SECURITIES AND EXCHANGE COMISSION

SEC FORM 17-A

ANNUAL REPORT

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

1. For the fiscal year ended December 31, 2021

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

4. Exact name of issuer as specified in its charter APOLLO GLOBAL CAPITAL, INC.

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 Common Stock

12. Check whether the issuer:

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

Yes [✓] No [ ]

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

Yes [✓] No [ ]

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

Aggregate market value of voting common stock held by non-affiliates as of December 31, 2021 is ₱3,622,982,830.08 based on closing price of ₱0.08 per share.

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

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

Yes [ ]   No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

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

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

PART I – BUSINESS AND GENERAL INFORMATION

1. **Business**

Company Overview

Apollo Global Capital, Inc. (APL), formerly Yehey! Corporation (YEHEY), was incorporated on June 10, 1998 to engage in the business of internet online related products.

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

On October 15, 2015, YEHEY ceased to be a majority-owned subsidiary of Vantage Equities, Inc. (V) when V sold its 66.95% stake in APL to a group of individual shareholders.

On October 12, 2016, the SEC approved the Company's change in name to Apollo Global Capital, Inc. as well as the winding down of its digital marketing operations and the corresponding change in primary purpose to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, guarantee, exchange, develop or otherwise dispose of real or personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned; provided it shall not engage as a stock broker or dealer of securities.

Additional Listing of Shares

On August 11, 2021, the PSE approved for listing of shares covered in the following transactions:

- 247,396,071,520 shares (referred to as the Swap Shares) issued out of the increase in APL's authorized capital stock for the Share-for-Share Swap Transaction between certain stockholders of JDVC Resources Corporation (JDVC) and APL, for the later to acquire JDVC shares; and,
- 5,140,277,777 shares (referred to as the Conversion Shares) issued from a Convertible Loan Agreement, wherein APL's loan amounting to ₱50.0 million principal plus ₱1,402,777.77 interest were converted in consideration for shares.

The Company has complied with the applicable requirements of the PSE for the listing of the Swap Shares and Conversion Shares including, among others, the submission of the sworn Corporate Secretary's Certification attesting that the Swap and Conversion Shares shall be duly lodged with the Philippine Depository & Trust Corp. (PDTC) and shall be made available in the PDTC system on the scheduled listing date. Said shares will be voluntarily locked-up in escrow for a period of 180 days from listing of the said shares and shall be eligible for trading starting February 8, 2022.

Upon listing of the Swap and Conversion Shares, all issued and outstanding shares of APL or a total of 280,336,349,297 shares as of August 11, 2021 have been listed. Prior to approval of listing, only 27.8 billion shares out of the 280,336,349,297 shares that were issued and outstanding were listed with the PSE.

Follow-On Offering

On August 6, 2021, the Company received the pre-effective letter from the SEC favorably considering the Registration Statement in relation to the proposed follow-on offering of 12.35 billion shares (Offer Shares) at an offer price of ₱0.08 per share. APL expects to raise ₱988.0 million from the follow-on offering, primarily to be used to acquire a 49% stake in Poet Blue Ocean Offshore Services Pte. Ltd. (PBO) and additional equipment for its offshore mining operations.

The Offer Shares were listed on August 31, 2021. On listing date, APL's outstanding and listed shares increased from 280,336,349,297 to 292,686,349,297.

Business

Since its change in primary purpose, APL operates as a holding company which retains investments in JDVC, PT. JRI, and PBO – companies essential in its mining operations. APL expects to earn dividends from these investments, which are derived from profits generated from these companies' operations.

JDVC Resources Corporation

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

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

On February 17, 2017, the Company and JDVC's shareholders entered into a Deed of Exchange of Shares where in the latter had issued 247,396,071,520 shares (par value of ₱0.01 per share) in exchange for 4,133,740 shares (par value of ₱100 per share) at an exchange price of ₱598.48 of the latter. The deed covering the transaction was approved by SEC on October 9, 2017. As a result of this transaction, the Company acquired 82.67% of JDVC.

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

PT. JDVC Resources Indonesia (PT. JRI)

PT. JRI 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 Philippine Securities and Exchange Commission) 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.

On September 27, 2021, PT. JRI entered into a Memorandum of Understanding with Pelletized Iron & Titanium Vanadium (PHILS.) Corporation (PITV) and two (2) Indonesian firms, PT. Yakin Citra Mandiri (PT. YCM) and PT. Sumber Rezeki Solusindo (PT. SRS).

The Memorandum of Understanding sets out the agreement of the parties for the establishment of an upgrading plant by PITV that will process raw iron ore from Indonesian mines and process it to export quality iron ore with 63% and above magnetic fraction, to be sold locally or exported to other countries. Eventually, a pelletizing plant will be established for forward integration in the supply chain, ultimately selling iron pellets to the steel smelter plants in Indonesia or in other countries.

Under the MOU, the obligations of the parties include:

a. PITV to fund the upgrading plant project and operate and maintain the upgrading plant and the pelletizing plant;
b. PT. JRI to secure permits and licenses for iron ore mining and trading and for the operation of the upgrading plant; conduct mining, transport and trading for iron ore operations; and provide adequate site with utilities for the operation of the upgrading plant and the pelletizing plant;

c. PT. YCM, which owns iron ore mine tenements in Kalimantan, Indonesia, to provide permitted mining area and ensure long term iron ore supply for the plants; and
d. PT. SRS to provide consultancy services and corporate social responsibility services.

The other terms of agreement, including the details of the commercial agreement among the parties, shall be covered in a supplemental agreement to be entered into by them.

PT. JRI will apply for a Special Production Operation Mining Business License for Trading (IUP OPK) with the Ministry of Energy and Mineral Resources (similar to the Department of Energy and Department of Environment and Natural Resources in the Philippines), which is a requirement to undertake mineral trading in Indonesia. Coupled with a Memorandum of Understanding (MOU) with an Indonesian mine owner, this IUP OPK will allow PT. JRI the right to mine in the mine area subject of the MOU.

Poet Blue Ocean Offshore Services Pte. Ltd.
PBO is a Singaporean company engaged in engineering design and consultancy services supporting mining, oil and gas extraction and offshore exploration activities. It also owns MB Siphon I, a marine barge outfitted with siphon pumps and magnetic separators to draw magnetite iron ore from the sea floor, which will be used for the offshore mining activities of JDVC.

On 20 September 2021, the Board of Directors of APL has approved the execution of an instrument of transfer of shares covering the acquisition by APL of 49% ownership of PBO. The transaction is consistent with the use of proceeds in the recently completed follow-on offering, where the APL committed to use the net proceeds from the offer primarily to buy a 49% stake in PBO.

Principal Products or Services
JDVC, through Agbiag Mining and Development Corporation (Agbiag) as the Mine Contractor/Operator and its Equipment Procurement Contractors (EPCs), will institute environmentally safe and effective offshore mining methods for the extraction of magnetite iron sand at the offshore area of Gonzaga, Cagayan. Highly technical professionals have contributed their knowledge and experience in coming up with state-of-the-art methodology to be able to implement the project in terms of high-technology production systems. Management systems and responses will also be done in accordance to ISO standards.

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

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

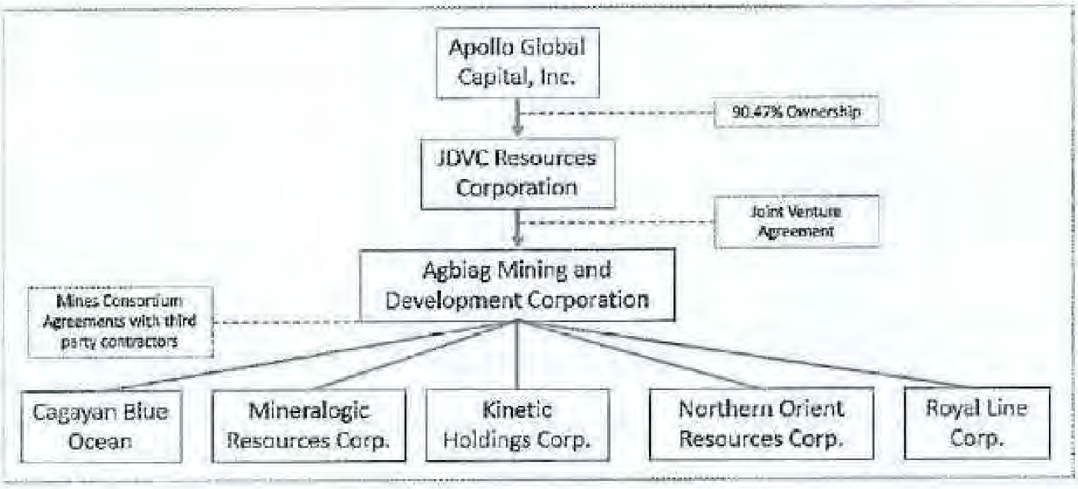
Competition
The Company competes with magnetite iron ore suppliers in world iron ore markets. The most notable domestic competitors are Peniel Resources Mining Corp., San Lorenzo Mines, Inc., T & T Resources and Mining Corp., and J & M Resources Mining & Exploration Corp. The Company competes with other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

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

As of December 31, 2021, DENR MGB has issued four (4) Offshore Approved MPSA Contracts at the Offshore waters of Cagayan. However, no one has been permitted yet except JDVC. Only JDVC has completed all the Mining Requirements for Commercial Extraction Operations which includes an Approved DMPF and ECC. The other three (3) MPSA Mining companies do not have complete permits.

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

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



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

Customers
The mine tenement is near countries that have a high demand for magnetite iron sand which include China, Japan, Korea and Taiwan. There has been a surge in demand for magnetite iron sand in the global steel manufacturing sector and in the international market. Recent data shows a firming up of iron prices in recent months, which is expected to remain that way in succeeding years. China will rely heavily on infrastructure to ramp up their economy after the economic shutdowns, which will call for sustainable steel production, and in turn drive demand for large volumes of raw materials such as magnetite iron sand in the foreseeable future.

The Group has competitive advantage over other international players in terms of geographic location and logistics being a nearer alternative supply to high demand countries.

Management currently assesses no significant concentrations on single or group of customers and will re-assess any significant concentrations upon commencement of commercial operations.

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

Government Regulations and Licenses

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

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

Republic Act No. 7942: Mining Act of 1995

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

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

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

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

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

Republic Act No. 6969: Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990

RA 6969 or the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 regulates the importation, manufacture, processing, distribution, use and disposal of chemical substances and mixtures.

Republic Act No. 8749: Philippine Clean Air Act of 1999

RA 8749 or the Philippine Clean Air Act of 1999 outlines the measures to reduce air pollution.

Republic Act No. 9003: Ecological Solid Waste Management Act of 2000

RA 9003 or the Ecological Solid Waste Management Act of 2000 provides a systematic ecological solid waste management program.

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

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

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

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

Employees
As of December 31, 2021, APL has no employees and is being managed by its officers free of charge., while IDVC has 14 regular employees involved in its mining operations. The Group expects to employ more personnel in 2022 in anticipation of commencement of mining operations.

II. Properties

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

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

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

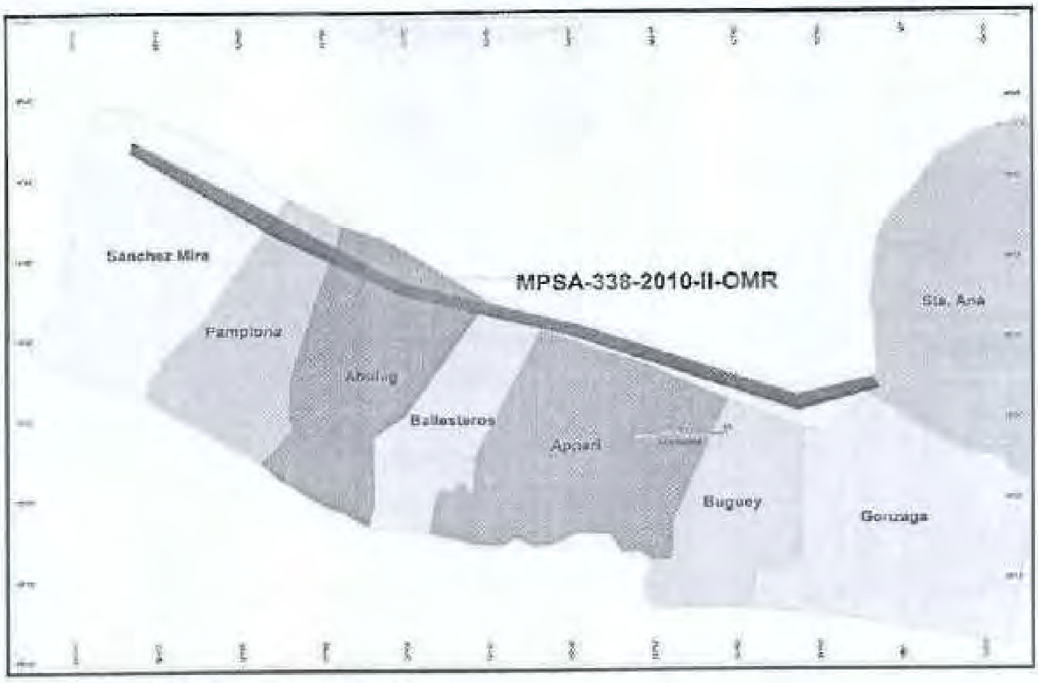


Figure 1. Tenement Map Showing Political Boundaries

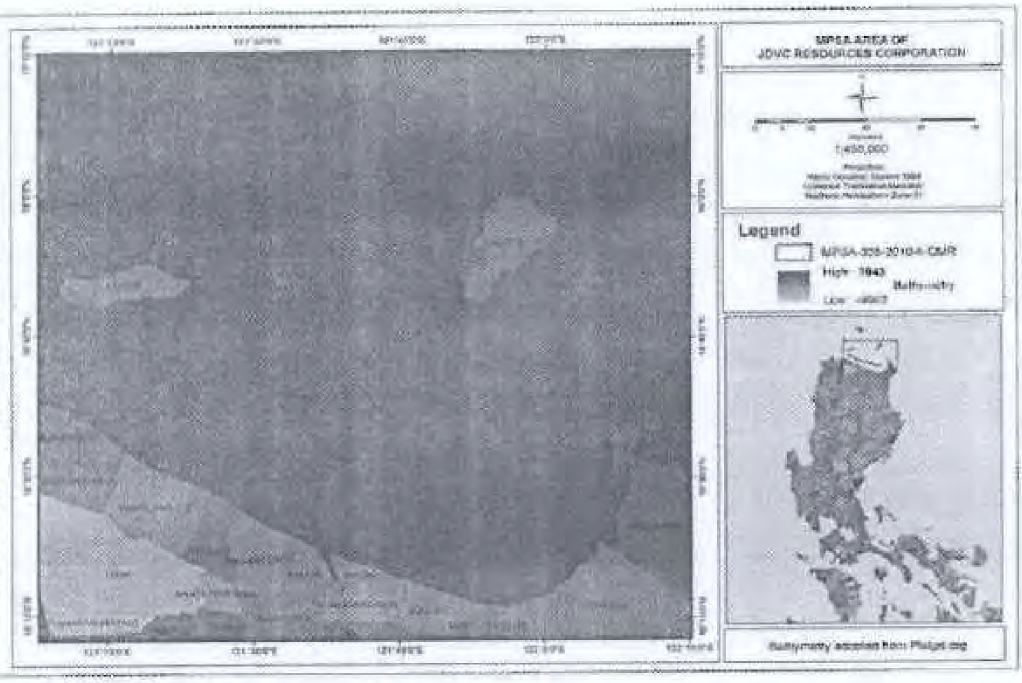


Figure 2. Tenement Map Showing Claim Boundaries

<u>Mineral Resources and Reserves</u>

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

Mineral Resource Estimates

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

Level	Hole-ID	Volume (m^3)	Tonnage (DMT)	Grade (%MF)	DMT Conc.
INDICATED					
0-5	GN18	14,134,498.64	23,887,302.69	26.58	6,349,245.06
	GN30	6,260,618.75	10,580,445.68	3.23	341,748.40
	GN33	11,977,837.40	20,242,545.20	22.56	4,566,718.20
	GN48	13,066,734,48	22,082,781.26	24.87	5,491,987.70
	GN58	11,252,573.11	19,016,848.56	24.94	4,742,802.03
	GN68	10,862,507.44	18,357,637.57	26.98	4,952,890.62
Sub Total		**67,554,769.80**	**114,167,560.95**	**23.16**	**26,445,391.99**
5-10	GN18	21,167,829.31	35,773,631.53	43.87	15,693,892.15
	GN30	11,600,678.95	19,605,147.43	21.02	4,119,041.47
	GN33	16,404,741.02	27,724,012.32	41.89	11,613,588.76
	GN48	15,073,202.66	25,473,712.50	46.55	11,858,013.17
	GN58	14,792,031.51	24,998,533.24	47.29	11,821,806.37
	GN68	14,539,173.62	24,571,203.41	43.15	10,602,474.27
Sub Total		**93,577,657.05**	**158,146,240.41**	**41.55**	**65,708,816.19**
10-15	GN18	22,232,822.30	37,573,469.69	24.89	9,352,036.61
	GN30	7,183,350.15	12,139,861.75	20.71	2,514,165.37
	GN33	18,130,900.05	30,641,221.08	23.63	7,240,520.54
	GN48	15,950,498.10	26,956,341.79	25.41	6,849,606.45
	GN58	14,510,689.13	24,523,064.63	27.89	6,839,482.73
	GN68	19,498,536.83	32,952,527.24	23.89	7,872,358.76
Sub Total		**97,506,796.56**	**164,786,486.19**	**24.68**	**40,668,170.45**
15-20	GN18	13,339,693.38	22,544,081.81	12.58	2,836,045.49
	GN33	19,433,900.05	32,843,291.08	11.65	3,826,243.41
	GN48	17,519,498.10	29,607,951.79	12.66	3,748,366.70
	GN58	18,284,781.30	30,901,280.40	10.24	3,164,291.11
	GN68	22,483,264.39	37,996,716.82	13.56	5,152,354.80
Sub Total		**91,061,137.22**	**153,893,321.90**	**12.17**	**18,727,301.51**
	GN68	9,150,510.69	15,464,363.07	18.86	2,916,578.87
Sub Total		**9,150,510.69**	**15,464,363.07**	**18.86**	**2,916,578.87**
Grand Total		**358,850,871.32**	**606,457,972.52**	**25.47**	**154,466,259.02**
Level	Hole-ID	Volume (m^3)	Tonnage (DMT)	Grade (%MF)	DMT Conc.
INFERRED					
0-5	GN01	5,452,567.28	9,214,838.69	59.20	5,455,184.51
	GN02	9,049,637.80	15,293,887.88	45.20	6,912,837.32
	GN03	9,851,788.01	16,649,521.73	46.70	7,775,326.65
	GN04	13,030,214.43	22,021,062.39	45.40	9,997,562.32
		37,384,207.51	**63,179,310.69**	**47.71**	**30,140,910.80**

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

III. Legal Proceedings

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

IV. **Submission of Matters to a Vote of Security Holders**

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

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information

The registrant's common shares is traded in the Philippine Stock Exchange under the ticker symbol "APL". The Company's public float as of **December 31, 2021** is 15.47%.

