# 2022 INTERIM REPORT

# APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

**Unaudited Interim Condensed Consolidated Financial Statements**
As at March 31, 2022 (Unaudited) and
December 31, 2021 (Audited),
and for the three-months periods ended
March 31, 2022 and 2021 (Unaudited)

# COVER SHEET

**SEC Registration Number**

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | A | 1 | 9 | 9 | 8 | 0 | 6 | 8 | 6 | 5 |

## Company Name

APOLLO GLOBAL INC. AND ITS SUBSIDIARIES

## 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 | MSRD | N/A |

## 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) |
|---|---|---|
| 805 | 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.

# APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES
## UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the three-months ended March 31, 2022

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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 March 31, 2022

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** | **292,686,349,297** |

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 [ ]

<u>PART I – FINANCIAL INFORMATION</u>

## 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 March 31, 2022 and December 31, 2021 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 three-months period ending March 31, 2022 and 2021 are filed as part of this SEC Form 17-Q.

## II. Management's Discussion and Analysis of Financial Condition and Results of Operations

<u>Plan of Operation</u>

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.

<u>Results of Operations (March 31, 2022 vs. March 31, 2021)</u>

| | For the three-months ended March 31, | | | | Horizontal Analysis | | Vertical Analysis | |
|---|---|---|---|---|---|---|---|---|
| | | 2022 (unaudited) | | 2021 (unaudited) | Inc (Dec) | %age | 2022 | 2021 |
| 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 | | (15,566,034) | | (8,664,793) | 6,901,241 | 79.65% | n/a | n/a |
| Operating loss | ₱ | (15,566,034) | ₱ | (8,664,793) | 6,901,241 | 79.65% | n/a | n/a |
| Interest income | | 17,654 | | 248 | 17,406 | 7,018.55% | n/a | n/a |
| Finance costs | | (1,508,456) | | (418,292) | 1,090,164 | 260.62% | n/a | n/a |
| Loss before tax benefit | ₱ | (17,056,836) | ₱ | (9,082,837) | 7,973,999 | 87.79% | n/a | n/a |
| Income tax benefit | | – | | – | – | n/a | n/a | n/a |
| Loss for the period | ₱ | (17,056,836) | ₱ | (9,082,837) | 7,973,999 | 87.79% | n/a | n/a |

*General & Administrative Costs*

The Group's general & administrative costs has increased by 79.65% which was primarily due to the increase in professional fees, annual listing fee, salaries & employee benefits, and mobilization costs (85.44% 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 (March 31, 2022 vs. December 31, 2021)

| | | As at | | | Horizontal Analysis | | Vertical Analysis | |
|---|---|---|---|---|---|---|---|---|
| | | March 31, 2022 (unaudited) | | December 31, 2021 (audited) | Inc (Dec) | %age | 2022 | 2021 |
| ASSETS | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash | ₱ | 146,175,947 | ₱ | 202,450,661 | (56,274,714) | -27.80% | 3.31% | 4.56% |
| Receivables – net | | 15,781,488 | | 3,834,663 | 11,946,825 | 311.55% | 0.36% | 0.09% |
| Other current assets | | 6,944,167 | | 5,049,858 | 1,894,309 | 37.51% | 0.16% | 0.11% |
| Total current assets | ₱ | 168,901,602 | ₱ | 211,335,182 | (42,433,580) | -20.07% | 3.83% | 4.76% |
| Non-current assets: | | | | | | | | |
| Investment in associate | ₱ | 809,752,974 | ₱ | 809,752,974 | – | 0.00% | 18.31% | 18.26% |
| Mine properties | | 3,316,848,592 | | 3,315,448,592 | 1,400,000 | 0.04% | 75.00% | 74.73% |
| Advances to contractors | | 44,660,528 | | 41,453,933 | 3,206,595 | 7.74% | 1.01% | 0.93% |
| Property & equipment – net | | 65,427,074 | | 41,920,632 | 23,506,442 | 56.07% | 1.48% | 0.95% |
| Website costs | | 237,447 | | 250,329 | (12,882) | -5.15% | 0.00% | 0.00% |
| Deferred tax asset | | 16,157,337 | | 16,157,337 | – | 0.00% | 0.37% | 0.37% |
| Total non-current assets | ₱ | 4,253,083,952 | ₱ | 4,224,983,798 | 50,991,379 | 1.21% | 96.17% | 95.24% |
| TOTAL ASSETS | ₱ | 4,421,985,554 | ₱ | 4,436,318,979 | 8,557,799 | 0.19% | 100.00% | 100.00% |
| LIABILITIES & EQUITY | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Accounts & other payables | ₱ | 8,468,643 | ₱ | 7,035,707 | 1,432,936 | 20.37% | 0.19% | 0.16% |
| Interest-bearing loans & borrowings | | 23,600,000 | | 23,600,000 | – | 0.00% | 0.53% | 0.53% |
| Advances from contractors | | 91,070,200 | | 91,070,200 | – | 0.00% | 2.06% | 2.05% |
| Total current liabilities | ₱ | 123,138,843 | ₱ | 121,705,907 | 1,432,936 | 1.18% | 2.78% | 2.74% |
| Non-current liabilities: | | | | | | | | |
| Interest-bearing loans & borrowings | ₱ | 67,699,901 | ₱ | 67,399,901 | 300,000 | 0.45% | 1.53% | 1.52% |
| Advances from related parties | | 247,973,698 | | 247,983,223 | (9,525) | 0.00% | 5.61% | 5.59% |
| Total non-current liabilities | ₱ | 315,673,599 | ₱ | 315,383,124 | 290,475 | 0.09% | 7.14% | 7.11% |
| Total liabilities | ₱ | 438,812,442 | ₱ | 437,089,031 | 1,723,411 | 0.39% | 9.92% | 9.85% |
| Equity: | | | | | | | | |
| Share capital | ₱ | 2,926,863,493 | ₱ | 2,926,863,493 | – | 0.00% | 66.19% | 65.98% |
| Share premium | | 868,071,980 | | 868,071,980 | – | 0.00% | 19.63% | 19.57% |
| Accumulated losses | | (58,887,350) | | (42,496,777) | (16,390,573) | -38.57% | -1.33% | -0.96% |
| Total equity attributable to Parent Company's shareholders | ₱ | 3,736,048,123 | ₱ | 3,752,438,696 | (16,390,573) | -0.44% | 84.49% | 84.59% |
| Non-controlling interest | | 246,124,989 | | 246,791,252 | (666,263) | -0.27% | 5.57% | 5.56% |
| Currency translation differences | | 1,000,000 | | – | 1,000,000 | n/a | 0.02% | 0.00% |
| Total equity | ₱ | 3,983,173,112 | ₱ | 3,999,229,948 | (16,056,836) | -0.40% | 90.08% | 90.15% |
| TOTAL LIABILITIES & EQUITY | ₱ | 4,421,985,554 | ₱ | 4,436,318,979 | (14,333,425) | -0.32% | 100.00% | 100.00% |

### *Total Assets*

Total assets of the Group increased by ₱8.5-million (0.19%), which was primarily caused by the increase in receivables and property & equipment.

