the interim condensed consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY CONSOLIDATED

Interim Condensed Consolidated Statements of Changes in Equity

For the six-months period ended June 30, 2021 and 2020

	Equity Attributable to Parent Company's Shareholders					
	Share Capital	Share premium	Accumulated Losses	Total	Non-controlling Interests	Total Equity
Note/s	13					
Balances at January 1, 2021	₱ **2,803,363,493**	₱ **17,586,961**	₱ **(101,328,091)**	₱ **2,719,622,363**	₱ **245,606,147**	₱ **2,965,228,510**
Loss for the period	**–**	**–**	**(16,313,881)**	**(16,313,881)**	**(847,665)**	**(17,161,546)**
Balances at June 30, 2021 (Unaudited)	₱ **2,803,363,493**	₱ **17,586,961**	₱ **(117,641,972)**	₱ **2,703,308,482**	₱ **244,758,482**	₱ **2,948,066,964**
Balances at January 1, 2020	₱ 2,803,363,493	₱ 17,586,961	₱ (86,178,648)	₱ 2,734,771,806	₱ 246,743,724	₱ 2,981,515,530
Loss for the period	–	–	(5,518,863)	(5,518,863)	(411,957)	(5,930,820)
Balances at June 30, 2020 (Unaudited)	₱ 2,803,363,493	₱ 17,586,961	₱ (91,697,511)	₱ 2,729,252,943	₱ 246,331,767	₱ 2,975,584,710

See accompanying notes to the interim condensed consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY CONSOLIDATED

Interim Condensed Consolidated Statements of Cash Flows

	Note/s	For the six-month period ended June 30, 2021 (unaudited)	2020 (unaudited)
Cash flows from operating activities:			
Loss for the year before tax		₱ **(17,161,546)**	₱ (5,930,820)
Adjustments for:			
Finance income	16	**(533)**	(2,738)
Finance costs	16	**917,767**	579,083
Depreciation	9	**421,688**	225,182
Operating loss before working capital adjustments		₱ **(15,822,624)**	₱ (5,129,293)
Working capital adjustments:			
Increase in:			
Other current assets		**(648,246)**	(4,553)
Other non-current assets		**–**	(30,000)
Increase (Decrease) in:			
Accounts & other payables		**1,682,606**	(130,238)
Net cash used in operations		₱ **(14,788,264)**	₱ (5,294,084)
Interest received	16	**533**	2,738
Net cash used in operating activities		₱ **(14,787,731)**	₱ (5,291,346)
Cash flows from investing activities:			
Acquisition of property & equipment	9	₱ **(146,032)**	₱ (70,483)
Additional mine costs	7	**(3,460,800)**	(3,053,606)
Advances to contractors	8	**(2,728,560)**	(1,015,915)
Net cash used in investing activities		₱ **(6,335,392)**	₱ (4,140,004)
Cash flows from financing activities:			
Proceeds from loans & borrowings	12	₱ **35,200,000**	₱ 9,500,000
Repayment of loans & borrowings	12	**(13,950,000)**	–
Advances from related parties	19	**32,618**	–
Interest paid		**–**	–
Net cash provided by financing activities		₱ **21,282,618**	₱ 9,500,000
Net increase in cash		₱ **159,495**	₱ 68,650
Cash at beginning of year	5	**909,057**	1,284,390
Cash at end of period	5	₱ **1,068,552**	₱ 1,353,040

See accompanying notes to the consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Notes to the Interim Condensed Consolidated Financial Statements

As at June 30, 2021 and December 31, 2020
For the each of the six-months ended June 30, 2021 and 2020

1. Reporting Entity

1.1 Formation and Operations

APOLLO GLOBAL CAPITAL, INC. (the Parent Company or APL), formerly known as YEHEY! CORPORATION, was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) per SEC Registration No. A199806865 on June 10, 1998. Prior to the approval of the change in the corporate name and its business on October 7, 2016, the Parent Company's primary purpose is to engage in the business of internal online-related products relating to database search engine, such as, but not limited to, conceptualizing, designing, illustrating, processing and editing websites; to engage in other pre-production and postproduction work on websites in the internet; and to sell and market said products in the form of advertising of finished products in the domestic or export market.

On August 9, 2012, the SEC approved the Parent Company's application to list 27.8-million common shares by way of introduction in the second board of the Philippine Stock Exchange (PSE) at an initial price of ₱1 per share. On October 18, 2012, the Parent Company was listed in the PSE.

As of December 31, 2014, the Parent Company is 66.95% owned by Vantage Equities, Inc. (Vantage), a company also incorporated in the Philippines and listed in the PSE. On July 7, 2015, Vantage entered into a Sale and Purchase Agreement (SPA), with third party buyers for the sale of the entire shares owned by Vantage. 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 on October 15, 2015. Accordingly, on October 15, 2015, the Parent Company ceased as a majority owned subsidiary of Vantage when Vantage sold its shares at P290 million to a group of individual shareholders.

Pursuant to the SPA, the Board of Directors (BOD) of the Parent Company approved on October 30, 2015 the assignment of the noncash assets and liabilities of the Parent Company to Vantage. Total amount assigned is a net liability of ₱2,693,438. Such amount was recognized as miscellaneous income in the Parent Company's 2015 separate statement of comprehensive income.

On December 7, 2015, the BOD approved the change of the Parent Company's name from YEHEY! CORPORATION to APOLLO GLOBAL CAPITAL, INC. The amendment was filed with the SEC and was approved on October 7, 2016. Along with the change in the corporate name, the Parent Company's primary purpose was likewise amended to that of a holding company which 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.

The current registered office address of the Parent Company is located at Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City.

1.2 Subsidiary Information

JDVC Resources Corporation (referred to as “JDVC” or the “Subsidiary”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 24, 2011 under SEC Reg. No. CS201120574. The Subsidiary is primarily established to carry on business of exploring, prospecting and operating mines and quarries of all kind of ores and minerals, metallic and non-metallic, such as nickel, iron, gold, copper, silver, lead, manganese, chromite, molybdenite pyrite, sulfur, silica, kaolin clay, zeolite, perlite, diatomaceous earth, diorite, basalt, gabbro, coal, hydrocarbons, oil, natural gas, etc.; filing, negotiating or applying for mineral agreements, operating agreements, mining leases, timber and water rights and surface rights, and of milling concentrating, processing, refining and smelting such minerals, and manufacturing, utilizing, trading, marketing or selling such mineral products, likewise acquiring and operating all kinds of equipment, vehicles, instruments, machineries, chemicals supplies and other logistic structures that may be vital and necessary for the furtherance of the foregoing purposes, with financial and technical assistance agreement with the government.

The Subsidiary’s principal and administrative office address is at 2nd Floor L&L Bldg., Panay Ave. Cor. EDSA, Quezon City.

The Parent Company and its subsidiary are collectively known herein as the “Group”. On February 17, 2017, the Parent Company and JDVC’s shareholders entered into a Deed of Exchange of Shares where in the former had issued 247,396,071,520 shares (par value of ₱0.01 per share) in exchange for 4,133,740 shares (par value of ₱100 per share) at an exchange price of ₱598.48 of the latter. The deed covering the transaction was approved by SEC on October 9, 2017. As a result of this transaction, the Parent Company now owns 82.67% of JDVC.

In December 2019, the Parent Company purchased additional 389,530 shares of JDVC from its existing stockholders for ₱267.6 million resulting to an increase in ownership of JDVC to 90.47%.

1.3 Approval on the Release of the Interim Condensed Consolidated Financial Statements

The accompanying interim condensed consolidated financial statements of the Group as at June 30, 2021 (including comparative amounts as at December 31, 2020) were approved and authorized for issue by the Board of Directors on August 11, 2021.