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.

On August 11, 2021, the PSE approved for listing of shares covered in the following transactions:

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- 5,140,277,777 shares (referred to as the Conversion Shares) issued from a Convertible Loan Agreement, wherein APL's loan amounting to ₱50.0 million principal plus ₱1,402,777.77 interest were converted in consideration for shares.

On August 6, 2021, the Company received the pre-effective letter from the SEC favorably considering the Registration Statement in relation to the proposed follow-on offering of 12.35 billion shares (Offer Shares) at an offer price of ₱0.08 per share. The Offer Shares were approved for listing on August 31, 2021.

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

	Price per share (in Php)							
	2022		2021		2020		2019	
	High	Low	High	Low	High	Low	High	Low
1st Quarter	0.082	0.039	0.475	0.133	0.050	0.032	0.052	0.039
2nd Quarter	–	–	0.247	0.160	0.060	0.036	0.046	0.038
3rd Quarter	–	–	0.182	0.090	0.060	0.046	0.053	0.044
4th Quarter	–	–	0.115	0.068	0.144	0.050	0.048	0.037

Market price of the Company's shares as at close of the year 2021 was ₱0.080 per share.

Holders

As of **December 31, 2021**, there were 805 shareholders of the 292,686,349,297 common shares issued and outstanding. The top 20 shareholders of the Company as of **December 31, 2021** are as follows:

	Name of Shareholder	No. of Shares Held	Ownership Percentage
1.	PCD Nominee Corporation (Filipino)	181,815,582,540	62.12%
2.	PCD Nominee Corporation (Non-Filipino)	110,417,923,314	37.73%
3.	Juan G. Chua	94,040,000	0.03%
4.	East Pacific Investors Corporation	49,095,000	0.02%
5.	Cygnet Development Corporation	43,125,000	0.02%
6.	Alistair E.A. Israel	27,720,000	0.01%
7.	David Q. Quitoriano	24,200,000	0.01%
8.	Century Securities Corp.	6,025,000	0.00%
9.	Ricardo L. Ng	5,847,700	0.00%
10.	Campos, Lanuza & Co., Inc.	5,807,500	0.00%
11.	Suzanne Lim	5,175,000	0.00%
12.	Jerry Tiu	4,916,200	0.00%
13.	Susana Ang Chua	4,191,700	0.00%
14.	R. Coyiuto Securities, Inc.	3,350,000	0.00%
15.	Avesco Marketing Corporation	2,875,000	0.00%
16.	David Go Securities Corp.	2,750,000	0.00%
17.	Fortune Securities Inc.	2,750,000	0.00%
18.	Elaine H.S. Ty	2,587,500	0.00%
19.	Mary Tan De Jesus	2,542,500	0.00%
20.	Imperial, De Guzman, Abalos & Co., Inc.	2,350,000	0.00%

Dividends and Dividend Policy

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

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

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

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

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

Recent Sale of Unregistered Securities

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

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

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

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

Plan of Operation

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

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

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

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

Key Performance Indicators

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

Ratio	Formula		2021		2020		2019
Current Ratio	Current Assets	₱	211,335,182	₱	4,851,067	₱	4,918,947
	Divide by: Current Liabilities	₱	121,705,907	₱	110,677,576	₱	95,388,120
	Current Ratio		1.74 : 1		0.04 : 1		0.05 : 1
Asset-to-Liability Ratio	Total Assets	₱	4,436,318,979	₱	3,347,430,671	₱	3,338,686,195
	Divide by: Total Liabilities	₱	437,089,031	₱	382,202,161	₱	357,170,665
	Asset-to-Liability Ratio		10.15 : 1		8.76 : 1		9.35 : 1
Asset-to-Equity Ratio	Total Assets	₱	4,436,318,979	₱	3,347,430,671	₱	3,338,686,195
	Divide by: Total Equity	₱	3,999,229,948	₱	2,965,228,510	₱	2,981,515,530
	Asset-to-Equity Ratio		1.11 : 1		1.13 : 1		1.12 : 1
Debt-to-Equity Ratio	Total Liabilities	₱	437,089,031	₱	382,202,161	₱	357,170,665
	Divide by: Total Equity	₱	3,999,229,948	₱	2,965,228,510	₱	2,981,515,530
	Debt-to-Equity Ratio		0.11 : 1		0.13 : 1		0.12 : 1

Ratio	Formula		2021		2020		2019
Book Value per Share	Total Equity attributable to APL	₱	3,752,438,696	₱	2,719,622,363	₱	2,734,771,805
	Divide by: Total No. of Shares Outstanding		292,686,349,197		280,336,349,297		280,336,349,297
	Book Value per Share	₱	0.01282	₱	0.00970	₱	0.00976
Basic Earnings (Loss) per Share	Profit (Loss) for the year attributable APL	₱	58,831,314	₱	(15,149,443)	₱	(16,001,786)
	Divide by: Weighted Ave. No. of Shares Outstanding		284,453,015,964		280,336,349,297		276,759,279,281
	Basic Earnings (Loss) per Share	₱	0.00021	₱	(0.00005)	₱	(0.00006)

Results of Operations (December 31, 2021 vs. December 31, 2020)

	For the years ended December 31,				Horizontal Analysis		Vertical Analysis	
		2021		2020	Inc (Dec)	%age	2021	2020
Revenues	₱		₱	–		n/a	n/a	n/a
Direct costs				–		n/a	n/a	n/a
Gross profit	₱		₱	–		n/a	n/a	n/a
General & administrative costs		(46,114,945)		(15,734,516)	(30,380,429)	193.08%	n/a	n/a
Operating loss	₱	(46,114,945)	₱	(15,734,516)	(30,380,429)	193.08%	n/a	n/a
Finance income		36,247		4,797	31,450	655.62%	n/a	n/a
Finance costs		(4,147,185)		(1,276,450)	(2,870,735)	244.90%	n/a	n/a
Share in net earnings of associate		97,772,094		–	97,772,094	n/a		
Other income/losses – net		(868,326)		(3,960)	(864,366)	21,827.4%	n/a	n/a
Profit (Loss) before tax benefit	₱	46,677,885	₱	(17,010,129)	63,688,014	-374.41%	n/a	n/a
Income tax benefit		10,003,034		723,109	9,279,925	1,283.34%	n/a	n/a
Profit (Loss) for the period	₱	56,680,919	₱	(16,287,020)	72,967,939	-448.01%	n/a	n/a

General & Administrative Costs

The Group's general & administrative costs increased by 193.08% % which was primarily due to the listing fees pertaining to the follow-on offering and the listing of additional shares.

Finance Income

Total interest income increased by 655.62% arising from higher cash balance from the proceeds in the follow-on offering.

Finance costs

The 244.90% increase in interest is correlated to the additional interest-bearing loans and borrowings.

Share in Net Earnings of Associate

The amount pertains to the 49% share in net earnings of PBO. Details of PBO's earnings comprise or an impairment reversal of its shipping vessel.

Profit Before Tax

The Group reported a profit for the year which was attributable to the share in net earnings of PBO. The earnings are related from the reversal of impairment from its shipping vessel and not from current operations.

Income Tax Benefit

Income tax benefit increased due the recognized deferred tax benefits from the Group's net operating losses carried over and from ECL impairment on its receivables from related parties.

Financial Condition December 31, 2021 vs. December 31, 2020)

	As at December 31,		Horizontal Analysis		Vertical Analysis	
	2021	2020	Inc (Dec)	%age	2021	2020
ASSETS						
Current assets:						
Cash	₱ 202,450,661	₱ 909,057	201,541,604	22,170.40%	4.56%	0.03%
Receivables	3,834,663	–	3,834,663	n/a	0.09%	0.00%
Other current assets	5,049,858	3,942,010	1,107,848	28.10%	0.11%	0.12%
Total current assets	₱ 211,335,182	₱ 4,851,067	206,484,115	4,256.47%	4.76%	0.15%
Non-current assets:						
Investment in associate	₱ 809,752,974	₱ –	809,752,974	n/a	18.25%	0.00%
Mine properties	3,315,448,592	3,288,748,565	26,700,027	0.81%	74.73%	98.25%
Advances to contractors	41,453,933	44,888,691	(3,434,758)	-7.65%	0.93%	1.34%
Property & equipment – net	42,170,961	2,427,268	39,743,693	1,637.38%	0.95%	0.07%
Intangible asset – net	–	360,777	360,777	-100.00%	0.00%	0.01%
Deferred tax asset	16,157,337	6,154,303	10,003,034	162.54%	0.36%	0.18%
Total non-current assets	₱ 4,224,983,797	₱ 3,342,579,604	882,404,193	26.40%	95.24%	99.85%
TOTAL ASSETS	₱ 4,436,318,979	₱ 3,347,430,671	1,088,888,308	32.53%	100.00%	100.00%
LIABILITIES & EQUITY						
Current liabilities:						
Accounts and other payables	₱ 7,035,707	₱ 41,576,576	(34,540,869)	-83.08%	0.16%	1.24%
Interest-bearing loans & borrowings	23,600,000	13,950,000	9,650,000	69.18%	2.05%	0.42%
Advances from contractors	91,070,200	55,151,000	35,919,200	65.13%	0.53%	1.65%
Total current liabilities	₱ 121,705,907	₱ 110,677,576	11,028,331	9.96%	2.74%	3.31%
Non-current liabilities:						
Interest-bearing loans & borrowings	₱ 67,399,901	₱ 23,600,000	43,799,901	185.59%	1.52%	0.71%
Advances from related party	247,983,223	247,924,585	58,638	0.02%	5.59%	7.40%
Total non-current liabilities	₱ 315,383,124	₱ 271,524,585	43,858,539	16.15%	7.11%	8.11%
Total liabilities	₱ 437,089,031	₱ 382,202,161	54,886,870	14.36%	9.85%	11.41%
Equity:						
Share capital	₱ 2,926,863,493	₱ 2,803,363,493	123,500,000	4.41%	65.98%	83.75%
Share premium	868,071,980	17,586,961	850,485,019	4,835.88%	19.57%	0.53%
Accumulated losses	(42,496,777)	(101,328,091)	58,831,314	-58.06%	-0.96%	-3.03%
Total equity attributable to Parent Company's shareholders	₱ 3,752,438,696	₱ 2,719,622,363	1,032,816,333	37.98%	84.58%	81.25%
Non-controlling interest	246,791,252	245,606,147	1,185,105	0.48%	5.56%	7.34%
Total equity	₱ 3,999,229,948	₱ 2,965,228,510	1,034,001,438	34.87%	90.15%	88.59%
TOTAL LIABILITIES & EQUITY	₱ 4,436,318,979	₱ 3,347,430,671	1,088,888,308	32.53%	100.00%	100.00%

Total Assets

Total assets of the Group increased by ₱1.1 billion (32.53%) arising from the follow-on offering. The proceeds were used to acquire 49% of PBO, additional machinery and equipment, while ₱200 million remains unused.

Other Current Assets

Other current assets increased by ₱1,107,848 (28.10%). The increase in other current assets is primarily caused by the increase in input taxes from the purchase of additional machinery.

Mine Properties

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

Property & Equipment – net

Property & equipment includes office furniture, fixtures and equipment and transportation vehicle. The increase in property and equipment is primarily due to additions in machinery and equipment to be used in the mining operations.

Deferred Tax Assets
The increase in the deferred tax assets account pertains to the recognized deferred taxes on the future tax deductibility of net operating losses carried over and ECL impairment.

Total Liabilities
Total liabilities have increased by ₱55 million (14.36%), which was primarily caused by increase in interest-bearing loans and borrowings.

Interest-Bearing Loans & Borrowings
Loans & borrowings pertains to loans from Cagayan Blue Ocean Offshore Aquamarine Services Corporation (CBO). In 2021, the Group availed of additional loan from CBO amounting to ₱53.4 million for working capital purposes.

Total Equity
The increase in total equity of ₱1.0 billion in this account primarily pertains to the transactions on the follow-on offering.

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

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

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

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

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

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

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

		As at December 31,			Horizontal Analysis		Vertical Analysis	
		2020		2019	Inc (Dec)	%age	2020	2019
ASSETS								
Current assets:								
Cash	₱	909,057	₱	1,284,390	(375,333)	-29.22%	0.03%	0.04%
Other current assets		3,942,010		3,634,557	307,453	8.46%	0.12%	0.11%
Total current assets	₱	4,851,067	₱	4,918,947	(67,880)	-1.38%	0.15%	0.15%
Non-current assets:								
Mine properties	₱	3,288,748,565	₱	3,284,054,565	4,694,000	0.14%	98.25%	98.36%
Advances to contractors		44,888,691		42,690,538	2,198,153	5.15%	1.34%	1.28%
Property & equipment – net		2,427,268		1,230,174	1,197,094	97.31%	0.07%	0.04%
Intangible asset – net		360,777		360,777	–	0.00%	0.01%	0.01%
Deferred tax asset		6,154,303		5,431,194	723,109	13.31%	0.18%	0.16%
Total non-current assets	₱	3,342,579,604	₱	3,333,767,248	8,812,356	0.26%	99.85%	99.85%
TOTAL ASSETS	₱	3,347,430,671	₱	3,338,686,195	8,744,476	0.26%	100.00%	100.00%
LIABILITIES & EQUITY								
Current liabilities:								
Accounts and other payables	₱	41,576,576	₱	40,237,120	1,339,456	3.33%	1.24%	1.21%
Interest-bearing loans & borrowings		13,950,000		–	13,950,000	n/a	0.42%	0.00%
Advances from contractors		55,151,000		55,151,000	–	0.00%	1.65%	1.65%
Total current liabilities	₱	110,677,576	₱	95,388,120	15,289,456	16.03%%	3.31%	2.86%
Non-current liabilities:								
Interest-bearing loans & borrowings	₱	23,600,000	₱	13,950,000	9,650,000	69.18%	0.71%	0.42%
Deposits for future stock subscriptions		–		246,149,562	(246,149,562)	-100.00%	0.00%	7.37%
Advances from related party		247,924,585		1,682,983	246,241,602	14,631.26%	7.40%	0.05%
Total non-current liabilities	₱	271,524,585	₱	261,782,545	9,742,040	3.72%	8.11%	7.84%
Total liabilities	₱	382,202,161	₱	357,170,665	25,031,496	7.01%	11.41%	10.69%
Equity:								
Share capital	₱	2,803,363,493	₱	2,803,363,493	–	0.00%	83.75%	83.97%
Share premium		17,586,961		17,586,961	–	0.00%	0.53%	0.53%
Accumulated losses		(101,328,091)		(86,178,648)	(15,149,443)	17.58%	-3.03%	-2.58%
Total equity attributable to Parent Company's shareholders	₱	2,719,622,363	₱	2,734,771,806	(15,149,443)	-0.55%	81.25%	81.92%
Non-controlling interest		245,606,147		246,743,724	(1,137,577)	-0.46%	7.34%	7.39%
Total equity	₱	2,965,228,510	₱	2,981,515,530	(16,287,020)	-0.55%	88.59%	89.31%
TOTAL LIABILITIES & EQUITY	₱	3,347,430,671	₱	3,338,686,195	8,744,476	0.26%	100.00%	100.00%

Total Assets

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

Other Current Assets

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

Mine Properties

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

Property & Equipment – net

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

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

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

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

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

VII. Financial Statements

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

VIII. Information on Independent Public Accountant and Other Related Matters

Independent Public Accountant
The Company appointed Valdes, Abad & Company, CPAs as external auditors, covering the audit of the financial statements for the year ended December 31, 2021 and 2020. Their responsibility is to express an opinion on the financial statements based on their audits conducted in accordance with Philippine Standards on Auditing. Reyes Tacandong & Co. was the appointed external auditors for the year 2019 while Roxas, Cruz, Tagle & Co. was appointed for the years 2016 to 2018.