*Other Current Assets*

Other current assets increased by ₱1,894,309 (37.51%). 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, fixtures and equipment, leasehold improvements and transportation vehicle.

The increase in property and equipment is primarily due to acquisition of machineries & equipment.

*Total Liabilities*
Total liabilities have increased by ₱1,723,411 (0.39%), which was primarily caused by increase in accounts & other payables amounting to ₱13.3-million.

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

In 2022, the Group availed of additional loan from CBO amounting to ₱300,000.

*Total Equity*
The decrease in total equity of ₱16.0-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 | May 20, 2022 | Date | May 20, 2022 |

# APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

## Interim Condensed Consolidated Statements of Financial Position

| | Note/s | | As at March 31, 2022 (Unaudited) | | December 31, 2021 (Audited) |
|---|---|---|---|---|---|
| **A S S E T S** | | | | | |
| **Current assets:** | | | | | |
| Cash | 5 | ₱ | 146,175,947 | ₱ | 202,450,661 |
| Receivables – net | 6 | | 15,781,488 | | 3,834,663 |
| Other current assets | 7 | | 6,944,167 | | 5,049,857 |
| **Total current assets** | | ₱ | 168,901,602 | ₱ | 211,335,182 |
| **Non-current assets:** | | | | | |
| Investment in associate | 8 | ₱ | 809,752,974 | ₱ | 809,752,974 |
| Mine properties | 9 | | 3,316,848,592 | | 3,315,448,592 |
| Advances to contractors | 10 | | 44,660,528 | | 41,453,933 |
| Property & equipment – net | 11 | | 65,427,074 | | 41,920,632 |
| Intangible assets | 12 | | 237,447 | | 250,329 |
| Deferred tax asset | 19 | | 16,157,337 | | 16,157,337 |
| **Total non-current assets** | | ₱ | 4,253,083,952 | ₱ | 4,224,983,798 |
| **TOTAL ASSETS** | | ₱ | 4,421,985,554 | ₱ | 4,436,318,979 |
| **L I A B I L I T I E S & E Q U I T Y** | | | | | |
| **Current liabilities:** | | | | | |
| Accounts & other payables | 13 | ₱ | 8,468,643 | ₱ | 7,035,707 |
| Interest-bearing loans & borrowings – current portion | 14 | | 23,600,000 | | 23,600,000 |
| Advances from contractors | 22 | | 91,070,200 | | 91,070,200 |
| **Total current liabilities** | | ₱ | 123,138,843 | ₱ | 121,705,907 |
| **Non-current liabilities:** | | | | | |
| Interest-bearing loans & borrowings – net of current portion | 14 | ₱ | 67,699,901 | ₱ | 67,399,901 |
| Advances from related parties | 21 | | 247,973,698 | | 247,983,223 |
| **Total non-current liabilities** | | ₱ | 315,673,599 | ₱ | 315,383,124 |
| **Total liabilities** | | ₱ | 438,812,442 | ₱ | 437,089,031 |
| **Equity:** | | | | | |
| Share capital | 15 | ₱ | 2,926,863,493 | ₱ | 2,926,863,493 |
| Share premium | | | 868,071,980 | | 868,071,980 |
| Accumulated losses | | | (58,887,350) | | (42,496,777) |
| Total equity attributable to Parent Company's shareholders | | ₱ | 3,736,048,123 | ₱ | 3,752,438,696 |
| Non-controlling interest | | | 246,124,989 | | 246,791,252 |
| Currency translation differences | | | 1,000,000 | | – |
| **Total equity** | | ₱ | 3,983,173,112 | ₱ | 3,999,229,948 |
| **TOTAL LIABILITIES & EQUITY** | | ₱ | 4,421,985,554 | ₱ | 4,436,318,979 |

*See accompanying notes to the interim condensed consolidated financial statements.*

# APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

## Interim Condensed Consolidated Statements of Comprehensive Income

| | | For the three-month period ended March 31, | |
|---|---|---|---|
| | Note/s | 2022 (Unaudited) | 2021 (Unaudited) |
| Revenues | | ₱ – | ₱ – |
| Direct costs | | – | – |
| Gross profit | | ₱ – | ₱ – |
| General & administrative costs | 16 | (15,566,034) | (8,664,793) |
| Operating loss | | ₱ (15,566,034) | ₱ (8,664,793) |
| Finance income | 18 | 17,654 | 248 |
| Finance costs | 18 | (1,508,456) | (418,292) |
| Loss before tax benefit | | ₱ (17,056,836) | ₱ (9,082,837) |
| Income tax benefit | 19 | – | – |
| Loss for the period | | ₱ (17,056,836) | ₱ (9,082,837) |
| Loss attributable to: | | | |
| Parent company | | ₱ (16,390,573) | ₱ (8,762,641) |
| Non-controlling interests | | (666,263) | (320,196) |
| | | ₱ (17,056,836) | ₱ (9,082,837) |
| Basic loss per share | 20 | ₱ (0.00006) | ₱ (0.00003) |

*See accompanying notes to the interim condensed consolidated financial statements.*

# APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

## Interim Condensed Consolidated Statements of Changes in Equity

For the three-month period ended March 31, 2022 and 2021

| | Equity Attributable to Parent Company's Shareholders | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Share Capital | | Share Premium | | Accumulated Losses | | Total | | Non-controlling Interests | | Currency Translation Differences | | Total Equity |
| Note/s | | 15 | | | | | | | | | | | | |
| Balances at January 1, 2021 | ₱ | 2,926,863,493 | ₱ | 868,071,980 | ₱ | (42,496,777) | ₱ | 3,752,438,696 | ₱ | 246,791,252 | ₱ | – | ₱ | 3,999,229,948 |
| Loss for the period | | – | | – | | (16,390,573) | | (16,390,573) | | (666,263) | | – | | (17,056,836) |
| Translation differences | | – | | – | | – | | – | | – | | 1,000,000 | | 1,000,000 |
| **Balances at March 31, 2022 (Unaudited)** | ₱ | 2,926,863,493 | ₱ | 868,071,980 | ₱ | (58,887,350) | ₱ | 2,885,563,104 | ₱ | 246,124,989 | ₱ | 1,000,000 | ₱ | 3,983,173,112 |
| | | | | | | | | | | | | | | |
| Balances at January 1, 2021 | ₱ | 2,803,363,493 | ₱ | 17,586,961 | ₱ | (101,328,091) | ₱ | 2,719,622,333 | ₱ | 245,606,147 | ₱ | – | ₱ | 2,965,228,480 |
| Loss for the period | | – | | – | | (8,762,641) | | (8,762,641) | | (320,196) | | – | | (9,082,837) |
| Balances at March 31, 2021 (Unaudited) | ₱ | 2,803,363,493 | ₱ | 17,586,961 | ₱ | (110,090,732) | ₱ | 2,710,859,692 | ₱ | 245,285,951 | ₱ | – | ₱ | 2,956,145,673 |