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2. Basis of Preparation

2.1 Statement of Compliance

The accompanying interim condensed consolidated financial statements of the Group have been prepared in compliance with Philippine Accounting Standard 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended December 31, 2020, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

2.2 Going Concern Assumption

The preparation of the accompanying interim condensed consolidated financial statements of the Group is based on the premise that the Group operates on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business. The management does not intend to liquidate.

2.3 Functional and Presentation Currency

The interim condensed consolidated financial statements are presented in Philippine Peso (₱), the Group's functional and presentation currency.
Items included in the interim condensed consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.4 Basis of Consolidation

The Group's interim condensed consolidated financial statements comprise the accounts of the Group and its subsidiary, after the elimination of intercompany transactions. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the interim condensed consolidated financial statements.

The financial statements of APL are prepared for the same reporting period as that of the Group, using consistent accounting policies.

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3. Changes in Accounting Policies

The Group's accounting policies are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements:

3.1 New and Amended Standards Effective in 2021

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning January 1, 2021:

a.) Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2.*
The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Company shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The adoption of these amendments do not have a significant impact on the consolidated financial statements of the Group.

3.2 New and Amended Standards Effective Subsequent to 2021 but not Early Adopted

Pronouncements issued but not yet effective as at December 31, 2020 are listed below. The Group intends to adopt the following pronouncements when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new pronouncements to have a significant impact on the interim condensed consolidated financial statements.

<u>Effective beginning on or after January 1, 2022</u>

a.) PAS 16 (amendments), *Property, Plant and Equipment – Proceeds before Intended Use.*
The amendments prohibit the Company from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Instead, the Company recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual reporting period beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the earliest period presented when the Company first apply the amendment.

These amendments are not expected to have a material impact on the financial statements of the Company.

b.) PFRS 3 (amendments), *Reference to the Conceptual Framework.*
The amendments are intended to replace a reference to the Framework for the Preparation and the Presentation of Financial Statements, issued in 1989, with reference to the conceptual framework for Financial Reporting issued in March 2018 without significantly changing its requirements. An exception to the recognition principle if PFRS 3 was added to avoid the issue of potential "day 2" gains or losses arising from liabilities and contingent liabilities that would be in the scope of PAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the existing guidance in PFRS 3 for contingent assets that would not be affected was clarified by replacing the reference to the Framework for the Preparation and Presentation of the Financial Statements. The amendments are effective for annual reporting period beginning on or after January 1, 2022 and apply prospectively.

The Company is currently assessing the impact of adopting these amendments.

c.) PAS 37 (amendments), *Onerous Contracts – Cost of Fulfilling a Contract.*
The amendments specify which costs an entity needs to include in assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach." The costs that relate directly to a contract to provide goods or services include both incremental cost and allocation of costs directly related to contract activities. General and administrative costs that do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning January 1, 2022. The Company will apply the amendments to contracts which it has not yet fulfilled its obligations at the beginning of the annual reporting period in which it first applies its amendments.

The Company is currently assessing the impact of these amendments.

<u>Effective beginning on or after January 1, 2023</u>
a.) PFRS 17, *Insurance Contracts*.
PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

The standard is not applicable to the Group since it has no activities that are predominantly connected with insurance contracts or issue insurance contracts.

b.) PAS 1 (amendments), *Classification of Liabilities as Current or Non-current.*
The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any assets, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of "settlements" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

The management of the Group is still evaluating the impact of these new amendments.

<u>Deferred</u>

a.) PFRS 10 (amendments), *Consolidated Financial Statements*, and PAS 28 (amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.
The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The management of the Group is still evaluating the impact of these new amendments.

3.3 Annual Improvements to PFRSs

The annual improvements to PFRSs contain non-urgent but necessary amendments to PFRSs.

<u>2018 to 2020 Cycle</u>
The Annual Improvements to PFRSs (2018-2020 Cycle) are effective for annual periods beginning on or after January 1, 2022, with retrospective application.

a.) PFRS 1, *Subsidiary as a First-Time Adopter*.

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1: D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRSs, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1: D16 (a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

d.) PFRS 9 (amendments), *Financial Instruments – Fees in the '10 per cent' Test for the Derecognition of the Financial Liabilities.*
The amendment clarifies the fee that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to the financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the financial statements.

e.) PAS 41 (amendments), *Agriculture – Taxation in Fair Value Measurements.*
The amendments removed the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the financial statements.

4. Significant Accounting Estimates and Judgments

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the interim condensed consolidated financial statements. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the interim condensed consolidated financial statements as they become reasonably determinable.

There were no changes in estimates of amounts reported in prior financial periods that have a material effect in the current interim period.

5. Cash

This account consists of:

		June 30, 2021 (Unaudited)		December 31, 2020 (Audited)
Petty cash fund	₱	**20,000**	₱	20,000
Cash in banks		**1,048,552**		889,057
Total	₱	**1,068,552**	₱	909,057

Cash in banks are demand deposit accounts in various universal banks that generally earn interest at their respective daily bank deposit rates. Petty cash fund is used for payment of minor disbursements and is maintained under an imprest fund system.

Interest income earned from cash in banks amounted to ₱533 and ₱2,738 for the period ended June 30, 2021 and 2020 (see Note 16).

6. Other Current Assets

This account consists of:

		June 30, 2021 (Unaudited)		December 31, 2020 (Audited)
Input taxes	₱	**2,995,724**	₱	2,582,729
Prior year's excess credit		**1,237,509**		1,237,509
Prepaid expenses		**157,077**		–
Advances to employees		**78,174**		–
Security deposits		**71,772**		71,772
Construction bonds		**50,000**		50,000
Total	₱	**4,590,256**	₱	3,942,010

Input taxes are 12% value added tax (VAT) on purchase of goods or services in the course of its trade or business. At the end of the year, input tax can be applied against output tax.

Prior year's excess credits represent excess tax payments and credits over tax liabilities of the immediately preceding taxable period which may be refunded, converted to tax credit certificates, or carried over to the next taxable year.

Prepaid expenses consist of prepaid rent, professional fees and stock transfer office fee to be applied on the next period.

Advances to employees are non-interest bearing receivable cash advances which are deductible from salaries.

Security deposits represent noninterest-bearing deposits made on lease and are usually refundable after the end of contract or services less any charges.

Construction bonds represent noninterest-bearing bonds that are used to secure against damages during construction and will be refundable after the end of construction, net of any charges.

7. Mine Properties

The carrying amount of this account is as follows:

		Mineral Assets		Patent		Mining Costs		Total
Cost:								
As at December 31, 2019	₱	2,500,098,00	₱	89,000,000	₱	694,956,557	₱	3,284,054,56

	8			5
Additions	–	–	4,694,000	4,694,000
As at December 31, 2020	₱ 2,500,098,00	₱ 89,000,000	₱ 699,650,557	₱ 3,288,748,56
	8			5
Additions	–	–	3,460,800	3,460,800
As at June 30, 2021	**₱ 2,500,098,00**	**₱ 89,000,000**	**₱ 703,111,357**	**₱ 3,292,209,36**
	8			**5**

JDVC was granted by the Department of Environment and Natural Resources (DENR) a Mineral Production Sharing Agreement (MPSA) No. 338-2010-II-OMR covering an area of approximately 14,240 hectares (ha) located within the municipal waters of the Municipalities of Sanchez Mira, Pamplona, Abulug, Ballesteros, Appari, Buguey, and Gonzaga, in the Province of Cagayan for a term of 25 years and renewable for another 25 years.
Originally, the MPSA was granted to Bo Go Resources Mining Corporation (Bo Go) on June 9, 2010. On November 25, 2011, Bo Go executed a deed of assignment (DOA) to transfer to JDVC all its rights and interest in and title to the MPSA. On January 27, 2012, the DOA was approved by the Mines and Geosciences Bureau (MGB) and was duly approved a year after, January 25, 2013, by the DENR.