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

Audit and Audit-Related Fees
Fees approved in connection with the assurance rendered by the external auditors pursuant to the regulatory and statutory requirements for the years ended December 31, 2021, 2020 and 2019 amounts to the following:

	2021	2020	2019
Audit Fees	200,000	400,000	400,000

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

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure
There were no disagreements with the independent external auditors for the years 2021 and 2020 on any matter relating to accounting principles or practices, disclosure of financial statements, auditing scope and procedures.

PART III – CONTROL AND COMPENSATION INFORMATION

IX. Directors and Executive Officers of the Issuer

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

Board of Directors

Pursuant to the Company's latest amended articles of incorporation, approved by the SEC on December 22, 2014, the Board shall consist of 11 members, of which two (2) are independent directors. The table sets forth each member of the Company's Board of Directors as of **December 31, 2021**.

Name	Citizenship	Age	Position	Period Served
Salvador A. Santos-Ocampo	Filipino	51	Chairman of the Board	Oct. 2015 – present
David M. De La Cruz	Filipino	55	Director	Feb. 2017 – present
Norman De Leon	Filipino	30	Director	Dec. 2018 – present
Christopher C. Go	Filipino	53	Director	Mar. 2019 – present
Bernadette Herrera-Dy	Filipino	45	Director	Mar. 2019 – present
Edwin T. Lim	Filipino	46	Director	Oct. 2015 – present
Vittorio Paulo P. Lim	Filipino	36	Director	Dec. 2015 – present
John Oliver L. Pascual	Filipino	52	Director	Jan. 2020 – present
Lloyd Reagan C. Taboso	Filipino	40	Director	Dec. 2018 – present
Edwin William S. Tan	Filipino	53	Independent Director	Mar. 2021 – present
George O. Chua Cham	Filipino	71	Independent Director	Mar. 2021 – present

Executive Officers

The table sets forth the Company's executive officers as of **December 31, 2021**.

Name	Citizenship	Age	Position	Period Served
Salvador Araneta Santos-Ocampo	Filipino	51	Chairman of the Board	Oct. 2015 – present
Vittorio Paulo P. Lim	Filipino	36	President	Dec. 2015 – present
Edwin T. Lim	Filipino	46	Treasurer	Oct. 2015 – present
Ricardo L. Saludo*	Filipino	66	Chief Operating Officer	Aug. 2021 – present
Christopher C. Go	Filipino	53	Chief Financial Officer	Mar. 2019 – present
Lucky Dickinson T. Uy	Filipino	39	Compliance Officer	May 2017 – present
Kristina Joyce C. Caro-Gangan	Filipino	39	Corporate Secretary	Oct. 2015 – present

*Mr. Ricardo L. Saludo resigned from his position as Chief Operating Officer effective April 5, 2022 due to other commitments. The Board has elected Ms. Nympha R. Pajarillaga as Chief Operating Officer effective April 5, 2022.

Business Experience and Other Directorships

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

Mr. Salvador A. Santos-Ocampo

Chairman of the Board

Education:	Business Management and Economics (International Academy of Management and Economics)
Professional Positions:	President, Victoneta Rentals Corporation (2014-present), and SAMI Food and Beverage Specialist Corporation (2013-present) Treasurer, Salvador Araneta Memorial Institute (2001-present)

Mr. Vittorio Paulo P. Lim
Director/President

Education:	Interdisciplinary Studies (Ateneo de Manila University)
Professional Positions:	President, V2S Property Developer Co., Inc. Corporate Secretary, B and P Realty, Inc., Champaca Development Corporation, PX2 Enterprises Co., Inc., VNP Properties Development Inc., Zelle Development Corporation, Tarlac Centerpoint, Panlilio Centerpoint Treasurer, Vini Agro Products, Inc.

Mr. Edwin T. Lim
Director/Treasurer

Education:	Bachelor of Science in Civil Engineering (Mapua Institute of Technology 1997)
Professional Positions:	General Manager, BLIM's Textile Manufacturing Industries, Inc. (2000-present)

Mr. Ricardo L. Saludo
Chief Operating Officer

Education:	Bachelor of Arts in Literature (Ateneo de Manila University 1977) Master's in Media Management (Asian Institute of Journalism and Communication 1984) Master of Science in Public Policy and Management (University of London 2009) Postgraduate Diploma in Strategy and Innovation (University of Oxford 2011) Enrolled in Doctor of Theology and Ministry Program (Durham University)
Professional Positions:	Lecturer, Enterprise Risk Management Academy (2018-present), Ateneo de Manila University (2011-2015), University of the Philippines (2011-2015) Presidential Spokesperson (2010), Chairman, Civil Service Commission (2007-2009), Cabinet Secretary (2002-2008)

Mr. Christopher C. Go
Director/Chief Finance Officer

Education:	Bachelor of Science in Accountancy (De La Salle University 1988)
Licensure:	Certified Public Accountant
Professional Positions:	President/CEO, Moderno Citihomes Development Corporation, Perfectspot Development Incorporated, Nation Builders Global Logistics Corp., and Sky Builders Development Corporation

Mr. David M. De La Cruz
Director

Education:	Bachelor of Arts in Economics and Bachelor of Science in Commerce major in Accounting (De La Salle University 1986) Master's Degree (De La Salle University 2001)
Professional Positions:	EVP/CFO, Sta. Lucia Land, Inc. (2012-present)

Mr. Norman de Leon
Director

Education:	Bachelor of Science in Information and Communications Technology (San Beda College Manila 2013)
Professional Positions:	President and Authorized Managing Officer, MVW Construction and Trading Corporation (2015-present)

Ms. Bernadette Herrera-Dy
Director

Education:	Bachelor of Science in Business Economics (University of the Philippines) Master of Science in Finance (University of the Philippines)
Professional Positions:	Congresswoman, 18th Congress of the House of Representatives (Bagong Henerasyon Partylist) Chairperson, Committee on Women and Gender Equality (17th Congress) Vice-chairperson, Committee on Welfare of Children (17th Congress)

Mr. John Oliver L. Pascual
Director

Education:	Bachelor of Arts in Economics (De La Salle University)
Professional Positions:	Director, Level Up Gastronomy Inc., WLCL Manpower Solutions Inc. Treasurer and Managing Director, Philippines International Life Insurance Co., Inc. Manager and Director, Filipino Loan and Credit Corporation

Mr. Lloyd Reagan C. Taboso
Director

Education:	Bachelor of Arts in Multimedia Arts (De La Salle-College of Saint Benilde)
Professional Positions:	VP and Co-Founder, Cignus Philippines Inc. VP, Cagayan Blue Ocean Aquamarine Services Corp.

Mr. Lucky Dickinson T. Uy
Compliance Officer

Education:	Bachelor of Science in Chemical Engineering (De La Salle University 2005)
Professional Positions:	Stockbroker, SB Equities (2017-present) and Venture Securities (2013-2017)

Atty. Kristina Joyce C. Caro-Gangan
Corporate Secretary

Education:	Bachelor of Arts, Major in Political Science, cum laude (University of the Philippines 2002) Bachelor of Laws (University of the Philippines 2006)
Licensure:	Philippine Bar - Lawyer
Professional Positions:	Partner, Picazo Buyco Tan Fider & Santos Law Offices

Mr. Edwin William S. Tan
Independent Director

Education:	Bachelor of Science in Management of Financial Institutions (De La Salle University)
Professional Positions:	President/CEO, Brent Group of Companies (2014-present), Liquigaz Corporation (2019-present), and Federal Brent Retail Corporation (2002-present) Chairman, Brenton International Venture Manufacturing Corporation (1997-present), Eco Savers Group Ventures Incorporated (2018-present), and Inland Quality Gaz Ventures Incorporated (2020-present) Director, BMF Gas Corporation (1995-present), EWT Corporation (2005-present), Albert Smith Signs Corporation (1997-present), and Maysun Realty Development Corporation (2002-present)

Mr. George O. Chua Cham
Independent Director

Education:	Bachelor of Science in Civil Engineering (University of the Philippines-Diliman)
Professional Positions:	Board Member, Federation of Filipino Chinese Chambers of Commerce and Industry (1999-present) Chairman, Belt and Road Initiate Committee, Federation of Filipino Chinese Chambers of Commerce and Industry (2019-present) President, Unique Lumber Inc., Dagupan City and Aztec Construction and Equipment Inc. Former Chairman, Education Committee and External Affairs Office of FFCCCII, Pangasinan Universal Institute Board of Trustees, PEDPFI Pangasinan, Pangasinan Skill Competition Foundation (TESDA), Dagupan Chinese Baptist Church, and North Philippines Business Council Former President, Pangasinan Filipino Chinese Chamber of Commerce, UP Filipino-Chinese Student Association Former District Commodore, 7th Coast Guard District, PCGA Member, YMCA Gideons Red Cross

X. Executive Compensation

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

The Company has no price or stock warrants.

XI. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

The persons or groups identified in the table below are known to the Company as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of **December 31, 2021**:

Title of Class	Name of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation (Filipino)		Filipino	181,815,582,540	62.12%
Common	PCD Nominee Corporation (Foreign)		Non-Filipino	110,417,923,314	37.73%

PCD Nominee Corporation (PCD) is a nominee of the Philippine Depository & Trust Corporation (PDTC) and the registered owner of the shares recorded in the books of the Company's stock and transfer agent. PCD is a private entity organized by major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transactions.

Security Ownership of Management

The following table shows the shares beneficially owned by the directors and officers of the Company as of December 31, 2021:

Title of Class	Name of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Lloyd Reagan C. Taboso	Lloyd Reagan C. Taboso	Filipino	46,471,972,000 (D)	15.88%
Common	John Oliver L. Pascual	John Oliver L. Pascual	Filipino	1,060,000 (D)	0.00%
Common	Edwin T. Lim	Edwin T. Lim	Filipino	258,700 (D)	0.00%
Common	David M. De La Cruz	David M. De La Cruz	Filipino	100,000 (D)	0.00%
Common	Christopher C. Go	Christopher C. Go	Filipino	100,000 (D)	0.00%
Common	Edward William S. Tan	Edward William S. Tan	Filipino	100,000 (D)	0.00%
Common	Lucky Dickinson T. Uy	Lucky Dickinson T. Uy	Filipino	10,000 (D)	0.00%
Common	Vittorio Paulo P. Lim	Vittorio Paulo P. Lim	Filipino	9,100 (D)	0.00%
Common	George O. Chua Cham	George O. Chua Cham	Filipino	1,000 (D)	0.00%
Common	Salvador A. Santos-Ocampo	Salvador A. Santos-Ocampo	Filipino	100 (D)	0.00%
Common	Ricardo L. Saludo	Ricardo L. Saludo	Filipino	100 (D)	0.00%
Common	Bernadette Herrera-Dy	Bernadette Herrera-Dy	Filipino	1 (D)	0.00%
Common	Norman De Leon	Norman De Leon	Filipino	0 (D)	0.00%
Common	Kristina Joyce C. Caro-Gangan	Kristina Joyce C. Caro-Gangan	Filipino	0 (D)	0.00%

Voting Trust Holders

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

XII. Certain Relationships and Related Transactions

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

Transactions with Related Parties

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

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

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

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

Related party transactions are discussed in Note 21, *Related Party Transactions*, to the 2021 audited financial statements.

PART IV – CORPORATE GOVERNANCE

XIII. Corporate Governance

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

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

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

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

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

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

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

PART V – EXHIBITS AND SCHEDULES

XIV. Exhibits and Reports on SEC Form 17-C

List of Corporate Disclosures under SEC Form 17-C (Current Reports)
APL reported the following items on SEC Form 17-C for the year 2021:

Document Date	Filing Date	Item No.	Matter
Jan. 31	Feb. 1	9	Clarification of News Report – Apollo Global announces subsidiary's start of magnetite mining operations in Cagayan
Feb. 1	Feb. 1	9	Press Release – Apollo Global Capital, Inc (APL) is pleased to announce that its subsidiary, JDVC Resources Corp. is ready to commence production of magnetite iron ore this February 2021
Feb. 1	Feb. 1	9	[Amend] Press Release – Apollo Global Capital, Inc (APL) is pleased to announce that its subsidiary, JDVC Resources Corp. is ready to commence production of magnetite iron ore this February 2021
Feb. 8	Feb. 8	9	Clarification of News Report – Apollo Global prepares for Follow-On Offering
Feb. 8	Feb. 9	9	[Amend] Clarification of News Report – Apollo Global prepares for Follow-On Offering
Feb. 9	Feb. 9	9	Follow-On Offering of Apollo Global Capital, Inc.
Feb. 15	Feb. 16	9	Reply to Exchange's Query – Purchase of a 49% stake in Poet Blue Ocean Pte. Ltd. by Apollo Global Capital, Inc.
Mar. 1	Mar. 2	4	Change in Independent Director – Resignation of Klarence Dy and Appointment of Edward William S. Tan
Mar. 5	Mar. 8	4	Change in Independent Director – Resignation of Deo G. Contreras Jr. and Appointment of George O. Chua Cham
Mar. 5	Mar. 9	4	[Amend] Change in Independent Director – Resignation of Deo G. Contreras Jr. and Appointment of George O. Chua Cham
Apr. 14	Apr. 15	9	Press Release – Deployment of first deep sea siphon mining vessel by APL's subsidiary, JDVC Resources Corporation
May 7	May 7	9	Supplemental Report to Results of Exploration and Mineral Resource Estimates
Jun. 15	Jun. 16	9	Clarifications relating to JDVC Resources Corporation
Jun. 29	Jun. 30	4	Death of Chief Operating Officer, Mr. Gary B. Olivar
Jul. 7	Jul. 7	9	Election of Replacement Chairman for JDVC Resources Corporation
Aug. 6	Aug. 9	9	Follow-On Offering Pre-Effective Letter
Aug. 13	Aug. 13	9	Follow-On Offer Final Offer Price
Aug. 20	Aug. 20	9	Foreign Ownership Limit
Aug. 20	Aug. 23	9	[Amend] Foreign Ownership Limit
Aug. 27	Aug. 31	4	Election of New Chief Operating Officer
Aug. 27	Aug. 31	9	Results of Follow-On Offering
Aug. 31	Sep. 1	9	Follow-On Offering (FOO) Net Proceeds and Use of Proceeds
Sep. 20	Sep. 21	2	Acquisition of Poet Blue Ocean Offshore Services Pte. Ltd. (PBO)
Sep. 22	Sep. 22	2	PSE Disclosure – Substantial Acquisition Relating to Acquisition of Poet Blue Ocean Offshore Services Pte. Ltd.
Sep. 22	Sep. 23	2	PSE Disclosure – Acquisition of Poet Blue Ocean Offshore Services Pte. Ltd. (PBO)
Sep. 27	Sep. 28	9	New Mines Consortium Agreement of JDVC Resources Corporation
Sep. 27	Sep. 28	9	Memorandum of Understanding for Indonesia Mining Project
Oct. 15	Oct. 15	9	Annual Stockholders' Meeting for the Year 2021
Dec. 10	Dec. 13	9	Results of the 2021 Annual Stockholders' Meeting
Dec. 10	Dec. 13	9	Results of Organizational Meeting of the Board of Directors

See attached exhibits.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of Apollo Global Capital, Inc., by the undersigned, thereunto duly authorized, in Quezon City on May 16, 2022.

Issuer: APOLLO GLOBAL CAPITAL, INC.

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

By:

Signature
Vittorio Paulo P. Lim
Title *President*
Date May 16, 2022

Signature
Christopher C. Go
Title *Chief Financial Officer*
Date May 16, 2022

Signature
Nympha R. Pajarillaga
Title *Chief Operating Officer*
Date May 16, 2022

Signature
Kristina Joyce C. Caro-Gangan
Title *Corporate Secretary*
Date May 16, 2022

SUBSCRIBED AND SWORN *to before me, a Notary Public for and in* Quezon City, Metro Manila, Philippines, this 16 MAY 2022, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants' photograph and signature.

Name	Identification	Date of Issue	Place of Issue
Vittorio Paulo P. Lim	*Drivers' License No. N02-02-001052*	Mar. 10, 2018	LTO – Robinsons Galleria
Nympha R. Pajarillaga	Drivers' License No. N02-10-025685	Sep. 24, 2019	LTO – Fairview Center
Christopher C. Go	Passport No. P1142387A	Dec. 9, 2016	DFA – NCR East
Kristina Joyce C. Caro-Gangan	Drivers' License No. D04-09-004375	Mar. 21, 2018	LTO – Biñan, Laguna

ATTY. ROSALINDA A. NOTARY PUBLIC [illegible]EGRO
Notary Public
My Commission is extended up to June 30, 2022
(As per BM 3795)
PTR No. [illegible]-01/03/2022-QC
IBP OR No. [illegible]-01/04/2022-QC
MCLE Compliance No. [illegible]
14 April 2022
[illegible] NCRE Bldg., 137 Malakas St.,
Brgy. Central Quezon City

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Book No. 58
Series of 2022

COVER SHEET

SEC Registration Number

	A	1	9	9	8	0	6	8	6	5

Company Name

APOLLO GLOBAL CAPITAL, INC. & 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-A	MSRD	

COMPANY INFORMATION

Company's E-mail Address	Company's Telephone Number/s	Mobile Number
N/A	(632) 8532-8654	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) 8532-8654	N/A

Contact Person's Address

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

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

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

Apollo Global Capital

Statement of Management's Responsibility for Consolidated Financial Statements

The Management of Apollo Global Capital, Inc. & Subsidiaries (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2021 and 2020 and for the three years ended December 31, 2021, 2020 and 2019, in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Valdes Abad & Company, CPAs, the independent auditors appointed by the shareholders has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the shareholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

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

Signed this 16th day of May, 2022.