*See accompanying notes to the interim condensed consolidated financial statements.*

# APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

## Interim Condensed Consolidated Statements of Cash Flows

| | Note/s | For the three-months period ended March 31, 2022 (unaudited) | 2021 (unaudited) |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| Loss for the year before tax | | ₱ (17,056,836) | ₱ (9,082,837) |
| Adjustments for: | | | |
| Finance income | 18 | (17,654) | (248) |
| Finance costs | 18 | 1,508,456 | 418,292 |
| Depreciation | 11 | 208,297 | 211,696 |
| Amortization | 12 | 12,882 | – |
| Operating loss before working capital adjustments | | ₱ (15,344,855) | ₱ (8,453,097) |
| Working capital adjustments: | | | |
| Increase in: | | | |
| Receivables | | (11,946,825) | – |
| Other current assets | | (1,894,309) | (581,912) |
| Increase in: | | | |
| Accounts & other payables | | 1,432,936 | 954,375 |
| Net cash used in operations | | ₱ (27,753,053) | ₱ (8,080,634) |
| Interest received | 18 | 17,654 | 248 |
| *Net cash used in operating activities* | | ₱ (27,735,399) | ₱ (8,080,386) |
| **Cash flows from investing activities:** | | | |
| Acquisition of property & equipment | 11 | ₱ (23,714,739) | ₱ (146,032) |
| Additional mine costs | 9 | (1,400,000) | (3,210,800) |
| Advances to contractors | 10 | (3,206,595) | (1,115,729) |
| *Net cash used in investing activities* | | ₱ (28,321,334) | ₱ (4,472,561) |
| **Cash flows from financing activities:** | | | |
| Proceeds from loans & borrowings | 14 | ₱ 300,000 | ₱ 27,200,000 |
| Repayment of loans & borrowings | 14 | – | (13,950,000) |
| Advances from related parties | 21 | (9,525) | 32,618 |
| Interest paid | | (1,508,456) | (418,292) |
| *Net cash provided by (used in) financing activities* | | ₱ (1,217,981) | ₱ 12,864,326 |
| *Currency translation adjustments* | | ₱ 1,000,000 | ₱ – |
| **Net increase (decrease) in cash** | | ₱ (56,274,714) | ₱ 311,379 |
| **Cash at beginning of year** | 5 | 202,450,661 | 909,057 |
| **Cash at end of period** | 5 | ₱ 146,175,947 | ₱ 1,220,436 |

*See accompanying notes to the consolidated financial statements.*

# APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

## Notes to the Interim Condensed Consolidated Financial Statements

As at March 31, 2022 and December 31, 2021
For the each of the three-months ended March 31, 2022 and 2021

### 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.

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%.

PT. JDVC Resources Indonesia (PT. JRI), a recently formed Indonesian subsidiary of JDVC, was incorporated to expand APL's business operation and to explore possibilities of complementary mining operations in Indonesia, a country also known for its substantial mineral deposits of iron ore. PT. JRI was incorporated with the Indonesian Ministry of Law (similar to the Securities and Exchange Commission in the Philippines) and secured its Deed of Establishment (similar to the Articles of Incorporation in the Philippines) on September 17, 2021. It also obtained a Business License from the Ministry of Investments of Indonesia, which enables it to engage in the three (3) lines of businesses, as follows: (1) Great Trade of Metal Ores, (2) Big Trade of Non-metal Materials, and (3) Wholesale Trade of Solid, Liquid and Gas Fuel and Related Products.

The Parent Company and its subsidiaries are collectively known herein as the "Group".

### 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 March 31, 2022 (including comparative amounts as at December 31, 2021) were approved and authorized for issue by the Board of Directors on May 20, 2022.

## 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, 2021, 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 Seasonality of Operations

The Group is engaged in offshore mining activities in Cagayan and expects operations to be affected based on the Philippines' dry and wet seasons. Currently, the Group expects to operate approximately seven (7) months in a year, when monsoon season has ended in the Cagayan region.

### 2.5 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.

## 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 2022

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning January 1, 2022:

a.) 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 financial statements of the Group.

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 Group 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 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.

The Group is currently assessing the impact of these amendments.

## 3.2 New and Amended Standards Effective Subsequent to 2022 but not Early Adopted

Pronouncements issued but not yet effective as at 2022 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.

Effective beginning on or after January 1, 2023

a.) PAS 12 (amendments), *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*.
The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

The amendments are not expected to have a material impact on the Group.

b.) PAS 8 (amendments), *Definition of Accounting Estimates*.
The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in

an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

c.) PAS 1 and PFRS Practice Statement (amendments), *Disclosure of Accounting Policies*.
The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023, with early application permitted.

The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

a.) PAS 1 (amendments), *Classification of Liabilities as Current or Non-current.*
The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

The Group is currently assessing the impact the amendments will have on current practice.

Effective beginning on or after January 1, 2025

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

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

The new standard is not applicable to the Group since it has no activities that are predominantly connected with insurance or issue insurance contracts.

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.

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.

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 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.

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 financial statements.

c.) 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:

| | | March 31, 2022 (Unaudited) | | December 31, 2021 (Audited) |
|---|---|---|---|---|
| Petty cash fund | ₱ | **20,000** | ₱ | 20,000 |
| Cash in banks | | **146,155,947** | | 202,430,661 |
| Total | ₱ | **146,175,947** | ₱ | 202,450,661 |

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 ₱17,654 and ₱248 for the period ended March 31, 2022 and 2021 (see Note 18).

## 6. Receivables

This account consists of:

| | | March 31, 2022 (Unaudited) | | December 31, 2021 (Audited) |
|---|---|---|---|---|
| Advances to CBO | ₱ | 16,185,371 | ₱ | 4,240,000 |
| Advances to employees | | 27,314 | | 25,860 |
| Allowance for ECL | | (431,197) | | (431,197) |
| Net realizable value | ₱ | 15,781,488 | ₱ | 3,834,663 |

Receivables are non-interest bearing, unsecured receivables from related parties and employees, usually collectible within 30-to-90-day terms. Advances to employees are non-interest-bearing receivable cash advances which are deductible from salaries.

All of the Group's receivables have been reviewed for indicators of impairment. Certain receivables were found to be impaired due to defaults by the parties and provisions have been recorded accordingly.