The DOA, as approved, carries with it the responsibility to implement the Exploration Work Program and the Environmental Work Program which were eventually taken over by JDVC, as well as the submission of the regular Technical/Progress Reports. The Environmental Impact Assessment likewise was completed and presented to the various municipalities and stakeholders in the Province of Cagayan. After the approval of the DENR, pursuant to the agreement, the Subsidiary proceeded to do the Technical or Progress Report Exploration, Environmental Work Programs and Exploration Work Programs.

JDVC, through a DOA, transferred all rights and interest in the 2,400-ha portion of the MPSA No. 338-2010-II-OMR to Sanlorenzo Mines, Inc. The DOA was approved by the DENR on May 20, 2016. The remaining 11,840-ha was redenominated as MPSA No. 338-2010-II-OMR-Amended A.

On March 14, 2017, 3,161.84-ha of the remaining 11,840 ha were relinquished by JDVC in favor of the Government.

On August 9, 2017, the Subsidiary executed DOAs, which was registered with the DENR on April 2, 2018, assigning portion of MPSA No. 338-2010-II-OMR-Amended A as follows:

	Area Assigned (in ha)
Catagayan Iron Sand Mining Resources Corp.	3,182.78
Cagayan Ore Metal Mining Exploration Corp.	2,149.85
Catagayan Mining Resources (Phils.) Inc.	1,448.51

These companies were all incorporated in the Philippines and registered with the SEC on July 1, 2016, primarily to engage on the business of exploring, prospecting and operating mines and quarries of all kind of ores and minerals.

On August 6, 2019, the Declaration of Mining Project Feasibility filed by JDVC last May 25, 2016, was approved by the DENR authorizing JDVC to proceed with the Development and Operating Periods of MPSA No. 338-2010-II-OMR-Amended A covering the 4,999.24-ha, including extraction and commercial disposition of magnetite iron sand and other associated minerals at the offshore areas in the Province of Cagayan.

As at December 31, 2020, the remaining 1,897.02-ha contract area of the MPSA No. 338-2010-IIOMR- Amended A which has been fully explored since 2017.

Mineral Assets
Mineral assets pertain to the acquisition cost of the rights over mineral resources represented by the excess of the fair value of shares issued by the Parent Company over the carrying amount of the net assets of JDVC when the Parent acquired 82.67% ownership JDVC.

Patent

Patent was acquired by Agbiag Mining Development Corporation (Agbiag) for the siphon vessel used in the exploration of the mining in Cagayan. Agbiag allows the Group to use its research, study and intellectual property right on a non-exclusive basis, for the duly researched and studied siphon vessel for the offshore magnetite iron sand commercial extraction through a MOA signed on September 2014.

The Group has an outstanding liability to Agbiag amounting to ₱37.6-million as at reporting dates (see Note 11).

Mining Costs

Mining costs include the costs incurred in the exploration and evaluation phase of mining. Such costs consist of expenditures related to the exploration of the mines, drilling activities, and other direct costs related to the exploration activities. The recovery of these costs depends upon the success of the exploration activities, the future development of the corresponding mining properties and the extraction of mineral products as these properties shift into commercial operations.

The exploration activities for the mine area of the Group were completed in 2017, hence, the related exploration and evaluation assets were transferred to mine under development. Mine under development are not subject to depletion until the production has commenced.

Estimated Units of Production of Mine

The computation of ore resource was done by a competent individual geologist using the Polygon Method. The ore resource has a total of 606.458 million tons. With the computed indicated resource, the mine life for the current ore resource is 87.7 years for the siphoning and utilizing magnetic separation on-board of the vessels. With the yearly production schedule of 6.91 million tons of raw sand with an average magnetite fraction of 19.79% and 95% material recovery, the operations can yield an iron concentrate of 1.30 million metric tons per annum production, using 3 units of production lines of platform.

8. Advances to Contractors

This account consists of:

		June 30, 2021 (Unaudited)		December 31, 2020 (Audited)
Agbiag Mining Development Corporation	₱	**44,861,751**	₱	43,851,191
Offshore Mining Chamber of the Philippines		**2,745,000**		1,000,000
CBO		**500**		–
Others		**10,000**		37,500
Total	₱	**47,617,251**	₱	44,888,691

This account pertains to the unsecured and noninterest-bearing cash advances extended by the Subsidiary to its suppliers for the payment on permits, overhead fees, exploration services, depth and sounding survey studies and other technical expenses incurred by the latter.

These advances have no fixed repayment date and are not expected to be collected within one year from the financial reporting date, hence, classified as non-current asset in the interim condensed consolidated statements of financial position.

9. Property & Equipment

The roll-forward analyses of this account follows:

		Office furniture & equipment		Motor vehicle		Total
Carrying amounts at December 31, 2019	₱	219,714	₱	1,010,460	₱	1,230,174
Additions		255,483		–		255,483
Depreciation for the period		(56,772)		(168,410)		(225,182)

Carrying amounts at June 30, 2020	₱ 418,425	₱ 842,050	₱ 1,260,475
Additions	1,521,665	–	1,521,665
Depreciation for the period	(186,462)	(168,410)	(354,872)
Carrying amounts at December 31, 2020	₱ 1,753,628	₱ 673,640	₱ 2,427,268
Additions	146,032	–	146,032
Depreciation for the period	(254,214)	(167,474)	(421,688)
Carrying amounts at June 30, 2021	**₱ 1,645,446**	**₱ 506,166**	**₱ 2,151,612**

Reconciliation of the carrying amounts are as follows:

	June 30, 2021					
		Office furniture & equipment		**Motor vehicle**		**Total**
Cost	**₱**	**2,372,177**	**₱**	**1,347,280**	**₱**	**3,719,457**
Accumulated depreciation		**(726,731)**		**(841,114)**		**(1,567,845)**
Carrying amount	**₱**	**1,645,446**	**₱**	**506,166**	**₱**	**2,151,612**

	December 31, 2020					
		Office furniture & equipment		Motor vehicle		Total
Cost	₱	2,226,145	₱	1,347,280	₱	3,573,425
Accumulated depreciation		(472,517)		(673,640)		(1,146,157)
Carrying amount	₱	1,753,628	₱	673,640	₱	2,427,268

As at June 30, 2021 and December 31, 2020, there is no indication of any impairment loss on the carrying amount of property & equipment since its recoverable amount exceeds its carrying amount.

The amount of depreciation is charged to general & administrative expenses (see Note 14).

None of the properties were pledged or mortgaged as collateral to secure any of the Group's loans.

10. Website Costs

Movement of this account is as follows:

		Website Costs
Cost:		
As at December 31, 2019	₱	360,777
Additions		–
As at December 31, 2020	₱	360,777
Additions		–
As at June 30, 2021	**₱**	**360,777**

The Group's website is determined to have an indefinite useful life because considering all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate cash inflows for the Group. Website cost is not amortized but is tested for impairment annually either individually or at the cash generating unit level.

As at June 30, 2021 and December 31, 2020, there is no indication of any impairment loss on the carrying amount of intangible assets since its recoverable amount exceeds its carrying amount.

11. Accounts & Other Payables

This account consists of:

		June 30, 2021 (Unaudited)		December 31, 2020 (Audited)
Payable to a contractor	**₱**	**37,633,782**	₱	37,500,000
Accrued expenses		**560,841**		646,998
Accrued interest payable		**2,368,467**		1,450,700
Accounts payable		**2,311,170**		745,143
Deferred output tax		**818,036**		818,036
Statutory payables		**484,653**		415,699
Total	**₱**	**44,176,949**	₱	41,576,576

Payable to a contractor pertains to the outstanding liability to Agbiag for the patent for the siphon vessel used in its exploration activities (see Note 8).