Apollo Global Capital

SUBSCRIBED AND SWORN to before me, a Notary Public for and in Quezon City, Metro Manila, Philippines, this 16 MAY 2022, affiants who are personally known to me and whose identity I have confirmed through their competent evidence of identity bearing the affiants' photograph and signature.

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

ATTY. ROSALINDA [illegible] NOTARY PUBLIC
Notary Public
My Commission is extended up to June 30, 2022
(As per BM 3795)
PTR No. [illegible]-01/03/2022-QC
IBP OR No. [illegible]
MCLE Compliance No. VI-[illegible]
14 April 2022
Unit 312 ACRE Bldg., 137 Malakas St.,
Brgy. Central Quezon City

Doc. No. 356
Page No. 72
Book No. 86
Series of 2022

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

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

Branches:
Cebu and Davao

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

SEC Accreditation No. 0314-SEC

gmni member

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY** ***(Formerly Yehey! Corporation and Its Subsidiary)*** which comprise the statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended December 31, 2021, 2020 and 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY** ***(Formerly Yehey! Corporation and Its Subsidiary)*** as of December 31, 2021 and 2020 and of its financial performances and its cash flows for the years ended December 31, 2021, 2020 and 2019 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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

(a) Impairment Assessment of Mine Properties

The carrying amount of mine properties amounted to ₱3.4 billion as of December 31, 2021. This represents 92% of the Group's total assets and the management assesses the impairment of its mine properties whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. This matter requires the use of significant judgments and estimates and hence, is significant to our audit.

Audit response

We reviewed management's determination of impairment indicators and management's assessment on the recoverability of mine properties. We evaluated the assumptions used by the Group which include the estimated reserves, foreign exchange rate and discount rate and compared them against available market and industry information, taking into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. We also reviewed the adequacy of the Group's disclosures in Note 4, Significant Judgment, Accounting Estimates and Assumptions, and Note 13, Mine Properties of the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

(vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditors' report.

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

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

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on July 29, 2021, Valid until July 14, 2024
BIR Accreditation No. 08-002126-000-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No.0314-SEC, Group A
Issued on February 23, 2022

For the firm:

Felicidad A. Abad
FELICIDAD A. ABAD
Partner
CPA Registration No. 25184, Valid until April 5, 2024
TIN No. 123-048-248-000
PTR No. 8852940, Issue Date: January 6, 2022, Makati City
BOA/PRC Reg. No. 0314
Issued on July 29, 2021, Valid until July 14, 2024
BIR Accreditation No. 08-002126-001-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No. 25184-SEC, Group A
Issued on February 23, 2022

Makati City, Philippines
May 16, 2022

Approved by: ____________
Date: ____________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
(Formerly Yehey! Corporation and its Subsidiary)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In Philippine Peso)

	Attributable to owners of Parent Company					
	Share Capital (Note 22)	**Share Premium** (Note 23)	**Deficit**	**Total**	**Non Controlling Interest**	**Total Equity**
BALANCE AT DECEMBER 31, 2018	**2,751,960,715**	**17,586,961**	**(70,176,862)**	**2,699,370,814**	**516,036,443**	**3,215,407,257**
Net loss for the year	-	-	(16,001,786)	(16,001,786)	(1,685,609)	(17,687,395)
Additional acquisition of ownership (Note 22, 23 and 30)	51,402,778	-	-	51,402,778	(267,607,110)	(216,204,332)
BALANCE AT DECEMBER 31, 2019	**2,803,363,493**	**17,586,961**	**(86,178,648)**	**2,734,771,806**	**246,743,724**	**2,981,515,530**
Net loss for the year	-	-	(15,149,443)	(15,149,443)	(1,137,577)	(16,287,020)
BALANCE AT DECEMBER 31, 2020	**2,803,363,493**	**17,586,961**	**(101,328,091)**	**2,719,622,363**	**245,606,147**	**2,965,228,510**
Net income for the year	-	-	58,831,314	58,831,314	(2,150,395)	56,680,919
Issuance of shares (Note 22 and 23)	123,500,000	850,485,019	-	973,985,019	-	973,985,019
Acquisition of additional subsidiary	-	-	-	-	3,335,500	3,335,500
BALANCE AT DECEMBER 31, 2021	**2,926,863,493**	**868,071,980**	**(42,496,777)**	**3,752,438,696**	**246,791,252**	**3,999,229,948**

See accompanying Notes to the Consolidated Financial Statements

Approved by: ___________
Date: ___________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES
(Formerly Yehey! Corporation and its Subsidiary)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Philippine Peso)

		December 31,	
ASSETS	Notes	2021	2020
CURRENT ASSETS			
Cash	11	202,450,661	909,057
Receivables	12	3,834,663	-
Other current assets	13	5,049,858	3,942,010
Total Current Assets		211,335,182	4,851,067
NON CURRENT ASSETS			
Advances to contractors	14	41,453,933	44,888,691
Investment in an associate	15	809,752,974	-
Mine properties	16	3,315,448,592	3,288,748,565
Property and equipment, net	17	42,170,961	2,427,268
Website cost	18	-	360,777
Deferred tax asset	28	16,157,337	6,154,303
Total Non Current Assets		4,224,983,797	3,342,579,604
TOTAL ASSETS		4,436,318,979	3,347,430,671
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts and other payables	19	7,035,707	41,576,576
Advances from contractors	21	91,070,200	55,151,000
Interest-bearing loans & borrowings, current portion	20	23,600,000	13,950,000
Total Current Liabilities		121,705,907	110,677,576
NON CURRENT LIABILITIES			
Interest-bearing loans & borrowings, net of current portion	20	67,399,901	23,600,000
Advances from related parties	24	247,983,223	247,924,585
Total Non-Current Liabilities		315,383,124	271,524,585
EQUITY			
Share capital	22	2,926,863,493	2,803,363,493
Share premium	23	868,071,980	17,586,961
Deficit		(42,496,777)	(101,328,091)
Total equity attributable to Parent Company's shareholders		3,752,438,696	2,719,622,363
Equity attributable to non-controlling interest		246,791,252	245,606,147
Total Equity		3,999,229,948	2,965,228,510
TOTAL LIABILITIES AND EQUITY		4,436,318,979	3,347,430,671

See accompanying Notes to the Consolidated Financial Statements

Approved by: ____________
Date: ____________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES
(Formerly Yehey! Corporation and its Subsidiary)

CONSOLIDATED STATEMENTS OF INCOME
(In Philippine Peso)

For the Years Ended December 31,	Notes	2021	2020	2019
SHARE IN NET EARNINGS OF AFFILIATES	15	97,772,094	-	-
GENERAL AND ADMINISTRATIVE EXPENSES	25	(46,114,945)	(15,734,516)	(18,982,963)
FINANCE INCOME	27	36,247	4,797	2,292,074
FINANCE COSTS	27	(4,147,185)	(1,276,450)	(2,177,028)
OTHER CHARGES, NET	27	(868,326)	(3,960)	(969)
INCOME(LOSS) BEFORE TAX		46,677,885	(17,010,129)	(18,868,886)
INCOME TAX BENEFIT	28	10,003,034	723,109	1,181,491
NET INCOME(LOSS)		56,680,919	(16,287,020)	(17,687,395)
NET PROFIT ATTRIBUTABLE TO:				
Equity holders of the Parent Company		58,831,314	(15,149,443)	(16,001,786)
Non-controlling interest		(2,150,395)	(1,137,577)	(1,685,609)
		56,680,919	(16,287,020)	(17,687,395)
BASIC EARNINGS(LOSS) PER SHARE	29	0.000207	(0.000054)	(0.000057)

See accompanying Notes to the Consolidated Financial Statements

Approved by: ____________
Date: ____________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES
(Formerly Yehey! Corporation and its Subsidiary)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Philippine Peso)

For the Years Ended December 31,	Notes	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income(Loss) before tax		46,677,885	(17,010,129)	(18,868,886)
Adjustment for:				
Share in net earnings of affiliates	15	(97,772,094)	-	-
Provision for credit losses	12, 14	4,375,583	-	-
Amortization	18	360,777	-	-
Depreciation	17, 25	860,555	580,054	418,573
Interest income	11, 27	(36,247)	(4,796)	(2,292,074)
Interest expense	20, 27	4,147,185	1,276,450	2,177,028
Unrealized foreign exchange loss	11, 27	868,326	3,960	969
Operating income before changes in working capital		(40,518,030)	(15,154,461)	(18,564,390)
Decrease (increase) in:				
Receivables		(4,265,860)		
Advances to contractors		(509,628)	(2,198,153)	(2,112,575)
Other current assets		(1,107,848)	(262,007)	(880,021)
Increase (decrease) in:				
Accounts and other payables		(38,688,054)	63,005	(1,059,701)
Advances from contractors		35,919,200	-	3,651,000
Cash used in operations		(49,170,220)	(17,551,616)	(18,965,687)
Interest income received	11, 27	36,247	4,796	19,753
Income taxes paid	28	-	(45,446)	(45,446)
Net Cash from Operating Activities		(49,133,973)	(17,592,266)	(18,991,380)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additional acquisition of ownership in subsidiary	22	-	-	(267,607,110)
Investment in an associate	15	(711,980,880)	-	-
Collection of:				
Loans receivable		-	-	254,500,000
Interest receivable		-	-	12,834,071
Advances to related parties	24	-	-	2,595,022
Additions to:				
Mine properties	16	(26,700,027)	(4,694,000)	(26,900,514)
Property and equipment	17	(40,604,248)	(1,777,148)	(1,573,129)
Net Cash from Investing Activities		(779,285,155)	(6,471,148)	(26,186,337)

Approved by: ____________
Date: ____________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES
(Formerly Yehey! Corporation and its Subsidiary)

CONSOLIDATED STATEMENTS OF CASH FLOWS - *Continuation*

(In Philippine Peso)

For the Years Ended December 31,	Notes	2021	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from:				
Loans & borrowings	20	**53,449,901**	23,600,000	63,950,000
Advances from related party	24	**58,638**	92,041	-
Issuance of shares	22,23	**973,985,019**	-	-
Non-controlling interest on issued shares by subsidiary		**3,335,500**	-	-
Repayment of:				
Loans & borrowings	20	-	-	(10,000,000)
Advances from related party	24	-		(179,981)
Return of deposits for future stock subscriptions		-	-	(8,077,745)
Interest paid		-	-	(774,250)
Net Cash Flow from Financing Activities		**1,030,829,058**	23,692,041	44,918,024
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	11, 27	**(868,326)**	(3,960)	(969)
NET INCREASE (DECREASE) IN CASH		**201,541,604**	(375,333)	(260,662)
CASH, BEGINNING	11	**909,057**	1,284,390	1,545,052
CASH, ENDING	11	**202,450,661**	909,057	1,284,390

See accompanying Notes to the Consolidated Financial Statements

Approved by: ______________
Date: ______________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
(Formerly Yehey! Corporation and its Subsidiary)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021, 2020 and 2019

NOTE 1 – GENERAL INFORMATION

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 ₱278 million common shares by way of introduction in the second board of the Philippine Stock Exchange (PSE) at an initial price of P1 per share. On October 18, 2012, the Parent Company was listed in the PSE.

As of December 31, 2014, the Parent Company is 66.95% owned by Vantage Equities, Inc. (Vantage), a company also incorporated in the Philippines and listed in the PSE. On July 7, 2015, Vantage entered into a Sale and Purchase Agreement (SPA), with third party buyers for the sale of the entire shares owned by Vantage. Under the SPA, the closing of the transfer of the Sale Shares is subject to and conditioned upon the conduct and completion of a mandatory tender offer as well as the payment of the purchase price, which conditions have been complied with on October 15, 2015. Accordingly, on October 15, 2015, the Parent Company ceased as a majority owned subsidiary of Vantage when Vantage sold its shares at ₱290 million to a group of individual shareholders.

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

On December 7, 2015, the BOD approved the change of the Parent Company's name from YEHEY! CORPORATION to APOLLO GLOBAL CAPITAL, INC. The amendment was filed with the SEC and was approved on October 7, 2016. Along with the change in the corporate name, the Parent Company's primary purpose was likewise amended to that of a holding company which is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, guarantee, exchange, develop, or otherwise dispose of real or personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences, of indebtedness, and other securities, or obligations of any corporation or corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership.

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

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

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

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

Approval of financial statements

The accompanying consolidated financial statements of the Group as at December 31, 2021 (including comparative amounts as at December 31, 2020 and for the years ended December 31, 2020 and 2019) were approved and authorized for issuance by the Board of Directors on May 16, 2022.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS are based on International Financial Reporting Standards issued by the International Accounting Standards Board (PASB). PFRS consist of PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial Reporting Standards Council (FRSC).

2.2 Basis of preparation

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

2.3 Going Concern Assumption

The preparation of the accompanying 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.

2.4 Functional and presentation currency

The consolidated financial statements are presented in Philippine peso (₱), which is the functional currency of the Group.

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

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

2.5 Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and its subsidiary, after the elimination of intercompany transactions.

The financial statements of the subsidiary are prepared for the same reporting year as the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and losses, are eliminated in full. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

Investment in subsidiary
Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).

When the Parent Company has less than majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control. Consolidation of a subsidiary begins when control is obtained over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Non-controlling interests
Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. These are presented in the consolidated statement of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statement of comprehensive income. Non-controlling interests consist of the amount of those interests at the date of original business combination and the non-controlling interests' share on changes in equity since the date of the business combination.

2.6 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PAS 39, is measured at fair value with changes in fair value recognized either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of PAS 39, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed.
If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each

Approved by: ______________
Date: ______________

of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

Loss of control and disposal of subsidiaries
When the Group ceases to have control over a subsidiary, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Parent Company loses control over the subsidiary, it:

- derecognizes the assets, including goodwill, and liabilities of the subsidiary
- derecognizes the carrying amount of any non-controlling interest
- derecognizes the cumulative transaction differences recorded in equity
- recognizes the fair value of the consideration received
- recognizes the fair value of the any investment retained
- recognizes any surplus or deficit in profit or loss
- reclassifies the parent's share of components previously recognized in OCI to profit or loss retained earnings, as appropriate.

2.7 Use of judgment and estimates

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Group's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Group significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an on-going basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where significant judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in Note 4.

2.8 Adoption of new and revised accounting standards

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

New and Amended Accounting Standards Effective in 2021

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Group adopted

Effective beginning on or after June 1, 2020

- *Amendments to PFRS 16, COVID-19-related Rent Concessions* – the amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. When there is a change in lease payments, the accounting consequences will depend on whether that change meets the definition of a lease modification, which PFRS 16 Leases defines as "a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term)".

Effective beginning on or after January 1, 2021

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

  The Company shall also disclose information about:

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

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

New and Amended Standards Effective Subsequent to 2021 but not Early Adopted

Pronouncements issued but not yet effective as at December 31, 2021 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 financial statements.

Effective beginning on or after January 1, 2022

Amendments to PAS 16, Property, Plant and Equipment - Proceeds before Intended Use - the purpose of the amendments is to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Amendments to PAS 37, Onerous Contracts - Cost of Fulfilling a Contract – the amendment is regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to PFRS 3, Reference to the Conceptual Framework with amendments to PFRS 3 'Business Combinations – the amendments update an outdated reference in PFRS 3 without significantly changing its requirements. The changes are: update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to PFRS 3 a requirement that, for transactions and other events within the scope of PAS 37 or IFRIC 21, an acquirer applies PAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to PFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The Group is still assessing the impact of the preceding amendments to the financial statements.

Approved by: ______________
Date: ______________

Effective beginning on or after January 1, 2023

Amendments to PAS 1, Classification of Liabilities as Current or Non-current – the amendments provide a more general approach to the classification of liabilities under PAS 1 based on the contractual arrangements in place at the reporting date. The amendments affect only the presentation of liabilities in the statement of financial position not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. To:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to PAS 1, 'Presentation of financial statements', PFRS Practice statement 2 and PAS 8, ' Accounting policies, changes in accounting estimates and errors' - The amendment require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. On the other hand, the amendment to PAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments should help companies:

- to improve accounting policy disclosures, either by making the disclosures more specific to the entity or by reducing generic disclosures that are commonly understood applications of PFRS; and
- to distinguish changes in accounting estimates from changes in accounting policies.

These amendments are not expected to have a significant impact on the preparation of financial statements.

Amendments to PFRS 17, Insurance Contracts – the amendments' purpose is to address concerns and implementation challenges that were identified after PFRS 17 'Insurance Contracts' was published in 2017. The main changes are: deferral of the date of initial application of PFRS 17 by two years to annual periods beginning on or after January 1, 2023; additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk; recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognized in a business acquired in a business combination; extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives; amendments to require an entity that at initial recognition recognizes losses on onerous insurance contracts issued to also recognize a gain on reinsurance contracts held; simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts; and several small amendments regarding minor application issues.

The Group is still assessing the impact of the preceding amendments to the financial statements.