A reconciliation of the allowance for ECL is shown below:

| | Note/s | | March 31, 2022 (Unaudited) | | December 31, 2021 (Audited) |
|---|---|---|---|---|---|
| Balance at beginning of year | | ₱ | 431,197 | ₱ | – |
| Provisions during the year | | | – | | 431,197 |
| Total | | ₱ | 431,197 | ₱ | 431,197 |

None of the receivables were pledged as collateral to secure the Group's liabilities.

## 7. Other Current Assets

This account consists of:

| | | March 31, 2022 (Unaudited) | | December 31, 2021 (Audited) |
|---|---|---|---|---|
| Input taxes | ₱ | 5,329,054 | ₱ | 3,623,500 |
| Prior year's excess credit | | 1,237,509 | | 1,237,509 |
| Prepaid expenses | | 255,832 | | 67,077 |
| Security deposits | | 71,772 | | 71,772 |
| Construction bonds | | 50,000 | | 50,000 |
| Total | ₱ | 6,944,167 | ₱ | 5,049,858 |

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.

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.

## 8. Investments in Associate

Investments in equity method investees pertain to the Parent Company's investments in associate.

Movements in this account:

| | | March 31, 2022 (Unaudited) | | December 31, 2021 (Audited) |
|---|---|---|---|---|
| **Acquisition costs:** | | | | |
| Balance at beginning of year | ₱ | 711,980,880 | ₱ | 711,980,880 |
| Acquisition during the period | | – | | – |
| Balance at end of period | ₱ | 711,980,880 | ₱ | 711,980,880 |
| **Accumulated equity in net earnings:** | | | | |
| Balance at beginning of year | ₱ | 97,772,094 | ₱ | 97,772,094 |
| Share in net income for the period | | – | | – |
| Balance at end of period | ₱ | 97,772,094 | ₱ | 97,772,094 |
| Total | ₱ | 809,752,974 | ₱ | 809,752,974 |

**Poet Blue Ocean Offshore Services Pte. Ltd. (PBO)**

PBO was registered in Singapore on April 21, 2017. It is the owner of MB Siphon I vessel, which will be used for the offshore mining activities of the Subsidiary. Its principal activity based on its Singapore registration is engineering design and consultancy services supporting mining, oil, and gas extraction and offshore exploration activities.

The Parent Company held 49% of the shares of the associate. The Parent Company exercises significant influence over the policy and decision-making process of the associate.

The tables below provide summarized financial information for the Parent Company's associate:

| | | March 31, 2022 (Unaudited) |
|---|---|---|
| *Summarized statements of financial position* | | |
| Current assets | ₱ | 480,975 |
| Non-current assets | | 1,038,913,388 |
| Current liabilities | | 5,645,558 |
| Non-current liabilities | | 998,682,423 |
| *Statements of comprehensive income* | | |
| Revenues | ₱ | – |
| Loss before tax benefit | | – |
| Net loss | | – |

## 9. Mine Properties

The carrying amount of this account is as follows:

| | | Mineral Assets | | Mining Development Costs | | Patent | | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | |
| As at December 31, 2020 | ₱ | 2,500,098,008 | ₱ | 699,650,557 | ₱ | 89,000,000 | ₱ | 3,288,748,565 |
| Additions | | – | | 26,700,027 | | – | | 26,700,027 |
| As at December 31, 2021 | ₱ | 2,500,098,008 | ₱ | 726,350,584 | ₱ | 89,000,000 | ₱ | 3,315,448,592 |
| Additions | | – | | 1,400,000 | | – | | 1,400,000 |
| **As at March 31, 2022** | **₱** | **2,500,098,008** | **₱** | **727,750,584** | **₱** | **89,000,000** | **₱** | **3,316,848,592** |

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.

<u>Mineral Assets</u>
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.

<u>Patent</u>
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.

Mining Development 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 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.

## 10. Advances to Contractors

This account consists of:

| | | March 31, 2022 (Unaudited) | | December 31, 2021 (Audited) |
|---|---|---|---|---|
| Offshore Mining Chamber of the Philippines | ₱ | **2,745,000** | ₱ | 2,745,000 |
| CBO | | **208,950** | | 208,950 |
| Others | | **45,650,965** | | 42,444,370 |
| Total | ₱ | **48,604,915** | ₱ | 45,398,320 |
| Allowance for ECL | | **(3,944,387)** | | (3,944,387) |
| Net realizable value | ₱ | **44,660,528** | ₱ | 41,453,933 |

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.

## 11. Property & Equipment

The roll-forward analyses of this account follows:

| | | Machineries & equipment | | Office furniture & equipment | | Motor vehicle | | Total |
|---|---|---|---|---|---|---|---|---|
| Carrying amounts at December 31, 2020 | ₱ | – | ₱ | 1,753,628 | ₱ | 673,640 | ₱ | 2,427,268 |
| Additions | | – | | 146,032 | | – | | 146,032 |
| Depreciation for the period | | – | | (127,491) | | (84,205) | | (211,696) |
| Carrying amounts at March 31, 2021 | ₱ | – | ₱ | 1,772,169 | ₱ | 589,435 | ₱ | 2,361,604 |
| Additions | | 40,000,000 | | 200,588 | | – | | 40,200,588 |
| Depreciation for the period | | – | | (220,535) | | (421,025) | | (641,560) |
| Carrying amounts at December 31, 2021 | ₱ | 40,000,000 | ₱ | 1,752,222 | ₱ | 168,410 | ₱ | 41,920,632 |
| Additions | | 23,714,739 | | – | | – | | 23,714,739 |
| Depreciation for the period | | – | | (124,092) | | (84,205) | | (208,297) |
| **Carrying amounts at March 31, 2022** | **₱** | **63,714,739** | **₱** | **1,628,130** | **₱** | **84,205** | **₱** | **65,427,074** |

Reconciliation of the carrying amounts are as follows:

| | March 31, 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Machineries & equipment | | Office furniture & equipment | | Motor vehicle | | Total |
| **Cost** | ₱ | **63,714,739** | ₱ | **2,585,264** | ₱ | **1,347,280** | ₱ | **67,647,283** |
| **Accumulated depreciation** | | **–** | | **(957,134)** | | **(1,263,075)** | | **(2,220,209)** |
| **Carrying amount** | ₱ | **63,714,739** | ₱ | **1,628,130** | ₱ | **84,205** | ₱ | **65,427,074** |

| | December 31, 2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Machineries & equipment | | Office furniture & equipment | | Motor vehicle | | Total |
| Cost | ₱ | 40,000,000 | ₱ | 2,572,765 | ₱ | 1,347,280 | ₱ | 43,920,045 |
| Accumulated depreciation | | – | | (820,543) | | (1,178,870) | | (1,999,413) |
| Carrying amount | ₱ | 40,000,000 | ₱ | 1,752,222 | ₱ | 168,410 | ₱ | 41,920,632 |

As at March 31, 2022 and December 31, 2021, 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 and administrative expenses (see Note 16).