Accrued expenses include professional fees and various unpaid expenses. Accrued interest payable pertains to interest expense on loans not yet been paid. Accounts payable consist of unsecured liabilities to suppliers and contractors. Statutory payables consist of withholding taxes and other payables to government agencies.

These liabilities are unsecured and noninterest-bearing and are normally settled within the next 12 months.

12. Interest-bearing Loans & Borrowings

This account consists of unsecured, long-term loan obtained by the Group from Cagayan Blue Ocean Offshore Acquamarine Services Corporation (CBO). Details are as follows:

	Principal				Balance			
	Jun. 30, 2021	Dec. 31, 2020	Interest Rate	Maturity		**June 30, 2021 (Unaudited)**		December 31, 2020 (Audited)
Loans from CBO, interest and principal payable upon maturity, unsecured	₱58.8-million	₱37.6-million	Fixed at 6%	2 years	₱	**58,800,000**	₱	37,550,000
Total					₱	**58,800,000**	₱	37,550,000

Loan Facility from CBO

In October 2019, JDVC obtained credit from CBO to finance the Group's working capital requirements. The loans were drawn from a series of promissory notes in various dates, and as of reporting date, ₱58,800,000 (2020: ₱37,550,000) have been availed from CBO.

The loans bear a fixed annual interest of 6% per annum and have maturities of 2 years, with the option to convert the loan and accrued interest into common shares of JDVC, at the option of CBO, at any time during the loan period with an exercise price of ₱100 per share. The Group is not required to maintain certain financial ratios or capital requirements with regards to this loan.

The Group expects and has the discretion to refinance the loans for another 2 years after the reporting period. The interest-bearing loans & borrowings are classified as non-current liabilities in the interim condensed consolidated statements of financial position.

Total borrowing costs attributable to these loans amounted to ₱917,767 and ₱579,083 in June 30, 2021 and 2020, respectively, and were charged as Interest expense in the statements of comprehensive income (see Note 16).

Convertible Loan Agreement

On February 20, 2019, the BOD authorized the Parent Company to enter into a convertible loan agreement with a third party amounting to ₱50.0 million. The loan bears an interest of 5% per annum and will mature on February 20, 2021. The principal and interest are convertible to shares at ₱0.01 per share any time until the 10th day before the maturity date at the option of the third party (see Note 13).

13. Equity

Share capital consists of:

	No. of Shares		Amount			
	2021	2020		**June 30, 2021 (Unaudited)**		December 31, 2020 (Audited)
Authorized – ₱0.01 par value	**600,000,000,000**	600,000,000,000	₱	**6,000,000,000**	₱	6,000,000,000
Subscribed, Issued, paid-up & outstanding:						
Balance at beginning of year	**280,336,349,297**	280,336,349,297	₱	**2,803,363,493**	₱	2,803,363,493
Balance at end of year	**280,336,349,297**	280,336,349,297	₱	**2,803,363,493**	₱	2,803,363,493

Ordinary share capital	**280,336,349,297**	280,336,349,297	₱ **2,803,363,493**	₱ 2,803,363,493

Below is the track record of issuance of the Parent Company's securities:

Date of Approval	Nature	Authorized	No. of Shares Issue/Offer	Price
October 18, 2012	Listing of shares	100,000,000,000	27,800,000,000	₱1.00
October 9, 2017	Share swap	600,000,000,000	247,396,071,520	0.01
September 11, 2019	Loan conversion	600,000,000,000	5,140,277,777	0.01

As at June 30, 2021, the Parent Company has a total of 799 shareholders.

Increase in Authorized Capital Stock of APL
On October 9, 2017, the SEC approved the increase in the capital stock of the Parent Company from ₱1.0-billion divided into 100.0-billion shares to ₱6.0-billion divided into 600.0-billion shares both with a par value of ₱0.01.

Convertible Loan Agreement
On September 11, 2019, the third party exercised the right to convert the loan (see Note 12) at ₱0.01 per share. On the same date, the BOD approved the conversion of the principal amount, including the interest accrued up to date of the conversion amounting to ₱1,402,778. The Parent Company issued additional 5,140,277,777 shares as a result of the conversion. Consequently, such valuation was duly approved by the SEC on December 7, 2020.

14. General & Administrative Costs

The following shows the breakdown of general & administrative costs:

	Note/s	**June 30, 2021 (Unaudited)**	June 30, 2020 (Unaudited)
Filing & processing fees		₱ **5,504,370**	₱ –
Professional fees		**4,067,232**	822,900
Salaries & employee benefits	15	**1,907,996**	919,351
Mobilization costs		**1,677,790**	919,366
Representation		**388,184**	428,388
Annual listing fee		**355,840**	292,320
Rent	20	**335,387**	143,545
Taxes & licenses		**305,147**	–
Transportation & travel		**304,939**	–
Office supplies		**152,859**	138,068
Meetings & conference		**87,818**	–
Repairs & maintenance		**82,441**	633,503
Association dues		**65,770**	106,642
Allowances		**50,000**	–
Utilities expenses		**39,986**	–
Medical expenses		**2,510**	–
Depreciation	9	**421,688**	225,182
Miscellaneous		**494,355**	725,210
Total		₱ **16,244,312**	₱ 5,354,475

15. Employee Benefits

Expenses recognized for salaries & employee benefits are presented below:

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
Short-term employee benefits	₱ 1,657,996	₱ 919,351
Other employee benefits	250,000	–
Total	₱ 1,907,996	₱ 919,351

The amount of salaries & employee benefits is charged to general & administrative costs (see Note 14). Other employee benefits include bereavement given to spouse of its key management personnel (see Note 19).

Post-employment Defined Benefits

The Group has not established a formal retirement plan. As at the end of each reporting dates, the Group employs less than ten (10) employees, most who do not qualify or meet the minimum requirements of Retirement Pay Law. Therefore, as of reporting dates, no accrued retirement benefit obligation has been recognized. However, it is required to pay qualified employees retirement benefits under Republic Act No. 7641 once it meets the requirements of said law.

16. Finance and Other Income (Losses)

Finance income consist of interest earned from local bank deposits which are net of 20% final tax, to wit:

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
Interest income from local bank deposits	₱ 533	₱ 2,738
Total	₱ 533	₱ 2,738

Finance costs consist of:

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
Interest expense on loans	₱ 917,767	₱ 579,083
Total	₱ 917,767	₱ 579,083

17. Income Tax

The schedule of deferred tax assets is as follows:

	Consolidated statements of financial position		Consolidated statements of comprehensive income	
	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)	**June 30, 2021 (Unaudited)**	March 31, 2020 (Unaudited)
Deferred tax assets:				
NOLCO	₱ **6,154,303**	₱ 6,154,303	₱ –	₱ –
Deferred tax assets – net	₱ **6,154,303**	₱ 6,154,303		
Deferred tax benefit – net			₱ –	₱ –

The NOLCO of the business for any taxable year shall be carried over as a deduction from gross income for the next three (3) consecutive years. In effect, therefore, a tax benefit arises on the year the losses were incurred. Such tax benefits are reported in the statement of financial position as deferred tax assets and are reported at current statutory tax rates.

In 2020, the Government recognized the effect of COVID 19 pandemic to various Companies, therefore, enacted the Bayanihan to Recover as One Act (RA No. 11494). Under Section 4 (bbbb) of the Act, it allows qualified businesses which incurred net operating loss for taxable years 2020 and 2021 to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The Group believes that it is not reasonably probable that future taxable profit against which the benefit of the Parent Company's deferred tax assets can be utilized.