Deferred

PFRS 10 (amendments), Consolidated Financial Statements, and PAS 28 (amendments), Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

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

Annual Improvements to PFRS

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

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

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

- PFRS 9, Fees in the '10 per cent' test for derecognition of financial liabilities - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

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

- PFRS 16, Lease Incentives - The amendment removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- PAS 41, Taxation in fair value measurements - The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

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

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial assets and financial liabilities

Date of Recognition. The Group recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

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Date: ______________

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"Day 1" Difference. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification. The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model and its contractual cash flow characteristics.

As of December 31, 2021 and 2020, the Group does not have financial assets and liabilities measured at FVPL.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As of December 31, 2021 and 2020, the Group's cash, receivables, security and bond deposits, and advances to contractors are included under this category.

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

Financial assets at FVPL are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of comprehensive income. As at December 31, 2021 and 2020, the Group has no financial assets at FVPL.

Financial Assets at FVOCI. For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Group may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As at December 31, 2021 and 2020, the Group has no financial assets at FVOCI.

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

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As of December 31, 2021 and 2020, the Group's accounts and other payables, loans and borrowings, and advances from contractors and related parties are included under this category.

3.2 Reclassification

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

3.3 Impairment of financial assets at amortized cost and FVOCI

The Group records an allowance for "expected credit loss" (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For loan receivables, the Group has applied the simplified approach and has calculated ECLs based on the lifetime expected credit losses. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

At each reporting date, the Group assesses whether financial assets at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3.4 Derecognition of financial assets and liabilities

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Group could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

3.5 Offsetting financial instrument

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

3.6 Classification of financial instrument between liability and equity

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

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

3.7 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/noncurrent classification.

An asset is current when:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within twelve months after the reporting period, or
- Cash on hand and in banks unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as noncurrent.

3.8 Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded by the Group at the respective functional currency rates prevailing at the date of the transaction.

Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the statements of comprehensive income with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in OCI until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits applicable to exchange differences on these monetary items are also recorded in the OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the par value is determined.

3.9 Fair value measurements

The Group measures a number of financial and non-financial assets and liabilities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

- Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

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

3.10 Operating Segments

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

In identifying its operating segments, management generally follows the Group's main service lines as disclosed in Note 7, which represent the main services provided by the Group.

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

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

3.11 Cash

Cash consists of cash on hand and in banks. Cash in banks earns interest at respective bank deposit rates. For the purpose of reporting cash flows, cash in banks is unrestricted and available for use in current operations.

3.12 Other current assets

Other current assets are recognized when the Group expects to receive future economic benefit from them, and the amount can be measured reliably. Other assets are classified in the statements of financial position as current assets when the cost of goods or services related to the assets are expected to be incurred within one year or the Group's normal operating cycle, whichever is longer.

Other current assets consist of input value-added tax (VAT), creditable withholding taxes (CWTs) and security and bond deposits.

Input VAT represents tax imposed on the Group by its suppliers and contractors for the purchase of goods and services, as required under Philippine taxation laws and regulations. The portion of input VAT that will be used to offset the Group's current VAT liabilities is presented as a current asset in the consolidated statement of financial position.

CWTs represent the amount withheld by the Group's customers in relation to its revenue. These are recognized upon collection of the related revenue and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations. CWTs are stated at their estimated net realizable value.

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

3.13 Inventories

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

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

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

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

3.14 Mine properties

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

Mineral Assets

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

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

Mining Costs

Exploration and Evaluation Assets. Exploration and evaluation assets include costs incurred in connection with exploration activities. Exploration and evaluation asset is carried at cost less accumulated impairment losses.

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

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Date: ______________

Exploration and evaluation activities include:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

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

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

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

The carrying value of mine properties approximates its fair value as of December 31, 2021 based on the valuation report conducted by Cuervo Appraisers, Inc. dated February 16, 2022. Hence the account is not impaired.

Patent

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

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

3.15 Property and equipment, net

Property and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property and equipment.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to income in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation on other assets is charged to allocate the cost of assets less their fair value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Office furniture & equipment	3-5 years
Motor vehicle	3-5 years
Leasehold improvements	5 years
Computer software	5 years
Machineries & equipment	7 years

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

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated recoverable reserves, useful lives, and depreciation and depletion methods are reviewed periodically to ensure that the estimated recoverable reserves, residual values, periods and methods of depreciation and depletion are consistent with the expected pattern of economic benefits from items of property and equipment. The residual values, if any, are reviewed and adjusted, if appropriate, at each end of reporting period. If there is an indication that there has been a significant change in depreciation and depletion rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When properties are retired or otherwise disposed of, the cost and related accumulated depreciation and depletion and any allowance for impairment loss are eliminated from the accounts and any resulting gain or loss is credited or charged to statements of comprehensive income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the items) is included in the statements of comprehensive income in the year the asset is derecognized.

Fully depreciated assets are retained as property and equipment until these are no longer in use.

3.16 Investment in associates

Associates are entities over where the Group is in a position to exercise significant influence in the financial and operating policy decisions but not control or joint control.

Investment in associates is recognized using the equity method of accounting. Under the equity method the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. On acquisition of the investment any difference between the cost of the investment and the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with PFRS 3 Business Combinations.

The income statement of the investor includes the investor's share of the income statement of the investee.

Losses of associates in excess of the company's interest in the relevant entity are not recognized except to the extent that the Group has an obligation. Profits on company transactions with associates are eliminated to the extent of the Group's interest in the relevant associate.

The Group owns 49% ownership of its associate, Poet Blue Ocean (PBO). PBO is incorporated in the Philippines.

3.17 Website Cost

The Group's website is determined to have an indefinite useful life because considering all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate cash inflows for the Group.

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

Approved by: ______________
Date: ______________

3.18 Impairments of non-financial assets

General
An assessment is made at each balance sheet date of whether there is any indication of impairment of an asset, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the assets recoverable amount is calculated as the higher of the assets value in use or net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, but only to the extent of the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is credit to current operations.

Property and equipment
The Group assesses at each financial reporting date whether there is an indication that an asset may be impaired. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amounts, the assets or cash generating units (CGU) are written down to their estimated recoverable amounts. The estimated recoverable amount of an asset is the greater of the fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal, while the value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the estimated recoverable amount is determined for the CGU to which the asset is belongs. Impairment losses of continuing operations are recognized in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed by a credit to current operations (unless the asset is carried at a revalued amount in which case the reversal of the impairment loss is credited to the revaluation increment of the same asset) to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and depletion) had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in statements of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on systematic basis over its remaining useful life.

3.19 Advances to/from related parties

Advances to/from related parties are non-interest-bearing borrowings. These are measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments.

3.20 Accounts and other payables

Accounts and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers which are unpaid. Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed upon by the supplier, including amounts due to employees. Accounts payable and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business of longer and recognized at fair value). If not, they are presented as non-current liabilities.

Accounts payables and accruals are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.21 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.22 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

3.23 Revenue recognition

Revenue from contracts with customers

The Group is principally engaged in the business of producing beneficiated nickel ore. It also generates revenue from sale of fuel to its contractors. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

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

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

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

Approved by: ______________
Date: ______________

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

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

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

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

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

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

Other income
Other income is recognized in the statements of comprehensive income as they are earned.

Finance income
Interest income is recorded using the EIR which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. Interest income is included in "other income" in the statements of comprehensive income.

Contract balances

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

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

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

3.24 Cost and expenses recognition

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

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

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

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

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

3.25 Related party transactions and relationship

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Group and close members of the family of nay individuals owning directly or indirectly a significant voting power of the Group that gives them significant influence in the financial and operating policy decisions of the Group are also considered to be related parties.

An entity is related to the Group if any of the following conditions apply:

- The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others)
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member)
- Both entities are joint ventures of the same third party
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity
- The entity is a post-employment benefit plan for the benefit of employees of either the Group of an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group
- The entity is controlled or jointly controlled by a person identified above
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Group and include that person's children and spouse or domestic partner, and dependents of that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Group when it directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the Group. Transactions between related parties are based on terms similar to those offered to non-related entities in an economically comparable market, except for non-interest-bearing advances with no definite repayment terms.

3.26 Deposit for future share subscription

Deposit for future share subscription represents payments made on subscription of shares which cannot be directly credited to 'Share Capital' pending application for the approval of the proposed increase presented for filing /filed with the SEC and registration of the amendment to the Articles of Incorporation increasing capital stock. The paid-up subscription can be classified under equity if the nature of the transaction give rise to a contractual obligation of the Group to deliver its own shares to the subscriber in exchange of the subscription amount.

In addition, deposit for future share subscription shall be classified under equity if all of the following elements are present as at reporting date:

a. The unissued authorized capital of the entity is insufficient to cover the amount of shares indicated in the contract;
b. There is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
c. There is stockholders' approval of said proposed increase; and
d. The application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

If any or all of the foregoing elements are not present, the deposit for future share subscription shall be recognized as a noncurrent liability in the consolidated statements of financial position.

3.27 Equity

Share capital is measured at par value for all shares issued. When the shares are sold out at a premium, the difference between the proceeds and the par value is credited to the "Share Premium" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained earnings represent the cumulative balance of periodic net income or loss, dividend distribution, prior period adjustments, effect of changes in accounting policy and other capital adjustments. When retained earnings account has a debit balance, it is called "deficit", and presented as a deduction from equity.

Dividends are recognized when they become legally payable. Dividend distribution to equity shareholders is recognized as liability in the Group's financial statements in the period in which the dividends are declared and approved by the Group's Board of Directors.

3.28 Income Taxes

Current income tax
Current income tax assets and liabilities for the current period is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, when timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither the accounting profit nor taxable profit (or loss).

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle the liabilities simultaneously.

3.29 Value Added Taxes (VAT)

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

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

For acquisition of capital goods over ₱1,000,000, the VAT is deferred and amortized over the useful life of the related capital goods or 60 months, whichever is shorter, commencing on the date of the acquisition.

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

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of 'prepayments and other current assets' or 'accounts and other payables' in the statements of financial position.

3.30 Employee benefits

Employee benefits are all forms of considerations given by the Group in exchange for service rendered by the employees. It includes short-term employee benefits and post-employment benefits.

Short-term benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Termination Benefits
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the Group's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

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

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

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

3.31 Leases

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether the contract meets three key evaluations which are whether:

a) the contract contains an *identified asset*, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group,

b) the Group has the *right to obtain substantially all of the economic benefits* from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract,

c) the Group has the *right to direct the use* of the identified asset throughout the period of use.

The Group shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a lessee

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

(a) Right-of-use asset

At the initial application date, the Group recognizes a right-of-use asset on the statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

(b) Lease liability

At the initial application date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

3.32 Provisions and contingencies

General
The Group recognizes a provision of a present obligation has arisen as a result of a past event, payment is probable and the amount can be measured reliably. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, that is, the amount the Group would rationally pay to settle the obligation to a third party.

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

Provision for mine rehabilitation and decommissioning
The Group records the present value of estimated cost of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailing dams, dismantling operating facilities, closure of waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the statements of comprehensive income under

"Finance cost – net". Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and provision for mine rehabilitation and decommissioning when they occur.

When rehabilitation is conducted systematically over the life of the operation, rather that at the time of closure, provision is made for the estimated outstanding continuous rehabilitation of work at each end of the reporting period and the cost is charge to statements of comprehensive income. For closed sites, changes to estimated costs are recognized immediately in the statements of comprehensive income.

The ultimate cost of mine rehabilitation and decommissioning is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience. The expected timing of expenditure can also change, for example in response to changes in ore reserves or production rates. As a result, there could be significant adjustments to the provision for mine rehabilitation and decommissioning, which would affect future financial results.

As of years ended December 31, 2021 and 2020, no provision for mine rehabilitation and decommissioning was recognized for no restorations on the operating locations has yet to be performed.

3.33 Earnings per share (EPS) attributable to equity holders

Basic EPS is calculated by dividing the profit attributable to the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding and assume conversion of all dilutive potential ordinary shares.

If the number of ordinary or potential shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted EPS for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are authorized for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

The Group has no dilutive potential common shares outstanding.

3.34 Events after the end of the reporting period

Post year-end that provides additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes when material.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in conformity with PFRS requires the Group's management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes.

The estimates and associated assumptions are based on historical experiences and other various factors that are believed to be reasonable under the circumstances including expectations of related future events, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

4.1 Judgments

Going concern
As of December 31, 2021 and 2020, the Group's management has made an assessment on the Group's ability to continue as a going concern in the current evolving environment especially on the impact of COVID-19 pandemic and is satisfied that the Group has the resources to continue their business for the foreseeable future. Furthermore,

management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Determination of functional currency
The consolidated financial statements are presented in the Philippine Peso, which is also the Group's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Fair value measurements
A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Group uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

If the inputs used to measure the fair value of an asset or a liability can be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy based on the lowest level input that is significant to the entire measurement.

Classification of financial instruments
The Company manages its financial assets based on business models that maintain adequate liquidity level and preserve capital requirements, while maintaining a strategic portfolio of financial assets for accrual and trading activities consistent with its risk appetite.

In determining the classification of a financial instrument under PFRS 9, the Company evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the Company.

In addition, PFRS 9 emphasizes that if more than an infrequent and more than an insignificant sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Company considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Company can explain the reasons for those sales and why those sales do not reflect a change in the Company's objective for the business model.

Assessing significant influence and control over investee.
The Group determines that it has control over its subsidiaries by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following are also considered:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual agreements.
- The Group's voting rights and potential voting rights.

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

Determination whether an agreement contains a lease
The determination of whether a contract is, or contains a lease, is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has entered a lease arrangement as a lessee (Note 30).

Accounting for lease commitments – group as lessee
The Group has a lease agreement for its office space with a term of 12 months and is renewable upon mutual agreement of both parties. The Group availed of exemption for short-term leases with term of 12 months or less.

Accordingly, lease payments on the short-term lease are recognized as expense on a straight-line basis over the lease term.

Rent expense arising from operating lease agreements amounted to ₱0.7 million, ₱0.8 million, and ₱0.7 million in 2021, 2020 and 2019, respectively (see Note 25).

Determining the capitalizability of costs under mine properties
The capitalization of mine properties requires judgment in determining whether there are future economic benefits from future exploitation or sale of reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, recovery of such expenditure becomes unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available. The carrying amount of mine properties amounted to ₱3,315,448,592 and ₱3,288,748,565 as of years ended December 31, 2021 and 2020, respectively (see Note 16).

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

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

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

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

Determining capitalizability of geothermal exploration and evaluation of assets
Careful judgment by management is applied when deciding whether the recognition requirements for geothermal exploration and evaluation of assets relating to the Group's geothermal project have been met. Capitalization of these costs is based, to a certain extent, on management's judgments of the degree to which the expenditure may be associated with finding specific geothermal reserve. This is necessary as the economic success of the exploration is uncertain and may be subject to future technical problems at the time of recognition. Judgments are based on the information available at the end of each financial reporting period.

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

4.2 Estimates and assumptions

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

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

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

The fair values of financial assets and financial liabilities by category and their fair value hierarchy are set out in Note 10 to the financial statements.

Assessing ECL on financial assets
The Group applies the general approach in measuring the ECL. For cash in banks the Group assessed that cash is deposited with reputable banks that possess good credit ratings. For security and bond deposits, the Group considers the financial capacity of the counterparty. ECL recognized in 2021 amounted to ₱4,375,583 and nil ECL was recognized in 2020. The carrying amounts of the Group's financial assets are as follows:

	Note	2021	2020
Cash in banks	11	₱ 202,430,661	₱ 889,057
Receivables	12	3,834,663	-
Security deposit	13	71,772	71,772
Construction bond	13	50,000	50,000
Advances to contractors	14	41,453,933	44,888,691

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

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

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

The carrying amounts of mine properties amounted to ₱3,315,448,592 and ₱3,288,748,565 as of December 31, 2021 and 2020, respectively (see Note 16).

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

Estimating provision for mine rehabilitation and decommissioning
The Group assesses its provision for mine rehabilitation and decommissioning annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation and decommissioning as there are numerous factors that will affect the provision. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates.

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Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the end of the reporting period represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future cost are recognized in the statements of financial position by adjusting the rehabilitation asset and liability. For closed sites, changes to estimated costs are recognized immediately in the statements of loss. As of December 31, 2021 and 2020, no provision for mine rehabilitation and decommissioning was recognized.

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

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

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

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

The carrying amounts of property and equipment amounted to ₱42,170,961 and ₱2,427,268 as of December 31, 2021 and 2020, respectively (see Note 17). Useful lives of property and equipment is disclosed in Note 3.15.

Estimating impairment losses on property and equipment
The Group assesses impairment on its property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

In determining the present value of estimated future cash flows expected to be generated from continued use of the assets, the Group is required to make estimates that can materially affect the financial statements.

The assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For purposes of assessing impairment, assets are assessed at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognized and charged to statements of loss if the discounted expected future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows. There was no provision for impairment loss on property and equipment recognized in 2021, 2020 and 2019.

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Estimating allowance for impairment losses on non-financial assets (except property and equipment, and mine properties)

The Group provides allowance for impairment losses on non-financial assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease related assets.

There was no indication of impairment noted on the Group's non-financial assets in 2021, 2020 and 2019.

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

The Group's deferred tax asset amounted to P16,157,337 and P6,154,303 as of December 31, 2021 and 2020, respectively (Note 28).