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

## 12. Intangible Assets

The roll-forward analyses of this account follows:

| | | Website | | Computer software | | Total |
|---|---|---|---|---|---|---|
| Carrying amounts at December 31, 2020 | ₱ | 360,777 | ₱ | – | ₱ | 360,777 |
| Additions | | – | | – | | – |
| Amortization for the period | | – | | – | | – |
| Carrying amounts at March 31, 2021 | ₱ | 360,777 | ₱ | – | ₱ | 360,777 |
| Additions | | – | | 257,628 | | 257,628 |
| Amortization for the period | | (360,777) | | (7,299) | | (368,076) |
| Carrying amounts at December 31, 2021 | ₱ | – | ₱ | 250,329 | ₱ | 250,329 |
| Additions | | – | | – | | – |
| Amortization for the period | | – | | (12,882) | | (12,882) |
| **Carrying amounts at March 31, 2022** | ₱ | **–** | ₱ | **237,447** | ₱ | **237,447** |

Reconciliation of the carrying amounts are as follows:

| | March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | | Website | | Computer software | | Total |
| **Cost** | ₱ | **–** | ₱ | **257,628** | ₱ | **257,628** |
| **Accumulated amortization** | | **–** | | **(20,181)** | | **(20,181)** |
| **Carrying amount** | ₱ | **–** | ₱ | **237,447** | ₱ | **237,447** |

| | December 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | | Website | | Computer software | | Total |
| Cost | ₱ | 360,777 | ₱ | 257,628 | ₱ | 618,405 |
| Accumulated amortization | | (360,777) | | (7,299) | | (368,076) |
| Carrying amount | ₱ | 1,752,222 | ₱ | 250,329 | ₱ | 250,329 |

As at March 31, 2022 and December 31, 2021, there is no indication of any impairment loss on the carrying amount of intangible assets since its recoverable amount exceeds its carrying amount.

The amount of amortization is charged to general and administrative expenses (see Note 16).

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

## 13. Accounts & Other Payables

This account consists of:

| | | March 31, 2022 (Unaudited) | | December 31, 2021 (Audited) |
|---|---|---|---|---|
| Accrued expenses | ₱ | **6,592,670** | ₱ | 5,071,753 |
| Accounts payable | | **532,011** | | 574,102 |
| Deferred output tax | | **818,036** | | 818,036 |
| Statutory payables | | **525,926** | | 571,816 |
| Total | ₱ | **8,468,643** | ₱ | 7,035,707 |

Accrued expenses include professional fees and various unpaid expenses. 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.

## 14. 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 | | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 31, 2022 | Dec. 31, 2021 | Interest Rate | Maturity | | **March 31, 2022 (Unaudited)** | | December 31, 2021 (Audited) |
| Loans from CBO, interest and principal payable upon maturity, unsecured | ₱91.3-million | ₱91-million | Fixed at 6% | 2 years | ₱ | **91,299,901** | ₱ | 90,999,901 |
| Total | | | | | ₱ | **91,299,901** | ₱ | 90,999,901 |

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 period, ₱300,000 (2021: ₱53,449,901) 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 interest-bearing loans & borrowings are classified in the interim condensed consolidated statements of financial position as follows:

| | | March 31, 2022 (Unaudited) | | December 31, 2021 (Audited) |
|---|---|---|---|---|
| Current portion | ₱ | **23,600,000** | ₱ | 23,600,000 |
| Non-current portion | | **67,699,901** | | 67,399,901 |
| Total | ₱ | **91,299,901** | ₱ | 90,999,901 |

Total borrowing costs attributable to these loans amounted to ₱1,508,456 and ₱418,292 in March 31, 2022 and 2021, respectively, and were charged as interest expense in the statements of comprehensive income (see Note 18).

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 15).

## 15. Equity

Share capital consists of:

| | No. of Shares | | Amount | | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | | March 31, 2022 (Unaudited) | | December 31, 2021 (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 | 292,686,349,297 | 280,336,349,297 | ₱ | 2,926,863,493 | ₱ | 2,803,363,493 |
| Issued during the year | – | 12,350,000,000 | | – | | 123,500,000 |
| Balance at end of year | 292,686,349,297 | 292,686,349,297 | ₱ | 2,926,863,493 | ₱ | 2,926,863,493 |
| Ordinary share capital | 292,686,349,297 | 292,686,349,297 | ₱ | 2,926,863,493 | ₱ | 2,926,863,493 |

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 |
| August 6, 2021 | Follow-on offering | 600,000,000,000 | 12,350,000,000 | 0.08 |

As at March 31, 2022, the Parent Company has a total of 805 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.

## 16. General & Administrative Costs

The following shows the breakdown of general & administrative costs:

| | Note/s | | March 31, 2022 (Unaudited) | | March 31, 2021 (Unaudited) |
|---|---|---|---|---|---|
| Professional fees | | ₱ | 8,746,350 | ₱ | 853,700 |
| Annual listing fee | | | 2,000,000 | | 355,840 |
| Salaries & employee benefits | 17 | | 1,328,683 | | 776,638 |
| Mobilization costs | | | 1,225,100 | | 765,033 |
| Allowances | | | 415,385 | | 50,000 |
| Escrow & lodging fees | | | 377,089 | | – |
| Representation | | | 301,697 | | 300,969 |
| Rent | 22 | | 218,741 | | 134,155 |

| | | | |
|---|---|---|---|
| Transportation & travel | | 177,949 | 186,023 |
| Security services | | 98,980 | – |
| Taxes & licenses | | 98,580 | 263,847 |
| Utilities expenses | | 69,178 | 15,470 |
| Association dues | | 46,498 | 53,811 |
| Office supplies | | 37,157 | 101,163 |
| Meetings & conference | | 36,000 | 16,500 |
| Repairs & maintenance | | 28,935 | 33,700 |
| Telecommunications | | 11,261 | – |
| Penalties & surcharge | | 7,079 | – |
| Trainings & seminars | | 6,000 | – |
| Filing & processing fees | | – | 4,214,967 |
| Medical expenses | | – | 2,510 |
| Depreciation | 11 | 208,297 | 211,696 |
| Amortization | 12 | 12,882 | – |
| Miscellaneous | | 114,193 | 328,771 |
| Total | | ₱ 15,566,034 | ₱ 8,664,793 |

## 17. Employee Benefits

Expenses recognized for salaries & employee benefits are presented below:

| | March 31, 2022 (Unaudited) | March 31, 2021 (Unaudited) |
|---|---|---|
| Short-term employee benefits | ₱ 1,328,683 | ₱ 776,638 |
| Total | ₱ 1,328,683 | ₱ 776,638 |

The amount of salaries & employee benefits is charged to general & administrative costs (see Note 16).

Post-employment Defined Benefits

The Group has not established a formal retirement plan. As at December 31, 2021, 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 December 31, 2021, 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.