Details of recognized and unrecognized deferred tax assets of the Group are as follows:

		June 30, 2021 (Unaudited)		December 31, 2020 (Audited)
Unrecognized:				
NOLCO	₱	–	₱	4,732,786
Excess MCIT		–		90,892
	₱	–	₱	4,823,678
Recognized:				
NOLCO	₱	**6,154,303**	₱	6,154,303

The amount of NOLCO and the applicable years these are valid and deductible from the taxable income are shown below:

Taxable Years	Valid Until		Original Amount		Used/Expired		Balance		Tax Effect
2020	2025*	₱	13,850,107	₱	–	₱	13,850,107	₱	4,155,032
2019	2022		11,250,350		–		11,250,350		3,375,105
2018	2021		11,189,840		–		11,189,840		3,356,952
Total		₱	36,290,297	₱	–	₱	36,290,297	₱	10,887,089

The amounts of MCIT and the applicable years these are valid and deductible from the taxable income are shown below:

Taxable Years	Valid Until		Original Amount		Used/Expired		Balance
2019	2022	₱	45,446	₱	–	₱	45,446
2018	2021		45,446		–		45,446
Total		₱	90,892	₱	–	₱	90,892

18. Basic Loss Per Share

Basic loss per share is computed as follows:

		June 30, 2021 (Unaudited)		June 30, 2020 (Unaudited)
Loss attributable to ordinary shares	₱	**(16,313,881)**	₱	(5,518,863)
Divide by: Weighted average number of ordinary shares outstanding		**280,336,349,297**		280,336,349,297
Basic loss per share	₱	**(0.00006)**	₱	(0.00002)

There are no potential dilutive ordinary shares outstanding as at June 30, 2021 and 2020.

19. Related Party Transactions

The Group, in the normal course of business, has significant transactions with related parties pertaining to granting and availing of advances for operational expenses.

The details of the Group's related parties are summarized as follows:

Name of related party	Relationship	Country of Incorporation
Cagayan Ore Metal Mining Exploration Corporation	With common shareholders	Philippines
Catagayan Iron Sand Resources Corporation	With common shareholders	Philippines
Catagayan Mining Resources (Phils.) Inc.	With common shareholders	Philippines
Individuals	Key management personnel/shareholders	-

The Group, in the normal course of business, has entered into transactions with related parties principally consisting of:

				Amount of Transaction		Outstanding Balances	
Related Party	Nature	Terms & Conditions	Note/s	**June 30, 2021 (Unaudited)**	June 30, 2020 (Unaudited)	**June 30, 2021 (Unaudited)**	December 31, 2020 (Audited)
Shareholders	Advances for working capital	Long-term, unsecured, non-interest bearing, repayable in cash		**₱ 32,618**	₱ –	**₱ (247,957,203)**	₱ (247,924,585)
Key Management personnel	Advances for working capital purposes	Long-term, unsecured, non-interest bearing, repayable in cash		**–**	–	**39,139,870**	(39,139,870)

<u>Advances from Related Parties</u>
The Group often borrows funds to finance its operating expenses and working capital. The advances are unsecured, noninterest-bearing and are repayable in cash beyond 12 months. The Group has the discretion to refinance these advances on a long-term basis and expects to repay the advances when the Group has sustained sufficient financial capacity.

<u>Loan from Related Party</u>
In 2017, the Group obtained an unsecured loan from a related party amounting to ₱10.0-million for working capital purposes. The loans bear a monthly interest rate of 0.5%. The loan was paid in full in 2019.

<u>Deposits for Future Stock Subscription</u>
This account refers to amounts collected from existing shareholders of JDVC to issue a specified number of common shares of JDVC at par value. Deposits for future subscription were classified as non-current liabilities since the BOD of JDVC expects to apply for an increase in capital stock beyond 12 months from reporting date and it has not yet complied with all the criteria pursuant to SEC Financial Reporting Bulletin 006 to be classified as equity. The deposits are refundable upon the request of the shareholder if they wish to withdraw.

On July 6, 2020, the Board of Directors of JDVC has discarded its plans to apply for an increase in capital stock and have subsequently decided to reclassify the Deposits for Future Stock Subscription to Advances from Shareholders account. The advances are intended for temporary financing to JDVC and shall be noninterest-bearing, unsecured and repayable in cash within 2 years, with option to extend terms. These advances are classified as non-current liabilities since the Group expects to repay these advances when the Group can generate positive cash flows from operations.

<u>Key Management Personnel Compensation</u>
Since the Group is in its pre-operating stages, there are no key management personnel compensation recognized in June 30, 2021 and 2020, since the officers offer their services pro-bono to save on operating costs except for bereavement given to spouse of one of its key management personnel (see Note 15). Likewise, the Group does not provide post-employment benefit plans or equity-based compensation benefits to any of its directors or executive officers.

20. Commitments and Other Matters

Lease Agreements
In 2016, the Subsidiary entered into a cancellable lease agreement with a third party for its office space. The lease term is for a period of 2 years commencing on December 15, 2016 until January 14, 2018. The contract was renewed thereafter but was terminated by the Subsidiary on February 15, 2018. Upon termination of the lease agreement, the Parent Company allows its Subsidiary to use its office space at no cost to the Subsidiary.

In 2019, the Parent Company entered into a lease agreement with a third party for its office space with a term of one year and is renewable upon mutual agreement of both parties. The lease agreement has an escalation clause of 5% per annum. Security deposit amounted to ₱71,772 as at June 30, 2021 and December 31, 2020 (see Note 6).

Total expense from these leases amounted to ₱335,387 in June 30, 2021 and ₱143,546 in June 30, 2020 which was charged to general & administrative costs (see Note 14).

Royalty Agreement
On September 1, 2014, JDVC entered in a royalty agreement with Agbiag, operating contractor of JDVC, by granting the latter irrecoverable and unrestricted rights and privileges to occupy, explore, develop, utilize, mine and undertake other activities to the mining area owned by JDVC in various areas in Cagayan Province, for twenty-five (25) years or the life of JDVC's MPSA No. 338-2010-II-OMR with the Republic of the Philippines, whichever is shorter.

All costs and expenses related to the MPSA, commercial extraction permits and such other fees required by the Government and for non-government related expenses which include community expenses and social compliances among others shall be for the account of Agbiag.

As consideration, the Subsidiary shall earn royalty income of US$4.00 up to US$9.33 per ton or specifically in accordance with the proposed slide-up-slide-down net share remittance, or size percent (6%) of cost, whichever is shorter. In 2017, JDVC received advance royalty payment from Agbiag amounting to ₱51.5-million.

In a special meeting held by the BOD on October 10, 2018, it was resolved that due to the failure of both parties to conduct full extraction operation during the year, the advance royalty payment will be returned by JDVC to Agbiag. This was presented under "Advances from contractor" account in the consolidated statements of financial position.

Social and Environmental Responsibilities
In 2019, JDVC secured the regulatory approvals of the following programs:

Social Development Management Program (SDMP)
SDMP are five (5) year programs of the projects identified and approved for implementation, in consultation with the host communities. The Group provides an annual budget for SDMP projects that focus on health, education, livelihood, public utilities and socio-cultural preservation. The implementation of the program is monitored by the MGB.

Environmental Protection and Enhancement Program (EPEP)
EPEP refers to comprehensive and strategic environmental management plan to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the affected environment. This program is monitored by the Multipartite Monitoring Team, a group headed by a representative from the Regional MGB and representatives of Local Government Units (LGU), other government agencies, non-government organizations, the church sector and the representatives of the Group.

JDVC will start implementing these programs upon commencement of operations.

COVID-19 Impact
In early 2020, the world was adversely affected by the COVID-19, which was declared a pandemic by the World Health Organization. In a move to contain the COVID-19 outbreak, the

Philippine government initiated directives to impose stringent social distancing measures and guidelines under different levels of community quarantine depending on the assessment of the situation in the numerous parts of the country. These measures have cause disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

The Group's timeline for the commencement of the offshore mining operations were delayed due to limited movement within the region and the start of monsoon season.