4.3 Provision and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. The policy on the recognition and disclosure of provisions is discussed in Note 3.

NOTE 5 – BUSINESS COMBINATION

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

The transfer value of the JDVC shares at P598.48 per share or an aggregate transfer value of P2,473,960,715.20 is based on the appraised value of JDVC's net assets at business combination date.

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

Acquisition of Non-controlling Interests
On December 10, 2019, the BOD approved the additional acquisition of 389,530 shares from existing stockholders of JDVC for P267.6 million. As a result, the Parent Company has 90.47% ownership of JDVC as at December 31, 2019 and no subsequent movement for the year ended December 31, 2020 and 2021.

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NOTE 6 – SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

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

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

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

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

		2021		2020
Equity share held by NCI		9.53%		9.53%
Summarized Statements of Financial Position:				
Current assets	P	13,456,802	P	2,365,089
Non-current assets		870,172,527		841,142,623
Current liabilities		56,289,616		113,962,037
Non-current liabilities		387,595,082		269,749,562
Total Equity		439,744,631		459,796,113
Equity attributable to Parent Company shareholders		196,049,384		214,189,966
Equity attributable to NCI		243,695,247		245,606,147
Summarized Statements of Comprehensive Income:				
Revenues	P	-	P	-
Net loss		(20,051,415)		(11,936,729)
Income(Loss) attributable to Parent Company shareholders		(18,140,515)		(10,799,152)
Loss attributable to NCI		(1,910,900)		(1,137,577)
Dividends declared to NCI				-
Dividends paid to NCI				-
Summarized Statements of Cash Flows:				
Operating activities	P	(54,109,676)	P	(11,906,884)
Investing activities		(29,665,714)		(5,062,142)
Financing activities		94,696,566		16,585,035
Effects of changes in foreign exchange rates		36,374		(3,960)
Net increase (decrease) in cash		10,957,550		(387,951)

NOTE 7 – SEGMENT INFORMATION

The Group has only two business segments, these are primarily involved in mining however, one was incorporated only in 2021 and has not yet started its operation. As of December 31, 2021, the Group operates in one geographic location only and therefore, no information on geographical segment is presented.

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NOTE 8 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments are composed 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.

8.1 Objectives and policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Interest rate risk
- Liquidity risk
- Credit risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group is cash. This financial instrument is used mainly for working capital management purposes. Trade-related financial assets and financial liabilities of the Group such as trade and other receivables and trade and other payables, excluding statutory liabilities, arise directly from and are used to facilitate its daily operations.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

8.2 Interest rate risk

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group follows prudent policies in managing its exposures to interest rate fluctuation, and constantly monitors its exposure to fluctuation in interest rates to estimate the impact of interest rate movements on its interest expense.

As at December 31, 2021 and 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 of 6% to 10% and all other financial assets and liabilities are non-interest bearing.

8.3 Liquidity risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

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The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

	December 31, 2021			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost				
Cash in bank (Note 11)	P 202,430,661	P 202,430,661	P -	P -
Receivables (Note 12)	3,834,663		3,834,663	
Security deposit (Note 13)	71,772	-	71,772	-
Construction bond (Note 13)	50,000	-	50,000	-
Advances to contractors (Note 14)	41,453,933	-	-	41,453,933
Total	P 202,552,433	P 202,430,661	P 3,956,435	P 41,453,933
Financial liabilities at amortized cost				
Accounts and other payables* (Note 19)	P 5,645,854	P 38,245,143	P 2,097,698	P -
Loans and borrowings (Note 20)	90,999,901	-	23,600,000	67,399,901
Advances from contractors (Note 21)	91,070,200	-	55,151,000	
Advances from related parties (Note 24)	247,983,223	-	-	247,983,223
Total	P 435,699,178	P 38,245,143	P 80,848,698	P 315,383,124

*excluding government liabilities

	December 31, 2020			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost				
Cash in bank (Note 11)	P 889,057	P 889,057	P -	P -
Security deposit (Note 13)	71,772	-	71,772	-
Construction bond (Note 13)	50,000	-	50,000	-
Advances to contractors (Note 14)	44,888,691	-	-	44,888,691
Total	P 45,899,520	889,057	P 121,772	P 44,888,691
Financial liabilities at amortized cost				
Accounts and other payables* (Note 19)	P 40,342,841	P 37,500,000	P 2,842,841	P -
Advances from contractors (Note 21)	55,151,000	-	55,151,000	-
Loans and borrowings (Note 20)	37,550,000	-	13,950,000	23,600,000
Advances from related parties (Note 24)	247,924,585	-	-	247,924,585
Total	P 380,968,426	P 37,500,000	P 71,943,841	P 271,524,585

*excluding government liabilities

8.4 Credit risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from receivables. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

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Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to the consolidated financial statements).

As at December 31, 2021 and 2020, the Group has no financial assets for which credit risk has increased significantly since initial recognition and that are credit-impaired.

Credit quality per class of financial assets
The following table show a comparison of the credit quality of the Group's financial assets by class as at the reporting date:

	As at December 31, 2021				
	Neither past due nor impaired		Past due but not impaired	Impaired	Total
	High Grade	Standard Grade			
Financial assets at amortized cost					
Cash in bank (Note 11)	P 202,430,661	P -	P -	P -	P 202,430,661
Receivables (Note 12)	3,834,663	-	431,197		4,265,860
Security deposit (Note 13)	71,772	-	-	-	71,772
Construction bond (Note 13)	50,000	-	-	-	50,000
Advances to contractors (Note 14)	41,453,933	-	3,944,387		45,398,320
Total	P 247,841,029	P -	P 4,375,584	P -	P 252,216,613

	As at December 31, 2020				
	Neither past due nor impaired		Past due but not impaired	Impaired	Total
	High Grade	Standard Grade			
Financial assets at amortized cost					
Cash in bank (Note 11)	P 889,057	P -	P -	P -	P 889,057
Security deposit (Note 13)	71,772				71,772
Construction bond (Note 13)	50,000				50,000
Advances to contractors (Note 14)	44,888,691				44,888,691
Total	P 45,899,520	P -	P -	P -	P 45,899,520

The Group evaluates credit quality on the basis of the credit strength of the security and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty. The Group determines if credit risk have increased significantly when financial assets are more than 30 days past due.

The Group's management considers none of the financial assets to be impaired or past due at the end of each financial reporting period.

Cash in banks
The credit risks for cash in banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Security deposits and Construction bond These pertain to receivables from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.

Maximum Credit Risk Exposure
Financial information on the Group's maximum exposure to credit risk without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	December 31,			
		2021		2020
Financial assets at amortized cost				
Cash in bank (Note 11)	P	202,430,661	P	889,057
Receivables (Note 12)		4,265,860		-
Security deposit (Note 13)		71,772		71,772
Construction bond (Note 13)		50,000		50,000
Advances to contractors (Note 14)		45,398,320		44,888,691
Total	P	252,216,613	P	45,899,520

The Group does not hold any collateral as security or other credit enhancements attached to its financial assets.

The credit risk for is considered negligible, since the counterparties are reputable entities with high quality external credit ratings.

The Group's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of receivables is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties. The Group does not execute any credit guarantee in favor of any counterparty.

NOTE 9 – 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 maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay-off existing debt, return capital to shareholders or issue new shares.

The Group considers its equity and loans & borrowings as capital.

The Group monitors its financial leverage using the debt-to-equity which is computed as total liabilities divided by total equity as shown in the table below:

		2021		2020
Total liabilities	P	437,089,031	P	382,202,161
Total equity		3,999,229,948		2,965,228,510
Debt-to-equity ratio		0.11:1		0.13:1

The Group is not subject to externally imposed capital requirements. There were no changes in the Group's approach to capital management during the year.

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NOTE 10 – FAIR VALUE MEASUREMENT

10.1 Carrying amounts and fair values by category

The table below presents a comparison by category of carrying amounts and fair values of the Group's financial instruments for the years ended December 31, 2021 and 2020:

	December 31, 2021		December 31, 2020	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial assets at amortized cost				
Cash in bank (Note 11)	P 202,430,661	P 202,430,661	P 889,057	P 889,057
Receivables (Note 12)	3,834,663	3,834,663	-	-
Security deposit (Note 13)	71,772	71,772	71,772	71,772
Construction bond (Note 13)	50,000	50,000	50,000	50,000
Advances to contractors (Note 14)	41,453,933	41,453,933	44,888,691	44,888,691
Total	P 247,841,029	P 247,841,029	P 45,899,520	P 45,899,520
Financial liabilities at amortized cost				
Accounts and other payables* (Note 19)	P 5,645,854	P 5,645,854	P 40,342,841	P 40,342,841
Advances from contractors (Note 20)	91,070,200	91,070,200	55,151,000	55,151,000
Loans and borrowings (Note 21)	90,999,901	90,999,901	37,550,000	37,550,000
Advances from related parties (Note 24)	247,983,223	247,983,223	247,924,585	247,924,585
Total	P 435,699,178	P 435,699,178	P 380,968,426	P 380,968,426

**excluding statutory liabilities*

Cash, Receivables, Accounts and Other Payables (excluding statutory payables), Advances to(from) Contractors and Loan Payable. The carrying values of these financial instruments approximate their fair values due to the relatively short-term maturity of these financial instruments.

Advances to (from) Related Parties. The carrying amounts of these related party transactions approximate their fair values.

10.2 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy Group's financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The fair value hierarchy has the following levels:

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

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The following table summarizes the fair value hierarchy of the Group's financial assets and liabilities, which are measured at fair value or requires disclosure as prescribed by other PFRS, as at December 31, 2020 and 2019:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in bank (Note 11)	202,430,661	-	-	202,430,661
Receivables (Note 12)	-	-	3,834,663	3,834,663
Security deposit (Note 13)	-	-	71,772	71,772
Construction bond (Note 13)	-	-	50,000	50,000
Advances to contractors (Note 14)	-	-	41,453,933	41,453,933
Total	202,430,661	-	45,410,368	247,841,029
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 19)	-	-	5,645,854	5,645,854
Advances from contractors (Note 21)			91,070,200	91,070,200
Loans and borrowings (Note 20)	-	-	90,999,901	90,999,901
Advances from related parties (Note 24)	-	-	247,983,223	247,983,223
Total	-	-	435,699,178	435,699,178

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in bank (Note 11)	889,057	-	-	889,057
Security deposit (Note 13)	-	-	71,772	71,772
Construction bond (Note 13)	-	-	50,000	50,000
Advances to contractors (Note 14)			44,888,691	44,888,691
Total	889,057	-	45,010,463	45,899,520
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 19)	-	-	40,342,841	40,342,841
Advances from contractors (Note 21)			55,151,000	55,151,000
Loans and borrowings (Note 20)	-	-	37,550,000	37,550,000
Advances from related parties (Note 24)	-	-	247,924,585	247,924,585
Total	-	-	380,968,426	380,968,426

As at December 31, 2021 and 2020, there are no financial assets or financial liabilities measured at fair value. There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2021 and 2020.

<u>Financial instruments not measured at fair value for which fair value is disclosed</u>
For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine fair value of such instruments are not based on observable market data.

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NOTE 11 – CASH

As of December 31, the account consists of the following:

Particulars		2021		2020
Petty cash fund	₱	20,000	₱	20,000
Cash in banks		202,430,661		889,057
Total	₱	202,450,661	₱	909,057

Cash in bank earns interest at the respective bank deposit rates. Interest income from bank deposits amounted to ₱36,247, ₱4,797, and ₱19,573 for the years ended December 31, 2021, 2020 and 2019, respectively (Note 27).

Included in cash in banks are amounts in a currency other than the Group's functional currency. As of December 31, 2021, 2020 and 2019 unrealized foreign exchange loss arising from foreign exchange translation at year-end spot rates amounted to ₱868,326, ₱3,960 and ₱969, respectively, were recognized in the Company's bank dollar account.

NOTE 12 – RECEIVABLES

As of December 31, this account consists of the following:

Particulars		2021
Advances to CBO	₱	4,240,000
Advances to employees		25,860
Total		4,265,860
Allowance for expected credit losses		(431,197)
Net	₱	3,834,663

Movement of allowance for expected credit losses is as follows:

Particulars		2021
January 1,	₱	-
Provision (Note 25)		431,197
Write off		-
Reversals		-
December 31,	₱	431,197

The account is nil as of December 31, 2020.

NOTE 13 – OTHER CURRENT ASSET

As of December 31, this account consists of the following:

Particulars		2021		2020
Input taxes	₱	3,623,500	₱	2,582,729
Prior year's excess credit		1,237,509		1,237,509
Security deposit		71,772		71,772
Prepaid rent		67,077		-
Construction bonds		50,000		50,000
Total	₱	5,049,858	₱	3,942,010

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

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

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

NOTE 14 – ADVANCES TO CONTRACTORS

As of December 31, the account consists of:

Contractors		2021		2020
Agbiag Mining Development Corporation (Agbiag)	₱	-	₱	43,851,191
Offshore Mining Chamber of the Philippines		2,745,000		1,000,000
Cagayan Blue Ocean		208,950		500
Others		42,444,370		37,000
Total		45,398,320		44,888,691
Allowance for expected credit losses		(3,944,387)		-
Net	₱	41,453,933	₱	44,888,691

Movement of allowance for expected credit losses is as follows:

Particulars		2021
January 1,	₱	-
Provision (Note 25)		3,944,387
Write off		-
Reversals		-
December 31,	₱	3,944,387

The account is nil as of December 31, 2020.

This account pertains to the unsecured and noninterest-bearing cash advances extended by the Subsidiary to its contractors for the payment of the permits, overhead fees, exploration services, depth and sounding survey studies and other technical expenses incurred by the latter. These advances have no fixed repayment date and are not expected to be collected within one year from the financial reporting date, hence, classified as non-current asset in the consolidated statements of financial position.

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NOTE 15 – INVESTMENT IN AN ASSOCIATE

In 2021, the Company acquired 49% ownership of Poet Blue Ocean.

As of December 31, this account consists of the following:

Particulars		2021
Cost	₱	711,980,880
Equity in net earnings		97,772,094
Total	₱	809,752,974

Movement of equity in net earnings is as follows:

Particulars		2021
January 1,	₱	-
Share in net earnings for the year		97,772,094
December 31,	₱	97,772,094

There were no dividends declared as of December 31, 2021.

As of December 31, 2020, the account is nil.

NOTE 16 – MINE PROPERTIES

The movement of the mine properties' cost is as follows:

Particulars		Mineral Assets		Mineral Development Cost		Patent		Total
As at December 31, 2019	₱	2,500,098,008	₱	694,956,557	₱	89,000,000	₱	3,284,054,565
Additions		-		4,694,000		-		4,694,000
As at December 31, 2020	₱	2,500,098,008		699,650,557	₱	89,000,000	₱	3,288,748,565
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**

JDVC was granted by the Department of Environment and Natural Resources (DENR) a Mineral Production Sharing Agreement (MPSA) -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 the Company 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 the Company, 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 Company proceeded to do the Technical or Progress Report Exploration, Environmental Work Programs and Exploration Work Programs.

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JDVC through a DOA transferred all rights and interest in the 2,400 ha portion of the MPSA-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 the Company in favor of the Government.

On August 9, 2017, the Company 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:

Company Name	Area Assigned (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 the Company last May 25, 2016, was approved by the DENR authorizing the Company 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 of December 31, 2021, the remaining 1,897.02 ha contract area of the MPSA No. 338-2010-IIOMR-Amended A which has been fully explored since 2017.

The carrying value of mine properties approximates its fair value as of December 31, 2021 based on the valuation report conducted by Cuervo Appraisers, Inc. dated February 16, 2022. Hence the account is not impaired.

Mineral Assets

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

Patent

Patent was acquired by Agbiag Mining Development Corporation (Agbiag) for the siphon vessel used in the exploration of the mining in Cagayan. Agbiag allows the Company 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 (see Note 30). The Company has an outstanding liability to Agbiag amounting to nil and ₱37,500,000 for the years ended December 31, 2021 and 2020, respectively (see Note 17).

Mining Costs

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

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

Estimated Units of Production of Mine

The computation of ore reserve was done by a competent individual geologist using the Polygon Method. The ore reserve has a total of 606.458 million tons. With the computed indicated resource, the mine life for the current ore resource is 87.7 years for the siphoning and utilizing magnetic separation on-board of the vessels. With the yearly

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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.

NOTE 17 – PROPERTY AND EQUIPMENT, NET

As of December 31, 2021, the account consists of the following:

Particulars		Beginning Balance		Additions		Disposal		Ending Balance
Cost:								
Machineries and equipment	₱	-	₱	40,000,000	₱	-	₱	40,000,000
Leasehold improvements		1,358,606		125,500		-		1,484,106
Office furniture and equipment		867,539		221,120		-		1,088,659
Motor vehicle		1,347,280		-		-		1,347,280
Computer software				257,628		-		257,628
Sub-total		3,573,425	₱	40,604,248	₱	-		44,177,673
Accumulated depreciation:								
Leasehold improvements		471,770	₱	295,148		-		766,918
Office furniture and equipment		747		52,878		-		53,625
Motor vehicle		673,640		505,230		-		1,178,870
Computer software		-		7,299		-		7,299
Sub-total		1,146,157	₱	860,555	₱	-		2,006,712
Net book value								
Machineries and equipment		-						40,000,000
Leasehold improvements		886,836						717,188
Office furniture and equipment		866,790						1,035,034
Motor vehicle		673,640						168,410
Computer software		-						250,329
Sub-total	₱	2,427,268					₱	42,170,961

As of December 31, 2020, the account consists of the following:

Particulars		Beginning Balance		Additions		Disposal		Ending Balance
Cost:								
Leasehold improvements	₱		₱	1,358,606	₱	-	₱	1,358,606
Office furniture and equipment		448,997		418,542		-		867,539
Motor vehicle		1,347,280		-		-		1,347,280
Sub-total		1,796,277	₱	1,777,148	₱	-		3,573,425
Accumulated depreciation:								
Leasehold improvements		397,693	₱	74,077				471,770
Office furniture and equipment		-		747				747
Motor vehicle		168,410		505,230				673,640
Sub-total		566,103	₱	580,054	₱	-		1,146,157
Net book value								
Office furniture and equipment		51,304						886,836
Leasehold improvements		-						866,790
Motor vehicle		1,178,870						673,640
Sub-total	₱	1,230,174					₱	2,427,268

The Group elected to use the cost model in accounting for property and equipment.