The Group expects to hire additional employees in 2022 to deploy in its mining tenement, as well as additional support staff, upon commencement of commercial operations. The Group will conduct a valuation of its accrued retirement benefits under Republic Act No. 7641 in the 2022 annual financial statements.

## 18. Finance and Other Income (Losses)

Finance income consist of interest earned from local bank deposits which are net of 20% final tax, to wit:

| | March 31, 2022 (Unaudited) | March 31, 2021 (Unaudited) |
|---|---|---|
| Interest income from local bank deposits | ₱ 17,654 | ₱ 248 |
| Total | ₱ 17,654 | ₱ 248 |

Finance costs consist of:

| | March 31, 2022 (Unaudited) | March 31, 2021 (Unaudited) |
|---|---|---|
| Interest expense on loans | ₱ 1,508,456 | ₱ 418,292 |
| Total | ₱ 1,508,456 | ₱ 418,292 |

## 19. Income Tax

The schedule of deferred tax assets is as follows:

| | Consolidated statements of financial position | | Consolidated statements of comprehensive income | |
|---|---|---|---|---|
| | March 31, 2022 (Unaudited) | December 31, 2021 (Audited) | March 31, 2022 (Unaudited) | March 31, 2020 (Unaudited) |
| Deferred tax assets: | | | | |
| NOLCO | ₱ 14,856,279 | ₱ 14,856,279 | ₱ – | ₱ – |
| Allowance for ECL | 1,301,608 | 1,301,608 | – | – |
| Deferred tax assets – net | ₱ 16,157,887 | ₱ 16,157,887 | | |
| 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:

| | March 31, 2022 (Unaudited) | December 31, 2021 (Audited) |
|---|---|---|
| **Unrecognized:** | | |
| NOLCO | ₱ 1,992,588 | ₱ 1,992,588 |
| Excess MCIT | 45,446 | 45,446 |
| | ₱ 2,038,034 | ₱ 2,038,034 |
| **Recognized:** | | |
| NOLCO | ₱ 14,856,279 | ₱ 14,856,279 |
| Allowance for ECL | 1,301,608 | 1,301,608 |
| | ₱ 16,157,887 | ₱ 16,157,887 |

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 |

*Pursuant to Section 4 (bbbb) of Bayanihan II and as implemented under RR No. 25-2020, the net operating loss of the Company incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

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 |
| Total | | ₱ | 45,446 | ₱ | – | ₱ | 45,446 |

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.

## 20. Basic Loss Per Share

Basic loss per share is computed as follows:

| | | **March 31, 2022 (Unaudited)** | | March 31, 2021 (Unaudited) |
|---|---|---|---|---|
| Loss attributable to ordinary shares | **₱** | **(16,390,573)** | ₱ | (8,762,641) |
| Divide by: Weighted average number of ordinary shares outstanding | | **292,686,349,297** | | 280,336,349,297 |
| Basic loss per share | **₱** | **(0.00006)** | ₱ | (0.00003) |

There are no potential dilutive ordinary shares outstanding as at March 31, 2021 and 2020.

## 21. 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 | March 31, 2022 (Unaudited) | March 31, 2020 (Unaudited) | March 31, 2021 (Unaudited) | December 31, 2021 (Audited) |
| Shareholders | Advances for working capital | Long-term, unsecured, non-interest bearing, repayable in cash | | ₱ 9,525 | ₱ 32,618 | ₱ (208,833,828) | ₱ (208,843,353) |
| Key Management personnel | Advances for working capital purposes | Long-term, unsecured, non-interest bearing, repayable in cash | | – | – | (39,139,870) | (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.

Key Management Personnel Compensation

Since the Group is in its pre-operating stages, there are no key management personnel compensation recognized in March 31, 2022 and 2021, 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.

## 22. Commitments & 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 March 31, 2022 and December 31, 2021 (see Note 7).

Total expense from these leases amounted to ₱218,741in March 31, 2022 and ₱134,155in March 31, 2021 which was charged to general & administrative costs (see Note 16).

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. As at March 31, 2022 and December 31, 2021 advance royalty payment from Agbiag amounted to ₱91,070,200.

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 COVID-19 pandemic is continuing globally in 2021. Several variants or mutations, claimed to be more infectious and more contagious, have emerged and are now being monitored. COVID-19 cases are declining in most parts of the world while other parts are seeing spikes or resurgence. Vaccination efforts in the Philippines started on March 1, 2021.

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. A mining vessel has already been deployed in the mining tenement (see Note 25) and is commissioning the industrial siphon, conducting thorough calibration of the machinery, and performing final tests of the mineral product output prior to dispatch of commercial shipments to customers.

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.

## 23. Fair Value Measurements

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:

| | | March 31, 2022 | | December 31, 2021 | |
|---|---|---|---|---|---|
| | Note/s | Carrying amounts | Fair Values | Carrying amounts | Fair Values |
| **Financial assets:** | | | | | |
| At amortized cost: | | | | | |
| Cash | 5 | ₱ 146,175,947 | ₱ 146,175,947 | ₱ 202,450,661 | ₱ 202,450,661 |
| Receivables – net | 6 | 15,781,488 | 15,781,488 | 3,834,663 | 3,834,663 |
| Security deposits | 7 | 71,772 | 71,772 | 71,772 | 71,772 |
| Construction bonds | 7 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total | | ₱ 162,079,207 | ₱ 162,079,207 | ₱ 206,407,096 | ₱ 206,407,096 |
| **Financial liabilities:** | | | | | |
| At amortized cost: | | | | | |
| Accounts & other payables | 13 | ₱ 8,468,643 | ₱ 8,468,643 | ₱ 7,035,707 | ₱ 7,035,707 |
| Loans & borrowings | 14 | 91,299,901 | 91,299,901 | 90,999,901 | 90,999,901 |
| Advances from related parties | 21 | 247,973,698 | 247,973,698 | 247,983,223 | 247,983,223 |
| Total | | ₱ 347,742,242 | ₱ 347,742,242 | ₱ 346,018,831 | ₱ 346,018,831 |