The overall impact of the COVID-19 pandemic is still uncertain and dependent on the progression of the virus and on actions taken by the government, businesses and individuals, which could result in different outcomes. Considering the evolving nature of the outbreak, the Group will continue to monitor the situation in subsequent periods.

21. Fair Value Measurement

Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of certain assets and liabilities presented in the interim condensed consolidated statements of financial position are as follows:

		June 30, 2021		December 31, 2020	
	Note/s	**Carrying amounts**	**Fair Values**	Carrying amounts	Fair Values
Financial assets:					
At amortized cost:					
Cash	5	₱ **1,068,552**	₱ **1,068,552**	₱ 909,057	₱ 909,057
Security deposits	6	**71,772**	**71,772**	71,772	71,772
Construction bond	6	**50,000**	**50,000**	50,000	50,000
Total		₱ **1,190,324**	₱ **1,190,324**	₱ 1,030,829	₱ 1,030,829
Financial liabilities:					
At amortized cost:					
Accounts & other payables	11	₱ **42,874,260**	₱ **42,874,260**	₱ 40,342,841	₱ 40,342,841
Loans & borrowings	12	**58,800,000**	**58,800,000**	37,550,000	37,550,000
Advances from related parties	19	**247,957,203**	**247,957,203**	208,784,715	208,784,715
Total		₱ **349,631,463**	₱ **349,631,463**	₱ 286,677,556	₱ 286,677,556

Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and financial liabilities on a recurring or non-recurring basis and those financial assets, financial liabilities and non-financial assets not measured at fair value but for which fair value is disclosed with other relevant PFRSs, are categorized into three levels based on the significance of inputs used to measure fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for asset or liability that are not based on observable market data (unobservable inputs).

The following table summarizes the fair value hierarchy of the Group's financial assets and liabilities, which are measured at fair value or requires disclosure as prescribed by other PFRSs, as at June 30, 2021 and December 31, 2020:

		June 30, 2021			
	Note/s	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:					
At amortized cost:					
Cash	5	₱ **1,068,552**	₱ **–**	₱ **–**	₱ **1,068,552**
Security deposits	6	**–**	**–**	**71,772**	**71,772**
Construction bond	6	**–**	**–**	**50,000**	**50,000**
Total		₱ **1,068,552**	₱ **–**	₱ **121,772**	₱ **1,190,324**
Financial liabilities:					
At amortized cost:					
Accounts & other payables	11	₱ **–**	₱ **–**	₱ **42,874,260**	₱ **42,874,260**
Loans & borrowings	12	**–**	**–**	**58,800,000**	**58,800,000**
Advances from related parties	19	**–**	**–**	**247,957,203**	**247,957,203**
Total		₱ **–**	₱ **–**	₱ **349,631,463**	₱ **349,631,463**

	Note/s	December 31, 2020 Level 1		Level 2		Level 3		Total
Financial assets:								
At amortized cost:								
Cash	5	₱	909,057	₱	–	₱	–	₱ 909,057
Security deposits	6		–		–		71,772	71,772
Construction bond	6		–		–		50,000	50,000
Total		₱	909,057	₱	–	₱	121,772	₱ 1,030,829
Financial liabilities:								
At amortized cost:								
Accounts & other payables	11	₱	–	₱	–	₱	40,342,841	₱ 40,342,841
Loans & borrowings	12		–		–		37,550,000	37,550,000
Advances from related parties	19		–		–		208,784,715	208,784,715
Total		₱	–	₱	–	₱	286,677,556	₱ 286,677,556

As at June 30, 2021 and December 31, 2020, there are no financial assets or financial liabilities measured at fair value. There were no transfers between levels in 2021 and 2020.

Financial Instruments Not Measured at Fair Value for Which Fair Value is Disclosed
For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine fair value of such instruments are not based on observable market data.

22. Financial Risk Management Policies and Objectives

Introduction
The Group's principal financial instruments comprise of cash and cash equivalents, receivable and payables. The main purpose of these financial instruments is to raise finances for the Group's operations. The risks arising from the use of financial instruments are managed through a process of on-going identification, measurement, and monitoring. This process of risk management is critical to the Group's continuing profitability.

The BOD is ultimately responsible for overall risk management approach, monitoring risk exposures, and approving risk mitigation strategies and policies.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk.

Interest Rate Risk
Interest rate risk is the risk that future cash flows from financial instruments or its fair value will fluctuate because of changes in market interest rates. As at June 30, 2021 and December 31, 2020, the Group does not have any repriceable financial instruments subject to variable interest rates. There are no significant interest rate risk exposures since the interest-bearing loans & borrowings are subject to fixed interest rates and all other financial assets and liabilities are non-interest bearing.

Credit Risk
Credit risk is the risk that the Group will incur a loss because its customers or counter parties failed to discharge their contractual obligations. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis and appropriate credit treatments are executed for overdue accounts. Likewise, other receivable balances are also being monitored and subjected to appropriate actions to manage credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the interim condensed consolidated statements of financial position (or in the detailed analysis provided in the notes to the interim condensed consolidated financial statements).

As at June 30, 2021 and December 31, 2020, the Group has no financial assets for which credit risk has increased significantly since initial recognition and that are credit-impaired. The table below shows the credit quality of financial assets subject to 12-month ECL:

Credit Risk Exposure
The table below shows the gross maximum exposure to credit risk of the Group as at June 30, 2021 and December 31, 2020, without considering the effects of collaterals and other credit risk mitigation techniques:

	Note/s		**2020**		2019
Cash in banks	5	₱	**1,048,552**	₱	889,057
Security deposits	6		**71,772**		71,772
Construction bond	6		**50,000**		50,000
Total		₱	**1,170,324**	₱	1,010,829

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 per depositor per banking institution.

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash.

Credit Quality per Class of Financial Assets
The tables below show a comparison of the credit quality of the Group's financial assets as at June 30, 2021 and December 31, 2020:

June 30, 2021 (Unaudited)	**Neither Past Due Nor Impaired**						**Past Due But Not Impaired**		**Impaired**		**Total**
		High Grade		**Standard Grade**		**Substandard Grade**					
Cash in banks	₱	**1,048,552**	₱	**–**	₱	**–**	₱ **–**	₱	**–**	₱	**1,048,552**
Security deposits		**71,772**		**–**		**–**	**–**		**–**		**71,772**
Construction bond		**50,000**		**–**		**–**	**–**		**–**		**50,000**
Total	₱	**1,170,324**	₱	**–**	₱	**–**	₱ **–**	₱	**–**	₱	**1,170,324**

December 31, 2020 (Audited)	Neither Past Due Nor Impaired						Past Due But Not Impaired		Impaired		Total
		High Grade		Standard Grade		Substandard Grade					
Cash in banks	₱	889,057	₱	–	₱	–	₱ –	₱	–	₱	889,057
Security deposits		71,772		–		–	–		–		71,772
Construction bond		50,000		–		–	–		–		50,000
Total	₱	1,010,829	₱	–	₱	–	₱ –	₱	–	₱	1,010,829

The Group evaluates credit quality on the basis of the credit strength of the security and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty. The Group determines if credit risk have increased significantly when financial assets are more than 30 days past due.

The Group's management considers none of the financial assets to be impaired or past due at the end of each financial reporting period.

Cash in banks. The credit risks for cash in banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Security deposits and Construction bond. These pertain to receivables from counterparties which are not expected to default in settling its obligations, hence there is no perceived credit risk.