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As at December 31, 2021 and 2020, there are no indication of any impairment loss on the carrying amount of property & equipment since its recoverable amount exceeds its carrying amount.

The amount of depreciation charged to general and administrative expenses for the years ended December 31, 2021, 2020 and 2019 amounted to ₱860,555, ₱580,054 and ₱418,573 (Note 25), respectively.

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

NOTE 18 – WEBSITE COST

As of December 31, 2021 and 2020, the account amounted to ₱360,776 and nil, respectively. The account was fully amortized in 2021. (Note 25)

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

As of December 31, 2021 and 2020, there is no indication of any impairment loss on the carrying amount of intangible assets since its recoverable amount exceeds its carrying amount.

NOTE 19 – ACCOUNTS AND OTHER PAYABLES

As of December 31, this account consists of the following:

Particulars	December 31, 2021	December 31, 2020
Accrued expenses	₱ 5,071,753	₱ 2,097,698
Deferred output VAT	818,036	818,036
Accounts payable	574,102	745,143
Statutory payables	571,816	415,699
Payable to a contractor	-	37,500,000
Total	₱ 7,035,707	₱ 41,576,576

Payable to a contractor pertains to the outstanding liability to Agbiag for the patent for the siphon vessel used in its exploration activities (see Note 16). It is payable on demand of Agbiag.

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

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

NOTE 20 – LOANS AND BORROWINGS

As of December 31, 2021, outstanding balance of the convertible loans are all payable to Cagayan Blue Ocean Offshore Acquamarine Services Corporation (CBO) and Agbiag Mining Development Corporation. To wit:

Interest Rate	Terms	Conditions/Securities	Amount
6% p.a.	October 1, 2019 – October 1, 2021	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	₱ 4,750,000
6% p.a.	December 19, 2019 – December 19, 2021	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000

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6% p.a.	January 15, 2020 – January 15, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	2,000,000
6% p.a.	February 10, 2020 – February 10, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	2,000,000
6% p.a.	February 28, 2020 – February 28, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000
6% p.a	March 12, 2020 – March 12, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000
6% p.a.	April 6, 2020 – April 6, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000
6% p.a.	April 6, 2020 – April 6, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a	June 15, 2020 – June 15, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000
6% p.a	June 24, 2020 – June 24, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a	June 24, 2020 – June 24, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a	July 7, 2020 – July 7, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000
6% p.a	July 20, 2020 – July 20, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000
6% p.a	July 28, 2020 – July 28, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000
6% p.a	August 5, 2020 – August 5, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000
6% p.a	September 3, 2020 – September 3, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000
6% p.a	October 5, 2020 – October 5, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	300,000
6% p.a	October 13, 2020 – October 13, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000
6% p.a	October 15, 2020 – October 15, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,500,000
6% p.a	October 22, 2020 – October 22, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	2,000,000
6% p.a	October 29, 2020 – October 29, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a	November 9, 2020 – November 9, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a	November 11, 2020 – November 11, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a	November 19, 2020 – November 19, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	200,000
6% p.a	November 27, 2020 – November 27, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	350,000
6% p.a	December 4, 2020 – December 4, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	350,000
6% p.a	December 11, 2020 – December 11, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	300,000
6% p.a	December 15, 2020 – December 15, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	650,000
6% p.a	December 18, 2020 – December 18, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	150,000
6% p.a	December 23, 2020 – December 23, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a	December 28, 2020 – December 28, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	300,000
6% p.a.	January 5, 2021 – January 5, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a.	January 11, 2021 – January 11, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,500,000
6% p.a.	January 12, 2021 – January 12, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	350,000
6% p.a.	January 19, 2021 – January 19, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	3,000,000

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6% p.a.	January 29, 2021 – January 29, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	400,000
6% p.a.	February 21, 2021 – February 21, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	350,000
6% p.a.	February 8, 2021 – February 8, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	3,000,000
6% p.a.	February 18, 2021 – February 18, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	200,000
6% p.a.	February 22, 2021 – February 22, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	350,000
6% p.a.	February 26, 2021 – February 26, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	350,000
6% p.a.	March 1, 2021 – March 1, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	100,000
6% p.a.	March 5, 2021 – March 5, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,500,000
6% p.a.	March 12, 2021 – March 12, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	200,000
6% p.a.	March 18, 2021 – March 18, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	350,000
6% p.a.	March 24, 2021 – March 24, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	300,000
6% p.a.	March 25, 2021 – March 25, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a.	March 29, 2021 – March 29, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	300,000
6% p.a.	April 7, 2021 – April 7, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	100,000
6% p.a.	April 12, 2021 – April 12, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	550,000
6% p.a.	April 14, 2021 – April 14, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	750,000
6% p.a.	April 22, 2021 – April 22, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	600,000
6% p.a.	April 27, 2021 – April 27, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	450,000
6% p.a.	May 4, 2021 – May 4, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	450,000
6% p.a.	May 7, 2021 – May 7, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	250,000
6% p.a.	May 12, 2021 – May 12, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	650,000
6% p.a.	May 19, 2021 – May 19, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a.	May 25, 2021 – May 25, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	650,000
6% p.a.	May 31, 2021 – May 31, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a.	June 2, 2021 – June 2, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	300,000
6% p.a.	June 8, 2021 – June 8, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	200,000
6% p.a.	June 9, 2021 – June 9, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	150,000
6% p.a.	June 14, 2021 – June 2, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	450,000
6% p.a.	June 18, 2021 – June 18, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,000,000
6% p.a.	June 29, 2021 – June 29, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	450,000
6% p.a.	July 8, 2021 – July 8, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	200,000
6% p.a.	July 14, 2021 – July 14, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	300,000
6% p.a.	July 23, 2021 – July 23, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	750,000

Approved by: ______________
Date: ______________

6% p.a.	July 26, 2021 – July 26, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,100,000
6% p.a.	August 2, 2021 – August 2, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a.	August 4, 2021 – August 4, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	350,000
6% p.a.	August 13, 2021 – August 13, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	200,000
6% p.a.	August 18, 2021 – August 18, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	150,000
6% p.a.	August 23, 2021 – August 23, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	100,000
10% p.a.	August 26, 2021 – August 26, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	9,600,000
6% p.a.	August 27, 2021 – August 27, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	450,000
10% p.a.	September 1, 2021 – September 1, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	900,000
10% p.a.	September 3, 2021 – September 3, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	100,000
10% p.a.	September 9, 2021 – September 9, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
10% p.a.	September 14, 2021 – September 14, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	100,000
10% p.a.	September 21, 2021 – September 21, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	100,000
10% p.a.	October 1, 2021 – October 1, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	600,000
10% p.a.	October 8, 2021 – October 8, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	3,300,000
10% p.a.	October 15, 2021 – October 15, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	350,000
10% p.a.	October 26, 2021 – October 26, 2023	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	1,650,000
10% p.a.	October 28, 2021 – October 28, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	400,000
10% p.a.	November 5, 2021 – November 5, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	150,000
10% p.a.	November 9, 2021 – November 9, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	250,000
10% p.a.	November 12, 2021 – November 12, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	250,000
10% p.a.	November 17, 2021 – November 17, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	2,550,000
10% p.a.	November 17, 2021 – November 17, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	450,000
10% p.a.	November 25, 2021 – November 25, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	10,849,901
10% p.a.	November 29, 2021 – November 29, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	1,200,000
10% p.a.	December 3, 2021 – December 3, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	500,000
10% p.a.	December 9, 2021 – December 9, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	750,000
10% p.a.	December 13, 2021 – December 13, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	150,000
10% p.a.	December 15, 2021 – December 15, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	550,000
10% p.a.	December 20, 2021 – December 20, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	350,000
10% p.a.	December 29, 2021 – December 29, 2023	Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share.	700,000
			₱ 90,999,901

Approved by: ______________
Date: ______________

As of December 31, 2020, outstanding balance of the convertible loans are all payable to Cagayan Blue Ocean Offshore Acquamarine Services Corporation (CBO). To wit:

Interest Rate	Terms	Conditions/Securities		Amount
6% p.a.	October 1, 2019 - October 1, 2021	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	₱	6,200,000
6% p.a.	October 1, 2019 - October 1, 2021	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		4,750,000
6% p.a	November 27, 2019 – November 27, 2021	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		2,000,000
6% p.a	December 19, 2019 – December 19, 2021	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,000,000
6% p.a.	January 15, 2020 - January 15, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		2,000,000
6% p.a.	February 10, 2020 - February 10, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		2,000,000
6% p.a.	February 28, 2020 - February 28, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,000,000
6% p.a.	March 12, 2020 – March 12, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,000,000
6% p.a.	April 6, 2020 – April 6, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,000,000
6% p.a.	April 6, 2020 – April 6, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		500,000
6% p.a	June 15, 2020 – June 15, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,000,000
6% p.a	June 24, 2020 – June 24, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		500,000
6% p.a	June 24, 2020 – June 24, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		500,000
6% p.a	July 7, 2020 – July 7, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,000,000
6% p.a	July 20, 2020 – July 20, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,000,000
6% p.a	July 28, 2020 – July 28, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,000,000
6% p.a	August 5, 2020 – August 5, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,000,000
6% p.a	September 3, 2020 – September 3, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,000,000
6% p.a	October 5, 2020 – October 5, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		300,000
6% p.a	October 13, 2020 – October 13, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,000,000
6% p.a	October 15, 2020 – October 15, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		1,500,000
6% p.a	October 22, 2020 – October 22, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		2,000,000
6% p.a	October 29, 2020 – October 29, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		500,000
6% p.a	November 9, 2020 – November 9, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		500,000
6% p.a	November 11, 2020 – November 11, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		500,000
6% p.a	November 19, 2020 – November 19, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.		200,000

Approved by: _______________
Date: _______________

6% p.a	November 27, 2020 – November 27, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	350,000
6% p.a	December 4, 2020 – December 4, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	350,000
6% p.a	December 11, 2020 – December 11, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	300,000
6% p.a	December 15, 2020 – December 15, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	650,000
6% p.a	December 18, 2020 – December 18, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	150,000
6% p.a	December 23, 2020 – December 23, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	500,000
6% p.a	December 28, 2020 – December 28, 2022	Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share.	300,000
			₱ 37,550,000

Total borrowing costs attributable to these loans amounted to ₱4,147,185, ₱1,276,450 and ₱2,177,028 for the years ended December 31, 2021, 2020 and 2019, respectively (see Note 27).

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 December 31, 2020 and 2019, ₱37,550,000 and ₱13,950,000, respectively, have been availed from CBO.

The loans bear an interest of 6% per annum with a term of two years. These are convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share. Aside from the conversion right granted to the lender of loan, there are no other guarantees and securities to the loan. Also, the parties agreed to non-assignability of the loan. Unless the lender exercises his conversion right, the Subsidiary shall repay the loan including the accrued interest in full at the maturity date. The Subsidiary is not required to maintain certain financial ratios or capital requirements with regards to this loan.

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

Convertible Loan Agreement
On February 20, 2019, the BOD authorized the Parent Company to enter into a convertible loan agreement with a third party amounting to ₱50 million. The loan bears an interest of 5% per annum and will mature on February 20, 2021. The principal and interest are convertible to shares at ₱0.01 per share any time until the 10th day before the maturity date at the option of the third party.

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

Approved by: ______________
Date: ______________

NOTE 21 – ADVANCES FROM CONTRACTORS

As of December 31, this account consists of advances from the following contractors:

Particulars		December 31, 2021		2020
Agbiag Mining Development Corporation (Note 30)	₱	**51,500,000**	₱	51,500,000
Cagayan Blue Ocean (CBO)		**39,570,200**		3,651,000
Total		**91,070,200**		55,151,000

NOTE 22 – SHARE CAPITAL

As of December 31, the share capital of the Group is as follows:

Particulars	2021 No. of shares		2021 Amount	2020 No. of shares		2020 Amount
Authorized P0.01 par Balance at beginning and end of year	**600,000,000,000**	₱	**6,000,000,000**	600,000,000,000	₱	6,000,000,000
Subscribed, issued, paid-up & outstanding: Balance at beginning of year	**280,336,349,297**		**2,803,363,493**	275,196,071,520	₱	2,751,960,715
Conversion of loan	**-**		**-**	5,140,277,777		51,402,778
Issuance of share	**12,350,000,000**		**123,500,000**			
Balance at end of year	**292,686,349,297**	₱	**2,926,863,493**	280,336,349,297	₱	2,803,363,493
Ordinary share capital	**292,686,349,297**	₱	**2,926,863,493**	280,336,349,297	₱	2,803,363,493

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

Date of Approval	Nature	Note	Number of shares Authorized	Issued/ Subscribed	Issue/ Offer Price
October 18, 2012	Listing of shares		100,000,000,000	27,800,000,000	1.00
October 9, 2017	Share swap	5	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

The total number of stockholders of the Parent Company is 805 as of December 31, 2021.

Issuance of Capital Stock
On August 6, 2021, the SEC approved the follow-on offering of the Company of 12,350,000,000 common shares at an Offer Price of ₱0.08, with a par value of ₱0.01 per share. Offer shares were approved for listing on August 31, 2021.

Increase in Authorized Capital Stock of APL
On October 9, 2017, the SEC approved the increase in the capital stock of the Parent Company from ₱1,000,000,000 divided into 100,000,000,000 shares to ₱6,000,000,000 divided into 600,000,000,000 shares both with a par value of ₱0.01.

Convertible Loan Agreement
On February 20, 2019, the BOD authorized the Parent Company to enter into a convertible loan agreement with a third party amounting to ₱50 million. The loan bears an interest of 5% per annum and will mature on February 20, 2021. The principal and interest are convertible to shares at ₱0.01 per share any time until the 10th day before the maturity date at the option of the third party.

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

NOTE 23 – SHARE PREMIUM

The movements of share premium are as follows:

	December 31, 2021	December 31, 2020
At January 1	₱ 17,586,961	₱ 17,586,961
Share premium on common shares issued during the year		
Gross proceeds	988,000,000	-
Direct attributable issuance costs	14,014,981	-
Par value of issued shares	123,500,000	
End	₱ 868,071,980	₱ 17,586,961

Share premium arises when the amount subscribed is in excess of nominal value.

Issuance of Capital Stock
On August 6, 2021, the SEC approved the follow-on offering of the Company of 12,350,000,000 common shares at an Offer Price of ₱0.08, with a par value of ₱0.01 per share. Offer shares were approved for listing on August 31, 2021.

NOTE 24 – 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
Cutagayan 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:

Approved by: ______________
Date: ______________

As of December 31, 2021,

Related Party	Transactions	Outstanding Balance	Nature	Terms and Conditions
Advances from related parties				
Key management personnel	₱ -	₱ 39,139,870	Advances for working capital purposes	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Stockholders	58,638	208,843,353	Advances for working capital purposes	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
	₱ 58,638	₱ 247,983,223		

As of December 31, 2020,

Related Party	Transactions	Outstanding Balance	Nature	Terms and Conditions
Advances from related parties				
Key management personnel	₱ 39,139,870	₱ 39,139,870	Advances for working capital purposes	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Stockholders	207,101,733	208,784,715	Advances for working capital purposes	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
	₱ 246,241,603	₱ 247,924,585		
Deposits for future share subscription				
Key management personnel	₱ (39,139,870)	₱ -	Deposits for future stock subscription	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, for future issuance of common shares of JDVC
Stockholders	(207,009,692)	-	Deposits for future stock subscription	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, for future issuance of common shares of JDVC
	₱ (246,149,562)	₱ -		

Terms and Conditions of Transactions with Related Parties

Advances from Related Parties
The Group often borrows funds to finance its operating expenses and working capital. Advances from related parties are unsecured, noninterest-bearing, collectible and/or payable beyond 12 months. The Group did not recognize expected credit loss from advances to related parties. The Group has the discretion to refinance these advances on a long-term basis and expects to repay the advances when the Group has sustained sufficient financial capacity.

Loan Payable
In 2017, the Group obtained a secured loan from a related party amounting to ₱10.0 million for working capital purposes. The loan bears a monthly interest rate of 0.5%. The loan was paid in full in 2019. Interest expense from loan payable amounted to ₱0.6 million in 2019 (see Note 27).

Deposits for Future Share Subscription
This account refers to amounts collected from existing shareholders of JDVC to issue a specified number of common shares of JDVC at par value.