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 March 31, 2022 and December 31, 2021:

| | | March 31, 2022 | | | |
|---|---|---|---|---|---|
| | Note/s | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | | |
| At amortized cost: | | | | | |
| Cash | 5 | ₱ 146,175,947 | ₱ – | ₱ – | ₱ 146,175,947 |
| Receivables – net | 6 | – | – | 15,781,488 | 15,781,488 |
| Security deposits | 7 | – | – | 71,772 | 71,772 |
| Construction bond | 7 | – | – | 50,000 | 50,000 |
| Total | | ₱ 146,175,947 | ₱ – | ₱ 15,903,260 | ₱ 162,079,207 |
| **Financial liabilities:** | | | | | |
| At amortized cost: | | | | | |
| Accounts & other payables | 13 | ₱ – | ₱ – | ₱ 8,468,643 | ₱ 8,468,643 |
| Loans & borrowings | 14 | – | – | 91,299,901 | 91,299,901 |
| Advances from related parties | 21 | – | – | 247,973,698 | 247,973,698 |
| Total | | ₱ – | ₱ – | ₱ 347,742,242 | ₱ 347,742,242 |

| | | December 31, 2021 | | | |
|---|---|---|---|---|---|
| | Note/s | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | | |
| At amortized cost: | | | | | |
| Cash | 5 | ₱ 202,450,661 | ₱ – | ₱ – | ₱ 202,450,661 |
| Receivables – net | 6 | – | – | 3,834,663 | 3,834,663 |
| Security deposits | 7 | – | – | 71,772 | 71,772 |
| Construction bond | 7 | – | – | 50,000 | 50,000 |
| Total | | ₱ 202,450,661 | ₱ – | ₱ 3,956,435 | ₱ 206,407,096 |

| | | | | | |
|---|---|---|---|---|---|
| **Financial liabilities:** | | | | | |
| At amortized cost: | | | | | |
| Accounts & other payables | 13 | ₱ – | ₱ – | ₱ 7,035,707 | ₱ 7,035,707 |
| Loans & borrowings | 14 | – | – | 90,999,901 | 90,999,901 |
| Advances from related parties | 21 | – | – | 247,983,223 | 247,983,223 |
| Total | | ₱ – | ₱ – | ₱ 346,018,831 | ₱ 346,018,831 |

As at March 31, 2022 and December 31, 2021, there were no financial assets or financial liabilities measured at fair value. There were no transfers between levels in 2022 and 2021.

*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.

## 24. 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 March 31, 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 March 31, 2022 and December 31, 2021, 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 March 31, 2022 and December 31, 2021, without considering the effects of collaterals and other credit risk mitigation techniques:

| | Note/s | March 31, 2022 (Unaudited) | December 31, 2021 (Audited) |
|---|---|---|---|
| Cash in banks | 5 | ₱ 146,155,947 | ₱ 202,430,661 |
| Receivables | 6 | 16,212,685 | 4,265,860 |
| Security deposits | 7 | 71,772 | 71,772 |
| Construction bond | 7 | 50,000 | 50,000 |
| Total | | ₱ 162,490,404 | ₱ 206,818,293 |

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 March 31, 2022 and December 31, 2021:

| March 31, 2022 | Neither Past Due nor Impaired | | | Past Due but Not | | |
|---|---|---|---|---|---|---|
| (Unaudited) | High Grade | Standard Grade | Substandard Grade | Impaired | Impaired | Total |
| Cash in banks | ₱ 146,155,947 | ₱ – | ₱ – | ₱ – | ₱ – | ₱ 146,155,947 |
| Receivables | – | 655,933 | – | 15,125,555 | 431,197 | 16,212,685 |
| Security deposits | 71,772 | – | – | – | – | 71,772 |
| Construction bonds | 50,000 | – | – | – | – | 50,000 |
| Total | ₱ 146,277,719 | ₱ 655,933 | ₱ – | ₱ 15,125,555 | ₱ 431,197 | ₱ 162,490,404 |

| December 31, 2021 | Neither Past Due nor Impaired | | | Past Due but Not | | |
|---|---|---|---|---|---|---|
| (Audited) | High Grade | Standard Grade | Substandard Grade | Impaired | Impaired | Total |
| Cash in banks | ₱ 202,430,661 | ₱ – | ₱ – | ₱ – | ₱ – | ₱ 202,430,661 |
| Receivables | – | – | – | 3,834,663 | 431,197 | 4,265,860 |
| Security deposits | 71,772 | – | – | – | – | 71,772 |
| Construction bonds | 50,000 | – | – | – | – | 50,000 |
| Total | ₱ 202,552,433 | ₱ – | ₱ – | ₱ 3,834,663 | ₱ 431,197 | ₱ 206,818,293 |

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 bonds.* These pertain to receivables from counterparties which are not expected to default in settling its obligations, hence there is no perceived credit risk.

*Aging Analysis*

An aging analysis of the Group's financial assets as of March 31, 2022 and December 31, 2021 are as follows:

| March 31, 2022 | Neither Past Due nor Impaired | Past Due but not Impaired | | | | Impaired | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 30 days | 31 to 60 days | 61 to 90 days | Over 90 days | | |
| Cash in banks | ₱ 146,155,947 | ₱ – | ₱ – | ₱ – | ₱ – | ₱ – | ₱ 146,155,947 |
| Receivables | 655,933 | 4,478,571 | 6,812,321 | – | 3,834,663 | 431,197 | 16,212,685 |
| Security deposits | 71,772 | – | – | – | – | – | 71,772 |
| Construction bonds | 50,000 | – | – | – | – | – | 50,000 |
| Total | ₱ 146,933,652 | ₱ 4,478,571 | ₱ 6,812,321 | ₱ – | ₱ 3,834,663 | ₱ 431,197 | ₱ 162,490,404 |

| December 31, 2021 | Neither Past Due nor Impaired | Past Due but not Impaired | | | | Impaired | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 30 days | 31 to 60 days | 61 to 90 days | Over 90 days | | |
| Cash in banks | ₱ 202,430,661 | ₱ – | ₱ – | ₱ – | ₱ – | ₱ – | ₱ 202,430,661 |
| Receivables | – | – | – | – | 3,834,663 | 431,197 | 4,265,860 |
| Security deposits | 71,772 | – | – | – | – | – | 71,772 |
| Construction bonds | 50,000 | – | – | – | – | – | 50,000 |
| Total | ₱ 202,552,433 | ₱ – | ₱ – | ₱ – | ₱ 3,834,663 | ₱ 431,197 | ₱ 206,818,293 |

## 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 March 31, 2022 and December 31, 2021 based on the remaining undiscounted contractual cash flows:

| | March 31, 2022 | | | |
|---|---|---|---|---|
| | Carrying Value | On Demand | Within 1 Year | Beyond 1 Year |
| **Financial assets:** | | | | |
| At amortized cost: | | | | |
| Cash | ₱ 146,175,947 | ₱ 146,175,947 | ₱ – | ₱ – |
| Receivables | 15,781,488 | 4,477,540 | 11,303,948 | – |
| Security deposits | 71,772 | – | 71,772 | – |
| Construction bond | 50,000 | – | 50,000 | – |
| Total | ₱ 162,079,207 | ₱ 150,653,487 | ₱ 11,425,720 | ₱ – |
| **Financial liabilities:** | | | | |
| At amortized cost: | | | | |
| Accounts & other payables | ₱ 8,468,643 | ₱ 6,465,470 | ₱ 2,003,173 | ₱ – |
| Loans & borrowings | 91,299,901 | – | 23,600,000 | 67,699,901 |
| Advances from related parties | 247,973,698 | – | – | 247,973,698 |
| Total | ₱ 347,742,242 | ₱ 6,465,470 | ₱ 25,603,173 | ₱ 315,673,599 |