Liquidity Risk
Liquidity risk refers to the risk that the Group will not be able to meet its financial obligations as these fall due. To limit this risk, the Group closely monitors its cash flows and ensures that credit

facilities are available to meet its obligations as and when these fall due. The Group also has a committed line of credit that it can access to meet liquidity needs.

Maturity Profile of Financial Liabilities

The tables below summarize the maturity profile of the Group's financial liabilities as at June 30, 2021 and December 31, 2020 based on the remaining undiscounted contractual cash flows:

	June 30, 2021			
	Carrying Value	On Demand	Within 1 year	Beyond 1 year
Financial assets:				
At amortized cost:				
Cash	₱ 1,068,552	₱ 1,068,552	₱ –	₱ –
Security deposits	71,772	–	71,772	–
Construction bond	50,000	–	50,000	–
Total	₱ 1,190,324	₱ 1,068,552	₱ 121,772	₱ –
Financial liabilities:				
At amortized cost:				
Accounts & other payables	₱ 42,874,260	₱ 37,633,782	₱ 5,240,478	₱ –
Loans & borrowings	58,800,000	–	–	58,800,000
Advances from related parties	247,957,203	–	–	247,957,203
Total	₱ 349,631,463	₱ 37,633,782	₱ 5,240,478	₱ 306,757,203

	December 31, 2020			
	Carrying Value	On Demand	Within 1 year	Beyond 1 year
Financial assets:				
At amortized cost:				
Cash	₱ 909,057	₱ 909,057	₱ –	₱ –
Security deposits	71,772	–	71,772	–
Construction bond	50,000	–	50,000	–
Total	₱ 1,030,829	₱ 909,057	₱ 121,772	₱ –
Financial liabilities:				
At amortized cost:				
Accounts & other payables	₱ 40,342,841	₱ 37,500,000	₱ 2,842,841	₱ –
Loans & borrowings	37,550,000	–	13,950,000	23,600,000
Advances from related parties	247,924,585	–	–	247,924,585
Total	₱ 325,817,426	₱ 37,500,000	₱ 16,792,841	₱ 271,524,585

23. Capital Management Objectives, Policies, & Procedures

The Group's capital management objectives are:

- To ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.
- To invest the capital in investments that meet the expected return with the commensurate level of risk exposure.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders or issue new shares. The Group considers its equity and loans & borrowings as capital.

The Group monitors its financial leverage using the debt-to-equity which is computed as total liabilities divided by total equity as shown in the table below:

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Total liabilities	**₱ 406,085,152**	₱ 382,202,161

Total equity	**₱ 2,948,066,964**	₱ 2,965,228,510
Debt-to-equity ratio	**0.14:1**	0.13:1

The Group is not subject to any externally imposed capital requirements. There were no changes in the
Group 's approach to capital management during the year.

24. Supplemental Disclosure of Cash Flow Information

Changes in Liabilities Arising from Financing Activities
The disclosure requirements enable users of interim condensed consolidated financial statements to evaluate changes in liabilities arising from financing activities of the Group.

The movement of liabilities from financing activities are as follows:

June 30, 2021 (Unaudited)	**January 1, 2021**	**Cash Flows**	**Reclassification**	**Interest Expense**	**June 30, 2021**
Loans & borrowings	**₱ 37,550,000**	**₱ 21,250,000**	**₱ –**	**₱ –**	**₱ 58,800,000**
Advances from related parties	**247,924,585**	**32,618**	**–**	**–**	**247,957,203**
Interest payable	**1,450,700**	**–**	**–**	**917,767**	**2,368,467**
Total liabilities from financing activities	**₱ 286,925,285**	**₱ 21,282,618**	**₱ –**	**₱ 917,767**	**₱ 309,125,670**

December 31, 2020 (Audited)	January 1, 2020	Cash Flows	Reclassification	Interest Expense	December 31, 2020
Loans & borrowings	₱ 13,950,000	₱ 23,600,000	₱ –	₱ –	₱ 37,550,000
Advances from related parties	1,682,983	92,040	246,149,562	–	247,924,585
Deposits for future stock subscriptions	246,149,562	–	(246,149,562)	–	–
Interest payable	174,250	–	–	1,276,450	1,450,700
Total liabilities from financing activities	₱ 261,956,795	₱ 23,692,040	₱ –	₱ 1,276,450	₱ 286,925,285

Non-cash Activities
The Group had no material non-cash investing or financing activity-related transactions for the period ended June 30, 2021.

The Group had no material non-cash investing or financing activity-related transactions for the year ended December 31, 2020, except for the reclassification of deposits for future subscription to advances from related parties (see Note 23).

25. Events After the End of the Reporting Period

There were no events that require adjustments or disclosures between the reporting date and the date of issuance of the unaudited interim condensed consolidated financial statements.

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Supplementary Schedules under Annex 68-E

Pursuant to the Revised Securities Regulation Code (SRC) Rule 68
June 30, 2021

Schedule of Financial Soundness Indicators

		June 30, 2021 (Unaudited)		December 31, 2020 (Audited)
Liquidity Ratios:				
Current Ratio				
Current Assets	₱	**5,658,808**	₱	4,851,067
Current Liabilities	₱	**99,327,949**	₱	110,677,576
		0.06 : 1		0.04 : 1
Acid Test Ratio				
Liquid Assets	₱	**1,068,552**	₱	909,057
Current Liabilities	₱	**99,327,949**	₱	110,677,576
		0.01 : 1		0.01 : 1
Solvency Ratios:				
Debt-to-Equity Ratio				
Total Liabilities	₱	**406,085,152**	₱	382,202,161
Total Equity	₱	**2,948,066,964**	₱	2,965,228,510
		0.14 : 1		0.13 : 1
Asset-to-Equity Ratio				
Total Assets	₱	**3,354,152,116**	₱	3,347,430,671
Total Equity	₱	**2,948,066,964**	₱	2,965,228,510
		1.14 : 1		1.13 : 1
Profitability Ratios:				
Interest Coverage Ratio				
Earnings Before Interest and Taxes	₱	**N/A**	₱	N/A
Interest Expense	₱	**917,767**	₱	1,276,450
		N/A		N/A
Return on Assets				
Net Profit	₱	**N/A**	₱	N/A
Total Assets	₱	**3,354,152,116**	₱	3,347,430,671
		N/A		N/A
Return on Equity				
Net Profit	₱	**N/A**	₱	N/A
Total Equity	₱	**2,948,066,964**	₱	2,965,228,510
		N/A		N/A
Net Profit Margin				
Net Profit	₱	**N/A**	₱	N/A
Revenues	₱	**N/A**	₱	N/A
		N/A		N/A

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY

Supplementary Schedules under Annex 68-J

Pursuant to the Revised Securities Regulation Code (SRC) Rule 68
June 30, 2021

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statements of financial position	Value based on market quotation at end of reporting period	Income received and accrued
Cash	N/A	₱1,068,552	N/A	₱533
Security deposits		71,772		–
Construction bond		50,000		–

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Non-current	Balance at end of period
			Amounts collected	Amounts written-off			
N/A	–	–	–	–	–	–	1,447,015

Schedule C. Amounts Receivable from Related Parties which are eliminated during Consolidation of Financial Statements

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Non-current	Balance at end of period
			Amounts collected	Amounts written-off			
JDVC Resources Corporation	9,198,954	N/A	(7,751,939)	–	–	–	1,447,015

Schedule D. Long-Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” in related statement of financial position	Amount shown under caption “Long-term debt” in related statement of financial position
Interest - bearing loans & borrowings	–	–	58,800,000

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
Shareholders and Key Management Personnel	247,924,585	247,957,203

Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the Group for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common	600,000,000,000	280,336,349,297	–	–	46,507,293,501	233,829,055,796

ANNEX E-1

CERTIFICATION OF INDEPENDENT DIRECTOR

I, EDWARD WILLIAM TAN, Filipino, of legal age and a resident of 2 Taft Street, Greenhills West, San Juan City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of APOLLO GLOBAL CAPITAL, INC. (FORMERLY: YEHEY! CORPORATION) and have been its independent director since 05 March 2021 (where applicable).

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
N/A	N/A	N/A

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of APOLLO GLOBAL CAPITAL, INC. (FORMERLY: YEHEY! CORPORATION), as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A	N/A	N/A

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in ________N/A____________, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of APOLLO GLOBAL CAPITAL, INC. (FORMERLY: YEHEY! CORPORATION) of any changes in the abovementioned information within five days from its occurrence.

OCT 1 3 2021

Done, this ________ day of ________, at QUEZON CITY.

Affiant

OCT 1 3 2021

SUBSCRIBED AND SWORN to before me this ________ day of ____________ at QUEZON CITY, affiant personally appeared before me and exhibited to me his/her Passport No. P2957616A issued at DFA NCR NORTHEAST on 10 May 2017.

ATTY. JASON G. DE BELEN
Roll No. 36259
Adm. NP-019 Notary Public (2020-2021)
Unit M Panay Commercial Building
No. 7 Panay Ave. cor. Sct. Borromeo St. Q.C.
IBP AR No. 34918187; QC 1-4-2021
PTR No. 0598847; QC.1-4-2021
MCLE VI-0022012; 4-14-22

Doc. No. 215;
Page No. 43;
Book No. 254;
Series of 2021;

ANNEX E-2

CERTIFICATION OF INDEPENDENT DIRECTOR

I, GEORGE ONG CHUA CHAM, Filipino, of legal age and a resident of Brgy, Malabago, Mangaldan, Pangasinan, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of APOLLO GLOBAL CAPITAL, INC. (FORMERLY: YEHEY! CORPORATION) and have been its independent director since 01 March 2021 (where applicable).

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
N/A	N/A	N/A

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of APOLLO GLOBAL CAPITAL, INC. (FORMERLY: YEHEY! CORPORATION), as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A	N/A	N/A

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in _______N/A___________, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of APOLLO GLOBAL CAPITAL, INC. (FORMERLY: YEHEY! CORPORATION) of any changes in the abovementioned information within five days from its occurrence.

Done, this OCT 13 2021 day of ________, at QUEZON CITY.

Affiant

SUBSCRIBED AND SWORN to before me this OCT 13 2021 day of ____________ at QUEZON CITY, affiant personally appeared before me and exhibited to me his/her Passport No. P7412727A issued at DFA NCR EAST on 01 June 2018.

Doc. No. 24;
Page No. 49;
Book No. 254;
Series of 2021;

ATTY. JASON G. DE BELEN
Roll No. 36259
Adm. NP-010 Notary Public (2020-2021)
Unit M Panay Commercial Building
No. 7 Panay Ave. cor. Sct. Borromeo St. Q.C.
IBP AR No. 34918187; QC 1-4-2021
PTR No. 0598847; QC.1-4-2021
MCLE VI-0022012; 4-14-22

ANNEX F

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA.) S.S

CERTIFICATION

I, **KRISTINA JOYCE C. GANGAN**, of legal age, Filipino, in my capacity as the duly elected and incumbent Corporate Secretary of **APOLLO GLOBAL CAPITAL, INC.** ***("APL"** or the **"Corporation")***, a corporation duly organized and existing under the laws of the Philippines with principal office at Unit 504 Galleria Corporate Center, EDSA corner Ortigas Avenue, Brgy. Ugong Norte, Quezon City, Philippines and with SEC Reg. No. A199806865, do hereby certify under oath that APL has no directors or officers who are connected with any government agencies or instrumentalities other than BERNADETTE HERRERA-DY who is a member of the House of Representatives of the Philippines. Attached is a copy of the letter from the Secretary General of the House of Representatives on the matter of BERNADETTE HERRERA-DY's holding the position of director in the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand on OCT 15 2021 in Makati City, Metro Manila.

KRISTINA JOYCE C. GANGAN
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME, this OCT 15 2021 in Makati City, affiant exhibited to me her Passport No. P5562137A issued on 9 January 2018 by DFA, Manila.

Doc. No. 109;
Page No. 23;
Book No. III;
Series of 2021.

PAOLO DANIEL ROLANDO R. ANONUEVO
Appointment No. M-198
Notary Public for Makati City
Until December 31, 2022
Liberty Center-Picazo Law
104 H.V.Dela Costa Street, Makati City
Roll of Attorney's No. 75352
PTR No. 8535735/Makati City/01-05-2021
IBP No. 137915/Rizal /01-05-2021
MCLE Exempted-Admitted to the bar in 2020

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Mark Llandro "Dong" L. Mendoza
Secretary General

12 October 2021

HON. BERNADETTE "BH" HERRERA
Deputy Speaker
House of Representatives
Quezon City

Dear Hon. Herrera:

This refers to your Honor's letter dated 11 October 2021, requesting for a Certification that the House of Representatives consents to your Honor holding the position of Director of APOLLO GLOBAL CAPITAL, INC., a publicly listed holding company.

The House of Representatives maintains the position that neither the Secretary General nor the Speaker, as political and administrative head of the House of Representatives, possesses the power and duty to oversee a Member's private engagement, business or profession, which does not involve, affect or impede the Member's official functions.

It is, therefore, unnecessary for the House of Representatives to consent to or allow a Member to assume any position in a publicly listed corporation.

In taking on any private engagement, however, the Honorable Members of the House of Representatives need always to consider the constitutional and statutory prohibitions on conflict of interest.[1] to avoid any violation.

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[1] *1987 Constitution, Article VI, Section 14. No Senator or Member of the House of Representatives may personally appear as counsel before any court of justice or before the Electoral Tribunals, or quasi-judicial and other administrative bodies. Neither shall he, directly or indirectly, be interested financially in any contract with, or in any franchise or special privilege granted by the Government, or any subdivision, agency, or instrumentality thereof, including any government-owned or controlled corporation, or its subsidiary, during his term of office. He shall not intervene in any matter before any office of the Government for his pecuniary benefit or where he may be called upon to act on account of his office.*

Republic Act No 3019, Section 3. Corrupt practices of public officers. — In addition to acts or omissions of public officers already penalized by existing law, the following shall constitute corrupt practices of any public officer and are hereby declared to be unlawful:
(i) Directly or indirectly becoming interested, for personal gain, or having a material interest in any transaction or act requiring the approval of a board, panel or group of which he is a member, and which exercises discretion in such approval, even if he votes against the same or does not participate in the action of the board, committee, panel or group.

Interest for personal gain shall be presumed against those public officers responsible for the approval of manifestly unlawful, inequitable, or irregular transactions or acts by the board, panel or group to which they belong.

National Government Center, Constitution Hills, 1126 Quezon City, Philippines
PHONES: 89316216; 89316298; 89315001-48 locals 7459/7468/7498 • TELEFAX: 89315556

For your Honor's information and guidance.

Very truly yours,

MARK LLANDRO DONG L. MENDOZA
Secretary General

Republic Act No. 6713, Section 3 (i) - "Conflict of interest" arises when a public official or employee is a member of a board, an officer, or a substantial stockholder of a private corporation or owner or has a substantial interest in a business, and the interest of such corporation or business, or his rights or duties therein, may be opposed to or affected by the faithful performance of official duty.

RA 6713, Section 7. Prohibited Acts and Transactions . — In addition to acts and omissions of public officials and employees now prescribed in the Constitution and existing laws, the following shall constitute prohibited acts and transactions of any public official and employee and are hereby declared to be unlawful:

(a) Financial and material interest. — Public officials and employees shall not, directly or indirectly, have any financial or material interest in any transaction requiring the approval of their office.

xxx