| | December 31, 2021 | | | |
|---|---|---|---|---|
| | Carrying Value | On Demand | Within 1 Year | Beyond 1 Year |
| **Financial assets:** | | | | |
| At amortized cost: | | | | |
| Cash | ₱ 202,450,661 | ₱ 202,450,661 | ₱ – | ₱ – |
| Receivables | 3,834,663 | 1,442,783 | 2,391,880 | – |
| Security deposits | 71,772 | – | 71,772 | – |
| Construction bond | 50,000 | – | 50,000 | – |
| Total | ₱ 206,407,096 | ₱ 203,893,444 | ₱ 2,513,652 | ₱ – |
| **Financial liabilities:** | | | | |
| At amortized cost: | | | | |
| Accounts & other payables | ₱ 7,035,707 | ₱ 4,192,866 | ₱ 2,842,841 | ₱ – |
| Loans & borrowings | 90,999,901 | – | 23,600,000 | 67,399,901 |
| Advances from related parties | 247,983,223 | – | – | 247,983,223 |
| Total | ₱ 346,018,831 | ₱ 4,192,866 | ₱ 26,442,841 | ₱ 315,383,124 |

As at reporting dates, the Group is experiencing a negative net working capital position. The shareholders support the Group's financing through advancing working capital requirements as they fall due and request extension of payment terms from suppliers or contractors when necessary.

## 25. 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 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:

| | March 31, 2022 (Unaudited) | December 31, 2021 (Audited) |
|---|---|---|
| Total liabilities | ₱ 438,812,442 | ₱ 437,089,031 |
| Total equity | ₱ 3,983,173,112 | ₱ 3,999,229,948 |
| Debt-to-equity ratio | 0.11:1 | 0.11:1 |

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.

## 26. Supplemental Disclosure of Cash Flow Information & Non-cash Transactions

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:

| March 31, 2022 (Unaudited) | January 1, 2022 | Cash Flows | Reclassification | Interest Expense | March 31, 2022 |
|---|---|---|---|---|---|
| Loans & borrowings | ₱ 90,999,901 | ₱ 300,000 | ₱ – | ₱ – | ₱ 91,299,901 |
| Advances from related parties | 247,983,223 | (9,525) | – | – | 247,973,698 |
| Interest payable | – | (1,508,456) | – | 1,508,456 | – |
| Total liabilities from financing activities | ₱ 338,983,124 | ₱ (1,217,981) | ₱ – | ₱ 1,508,456 | ₱ 339,273,599 |

| December 31, 2021 (Audited) | January 1, 2021 | Cash Flows | Reclassification | Interest Expense | December 31, 2021 |
|---|---|---|---|---|---|
| Loans & borrowings | ₱ 37,550,000 | ₱ 53,449,901 | ₱ – | ₱ – | ₱ 90,999,901 |
| Advances from related parties | 247,924,585 | 58,638 | – | – | 247,983,223 |
| Interest payable | – | (4,147,185) | – | 4,147,185 | – |
| Total liabilities from financing activities | ₱ 285,474,585 | ₱ 49,361,354 | ₱ – | ₱ 4,147,185 | ₱ 338,983,124 |

Non-cash Transactions

The Group had no material non-cash investing or financing activity-related transactions as of March 31, 2022 and December 31, 2021.

## 27. Events After the End of the Reporting Period

COVID-19 Outbreak

In early 2020, the world was adversely affected by the Coronavirus Disease of 2019 (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 numerous parts of the country. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve, and therefore, it is difficult to quantify its impact to the financial position, performance and cash flow of the Group subsequent to March 31, 2022.

The scale and duration of these developments remain uncertain as at reporting date. The COVID-19 pandemic could have a material impact on the Group's financial results for the rest of 2022 and even periods thereafter. Considering the evolving nature of the pandemic, the Group 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.

# APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES

## Supplementary Schedules under Annex 68-E

Pursuant to the Revised Securities Regulation Code (SRC) Rule 68
March 31, 2022

## Schedule of Financial Soundness Indicators

| | March 31, 2022 (Unaudited) | December 31, 2021 (Audited) |
|---|---|---|
| **Liquidity Ratios:** | | |
| Current Ratio | | |
| Current Assets | ₱ 168,901,602 | ₱ 211,335,182 |
| Current Liabilities | ₱ 123,138,843 | ₱ 121,705,907 |
| | 1.37 : 1 | 1.74 : 1 |
| Acid Test Ratio | | |
| Liquid Assets | ₱ 161,957,435 | ₱ 206,285,324 |
| Current Liabilities | ₱ 123,138,843 | ₱ 121,705,907 |
| | 1.32 : 1 | 1.69 : 1 |
| **Solvency Ratios:** | | |
| Debt-to-Equity Ratio | | |
| Total Liabilities | ₱ 438,812,442 | ₱ 437,089,031 |
| Total Equity | ₱ 3,983,173,112 | ₱ 3,999,229,948 |
| | 0.11 : 1 | 0.11 : 1 |
| Asset-to-Equity Ratio | | |
| Total Assets | ₱ 4,421,985,554 | ₱ 4,436,318,979 |
| Total Equity | ₱ 3,983,173,112 | ₱ 3,999,229,948 |
| | 1.11 : 1 | 1.11 : 1 |
| **Profitability Ratios:** | | |
| Interest Coverage Ratio | | |
| Earnings Before Interest and Taxes | ₱ N/A | ₱ N/A |
| Interest Expense | ₱ 1,508,456 | ₱ 4,147,185 |
| | N/A | N/A |
| Return on Assets | | |
| Net Profit | ₱ N/A | ₱ N/A |
| Total Assets | ₱ 4,421,985,554 | ₱ 4,436,318,979 |
| | N/A | N/A |
| Return on Equity | | |
| Net Profit | ₱ N/A | ₱ N/A |
| Total Equity | ₱ 3,983,173,112 | ₱ 3,999,229,948 |
| | 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 SUBSIDIARIES

## Supplementary Schedules under Annex 68-J

Pursuant to the Revised Securities Regulation Code (SRC) Rule 68
March 31, 2022

### 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 | ₱146,175,947 | N/A | ₱17,654 |
| Receivables | | 15,781,488 | | – |
| 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 | 3,834,663 | 11,946,825 | – | – | 15,781,488 | – | 15,781,488 |

### 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 | 49,602,511 | N/A | – | – | – | 49,602,511 | 49,602,511 |

### 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 | – | 23,600,000 | 67,699,901 |

### 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 | 247,983,223 | 247,973,698 |

### 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 | 292,686,349,297 | – | – | 46,507,293,501 | 246,179,055,796 |