Approved by: ______________
Date: ______________

Deposit for future share subscription shall be classified under equity if all of the following elements are present as at reporting date:

a. The unissued authorized capital of the entity is insufficient to cover the amount of shares indicated in the contract;
b. There is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
c. There is stockholders' approval of said proposed increase; and
d. The application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

As of December 31, 2021 and 2020, any of the foregoing elements are not present, hence the deposit for future share subscription shall be recognized as a noncurrent liability in the consolidated statements of financial position. The BOD of JDVC also expects to apply for an increase in capital stock beyond 12 months from reporting date. The deposits are refundable upon the request of the shareholder if they wish to withdraw.

On July 6, 2020, the Board approved the reclassification of the total cash advances received by the Subsidiary from its stockholders/officers amounting to Two Hundred Forty Six Million One Hundred Forty Nine Thousand Five Hundred Sixty Two Pesos Philippine Currency (Php246,149,562.00) from "Deposit for Future Subscription" to "Advances from Stockholders/Officers" because the intention of the parties for the cash advances is to provide temporary financing to JDVC that is intended to be repaid in some future date and the parties do not intend to use the Subsidiary's shares of stock as payment for said loan/advances. The advances are intended for temporary financing to JDVC and shall be noninterest-bearing, unsecured and repayable in cash within 2 years, with option to extend terms. These advances are classified as non-current liabilities since the Subsidiary expects to repay these advances when the Subsidiary can generate positive cash flows from operations. As of December 31, 2020, deposits for future stock subscription amounted to nil.

<u>Compensation of Key Management Personnel</u>

Since the Group is in its pre-operating stages, there are no key management personnel compensation recognized 2021, 2020 and 2019, 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.

NOTE 25 – GENERAL AND ADMINISTRATIVE EXPENSES

As of December 31, this account consists of the following:

Particulars	2021	2020	2019
Professional fees	₱ 18,450,232	₱ 3,511,161	₱ 2,192,004
Repairs and maintenance	5,829,887	82,156	185,649
Provision for credit losses (Note 12 and 14)	4,375,583	-	-
Salaries and wages (Note 26)	4,237,207	3,058,192	2,500,096
Organization cost	2,513,065	-	-
Commission expense	1,764,286	-	-
Representation	1,280,830	863,707	1,357,235
Taxes and licenses	1,246,458	1,376,625	4,931,891
Travel and transportation	877,384	494,974	1,959,469
Depreciation (Note 17)	860,555	580,053	418,573
Rent (Note 30)	737,851	804,928	698,020
Amortization (Note 18)	360,777	-	-
Fines and penalties	198,000	-	-
Meetings and conference	196,018	-	-
Office supplies	188,450	410,460	225,907
Advertising	161,519	170,048	-
Mobilization cost	-	2,298,021	3,368,891
Association dues	-	-	155,469
Miscellaneous	2,836,843	2,084,191	989,759
Total	₱ 46,114,945	₱ 15,734,516	₱ 18,982,963

Approved by: _______________
Date: _______________

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

NOTE 26 – EMPLOYEE BENEFITS

As of December 31, 2021, 2020 and 2019, expenses recognized for salaries and employee benefits amounted to ₱4,237,207, ₱3,058,192 and ₱2,500,096, respectively. The amount of salaries and employee benefits is charged to general and administrative costs (see Note 25).

Post-employment Defined Benefits

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

NOTE 27 – FINANCE AND OTHER INCOME (LOSSES), NET

As of December 31, this account consists of the following:

Particulars	2021	2020	2019
Finance income			
Interest income from bank deposits	₱ 36,247	₱ 4,797	₱ 19,753
Interest income from loan receivables	-	-	2,272,321
Subtotal	36,247	4,797	2,292,074
Finance costs			
Interest expense	(4,147,185)	(1,276,450)	(2,177,028)
Other income (losses)			
Foreign exchange gain (loss)	(868,326)	(3,960)	(969)
Finance and other income (losses), net	₱ (4,979,264)	₱ (1,275,613)	₱ 114,077

The loan was due from a former stockholder at 12% interest rate per year which were collected in full in 2019 including its related interest.

NOTE 28 – INCOME TAXES

Tax expense (benefit) consists of the following:

Particulars	2021	2020	2019
Current tax expense	₱ -	₱ -	₱ 45,446
Deferred tax income, net	(10,003,034)	(723,109)	(1,226,937)
Income tax benefit	₱ (10,003,034)	₱ (723,109)	₱ (1,181,491)

Approved by: ______________
Date: ______________

The schedule of deferred tax assets is as follows:

	Statements of Financial Position		Statements of Comprehensive Income	
	2021	2020	2021	2020
Deferred tax assets:				
NOLCO	₱ 14,855,279	₱ 6,154,303	₱ 8,701,966	₱ 723,109
Provision for credit losses	1,301,608	-	1,301,068	-
Deferred tax assets – net	₱ 16,157,877	₱ 6,154,303		
Deferred tax benefit – net			₱ 10,003,034	₱ 723,109

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

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

	2021	2020	2019
Unrecognized:			
NOLCO	₱ 1,992,588	₱ 4,732,786	₱ 8,848,248
Excess MCIT	45,446	90,892	136,338
Total	₱ 2,038,034	₱ 4,823,678	₱ 8,984,586
Recognized:			
NOLCO	₱ 14,855,279	₱ 6,154,303	₱ 5,431,194
ECL	1,301,608	-	-
Total	₱ 16,156,887	₱	₱

Details of the Company's NOLCO are as follows:

Year incurred	Valid Until	Original Amount	Used/Expired	Balance	Tax Effect
2021		₱	₱	₱	₱
2020	2025*	13,850,107	-	13,850,107	4,155,032
2019	2022	11,250,350	-	11,250,350	3,375,105
2018	2021	11,189,840	-	11,189,840	3,356,952
2017	2020	25,157,951	(25,157,951)	-	-
		₱ 61,448,248	₱ (25,157,951)	₱ 36,290,297	₱ 10,887,089

*On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover as One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The Company is subject to Minimum Corporate Income Tax (MCIT) which is computed at 2% of gross income, as defined under tax regulations, or RCIT, whichever is higher. In 2020, the Company does not have gross income hence not liable to MCIT nor RCIT. In 2019, the Company is liable of MCIT as the MCIT was higher than the RCIT.

Details of the Group's MCIT are as follows:

Year incurred	Valid Until	Beginning balance	Applied/Expired	Ending Balance
2019	2022	₱ 45,446	₱ -	₱ 45,446
2018	2021	45,446	-	45,446

Approved by: ______________
Date: ______________

2017	2020	45,446	45,446	-
		₱ 136,338	₱ 45,446	₱ 90,892

The reconciliation of income tax at the statutory tax rate to the income tax as shown in the consolidated statement of comprehensive income is as follows:

	2021	2020	2019
Income tax at statutory tax rate	₱ 11,669,471	₱ (5,103,039)	₱ (5,660,666)
Change in unrecognized deferred tax assets	106,122	(4,160,928)	1,160,937
Tax effects of:			
Non-deductible expenses	747,155	949,446	2,291,487
Share in net earnings of associate	-24,443,023		
Income subject to final tax	-9,062	(1,439)	(5,926)
Unrealized forex gain	-9,093		
Expired NOLCO	1,935,396	7,546,405	986,231
Expired excess MCIT	-	46,446	46,446
Income tax benefit	₱ (10,003,034)	₱ (723,109)	₱ (1,181,491)

NOTE 29 – EARNINGS(LOSS) PER SHARE

As of December 31, the financial information pertinent to the derivation of the basic and diluted earnings per share are as follows:

	2021	2020	2019
Net loss attributable to the equity holders of the Company	₱ 58,831,314	₱ (15,149,443)	₱ (16,001,786)
Weighted average number of shares outstanding:			
Balance at beginning of year	280,336,349,297	280,336,349,297	275,196,071,520
Effect of share issuances	4,116,666,667	-	1,563,207,762
Balance at end of year	284,453,015,964	280,336,349,297	276,759,279,282
Basic/Diluted earnings(loss) per share	₱ 0.00021	₱ (0.00005)	₱ (0.00006)

Diluted earnings per share is equal to the basic earnings per share since the Company does not have potential dilutive shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial reporting date and the date of authorization of these consolidated financial statements.

NOTE 30 – SIGNIFICANT COMMITMENTS

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

Approved by: ______________
Date: ______________

of 5% per annum upon renewal. Security deposit amounted to ₱71,772 as at December 31, 2021 and 2020, (see Note 13).

Total expense from these leases amounted to ₱860,555, ₱804,928, and ₱698,020 for the years ended December 31, 2021, 2020 and 2019, respectively, which was charged to general & administrative costs. (See Note 25)

Royalty Agreement

On September 1, 2014, the Subsidiary entered in a royalty agreement with Agbiag, operating contractor of the Subsidiary, 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 the Subsidiary in various areas in Cagayan Province, for twenty-five (25) years or the life of the Subsidiary'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. Cash advances extended by the Company to Agbiag for this purpose amounting to nil and ₱43,851,191 as at December 31, 2021 and 2020, respectively (Note 16).

As consideration, the Subsidiary shall earn royalty income of US$4.00 up to US$9.33 per ton or specifically in accordance with the proposed slide-up-slide-down net share remittance, or size percent (6%) of cost, whichever is shorter. In 2017, the Subsidiary received advance royalty payment from Agbiag amounting to ₱51,500,000.
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 the Subsidiary to Agbiag. This was presented under "Advances from a contractor" account in the consolidated statement of financial position.

Social and Environmental Responsibilities

In 2019, the Subsidiary 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.

The Subsidiary will start implementing these programs upon commencement of operations.

COVID-19 Impact

In early 2020, the world was adversely affected by the COVID-19, which was declared a pandemic by the World Health Organization. In a move to contain the COVID-19 outbreak, the Philippine government initiated directives to impose stringent social distancing measures and guidelines under different levels of community quarantine depending on the assessment of the situation in the numerous parts of the country. These measures have cause disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

The Group's timeline for the commencement of the operations were delayed due to limited movement within the region and the start of monsoon season.

Approved by: ______________
Date: ______________

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.

NOTE 31 – OTHER MATTERS

31.1 Retirement benefits

The Group does not yet provide post-employment benefits to its employees. Management believes that the retirement expense is not significant based on the current number of employees which is less than 10 and insignificant payroll costs as of December 31, 2021.

31.2 Supplemental disclosure of cash flow information

The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes.

Particulars		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		1,276,450		-		-		4,147,185		5,423,635
Total liabilities from financing activities	₱	286,751,035	₱	53,508,539	₱	-	₱	4,147,185	₱	344,406,759

Particulars		January 1, 2020		Cash flows		Reclassification		Interest expense		December 31, 2020
Loans & borrowings	₱	13,950,000	₱	23,600,000	₱	-	₱	-	₱	37,550,000
Advances from related parties		1,682,983		92,040		246,149,652		-		247,924,585
Deposits for future stock subscription		246,149,562		-		(246,149,562)		-		-
Interest payable		-		-		-		1,276,450		1,276,450
Total liabilities from financing activities	₱	261,782,545	₱	23,692,040	₱	-	₱	1,276,450	₱	286,751,035

Non-cash Activities
The Group had no material non-cash investing or financing activity-related transactions for the year ended December 31, 2021 and 2020 except for the reclassification of deposits for future subscription to advances from related parties in 2020 (see Note 24).

The Group had no material non-cash investing or financing activity-related transactions for the year ended December 31, 2019, except for the conversion of interest bearing loans and borrowing amounting to ₱50.0 million and accrued interest amounting to ₱1,402,778 into share capital with a par value of ₱.01 per share with an equivalent of 5,140,277,777 shares.

NOTE 32 – CONTINGENCIES

The Group is a not party to any legal proceedings. There are no taxes, assessment and charges of whatsoever nature levied upon or against the Group, or against its properties, revenues, and assets.

Approved by: ______________
Date: ______________

NOTE 33 – SUBSEQUENT EVENTS

Continuing COVID-19 Pandemic

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 2021 and even periods thereafter. Considering the evolving nature of the pandemic, the Group will continue to monitor the situation.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO ACCOMPANYING FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

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

We have examined the consolidated financial statements of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES *(Formerly Yehey! Corporation and Its Subsidiaries)*** for the year ended December 31, 2021, on which we have rendered the attached report dated May 16, 2022.

In compliance with Revised SRC Rule 68, we are stating that the Group has eight hundred four (804) stockholders owning one hundred (100) or more shares each as of December 31, 2021.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on July 29, 2021, Valid until July 14, 2024
BIR Accreditation No. 08-002126-000-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No.0314-SEC, Group A
Issued on February 23, 2022

For the firm:

Felicidad A. Abad

FELICIDAD A. ABAD
Partner
CPA Registration No. 25184, Valid until April 5, 2024
TIN No. 123-048-248-000
PTR No. 8852940, Issue Date: January 6, 2022, Makati City
BOA/PRC Reg. No. 0314
Issued on July 29, 2021, Valid until July 14, 2024
BIR Accreditation No. 08-002126-001-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No. 25184-SEC, Group A
Issued on February 23, 2022

Makati City, Philippines
May 16, 2022

Valdes Abad & Company
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certified public accountants

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

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INDEPENDENT PUBLIC AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES** ***(Formerly Yehey! Corporation and Its Subsidiaries)*** as at December 31, 2021 and 2020 and have issued our report thereon dated May 16, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2021 and 2020 and no material exceptions were noted.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on July 29, 2021, Valid until July 14, 2024
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Issued on March 19, 2021, Valid until March 18, 2024
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Makati City, Philippines
May 16, 2022

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REPORT OF INDEPENDENT PUBLIC AUDITORS TO ACCOMPANY SEC SCHEDULES FILED SEPARATELY FROM THE BASIC FINANCIAL STATEMENTS

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

We have examined the consolidated financial statements of **APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES** ***(Formerly Yehey! Corporation and Its Subsidiaries)*** as of December 31, 2021 on which we have rendered the attached report dated May 16, 2022. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary schedules of the Company as of December 31, 2021 and for the year then ended, required by the Securities and Exchange Commission, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on July 29, 2021, Valid until July 14, 2024
BIR Accreditation No. 08-002126-000-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No.0314-SEC, Group A
Issued on February 23, 2022

For the firm:

Felicidad A. Abad
FELICIDAD A. ABAD
Partner
CPA Registration No. 25184, Valid until April 5, 2024
TIN No. 123-048-248-000
PTR No. 8852940, Issue Date: January 6, 2022, Makati City
BOA/PRC Reg. No. 0314
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BIR Accreditation No. 08-002126-001-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No. 25184-SEC, Group A
Issued on February 23, 2022

Makati City, Philippines
May 16, 2022

Approved by: __________
Date: __________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES
(Formerly Yehey! Corporation and its Subsidiary)

I. SUPPLEMENTAL SCHEDULES REQUIRED BY PART II of REVISED SRC RULE 68ANNEX 68-J
FOR THE YEAR ENDED DECEMBER 31, 2021
SCHEDULE A. Financial Assets

Financial asset for the year ended December 31, 2021	Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in the statement of financial position	Fair value based on its carrying amount at the end of reporting period	Fair value based on approximate discounted value of future cash flows at the end of reporting period	Fair value based on marker quotation at the end of the reporting period	Income received	Income accrued
Cash in banks (Note 8)	Not applicable	Not applicable	₱202,430,661	₱202,430,661	Not applicable	Not applicable	₱36,247	₱ -
Receivables (Note 12)	Not applicable	Not applicable	3,834,663	3,834,663	Not applicable	Not applicable	-	-
Security deposit (Note 13)	Not applicable	Not applicable	71,772	71,772	Not applicable	Not applicable	-	-
Construction bond (Note 13)	Not applicable	Not applicable	50,000	50,000	Not applicable	Not applicable	-	-
Advances to contractors (Note 10)	Not applicable	Not applicable	41,453,933	41,453,933	Not applicable	Not applicable	-	-
TOTAL			₱247,841,029	₱247,841,029			₱36,247	₱ -

Approved by: ____________
Date: ____________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES
(Formerly Yehey! Corporation and its Subsidiary)
For the year ended December 31, 2021

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

Approved by: ____________
Date: ____________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES
(Formerly Yehey! Corporation and its Subsidiary)
For the year ended December 31, 2021

SCHEDULE B. Amounts of Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)

Name and designation of debtor	Balance at beginning of period	Amounts (collected) /transferred	Amounts written-off	Current	Non-current	Balance at end of period

NOT APPLICABLE

SCHEDULE C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at end of period
Advances to JDVCResourcesCorporation (Subsidiary)	9,198,954	50,000,000	8,767,756		49,602,511		49,602,511
Advances from Apollo Global Capital, Inc. (Parent Company)	9,198,954	50,000,000	8,767,756		49,602,511		49,602,511
Advances from/DVCResourcesCorporation (Subsidiary)	-	2,945,157	-	-	-	2,945,157	2,945,157
Advances to JDVC Indonesia (Subsidiary)	-	2,945,157	-	-	-	2,945,157	2,945,157

SCHEDULE D. Intangible Assets – Other Assets

Description	Balance at beginning of period	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other charges additions (deductions)	Balance at end of period
Website cost	₱ 360,777	₱	₱ 360,777	-	-	₱ -

SCHEDULE E. Long-term Debt

Title of issue	Amount authorized by indenture	Amount shown under caption "Current portion of long term debt	Amount shown under caption "Long term debt" in related balance sheet
Borrowings	₱ -	₱ 23,600,000	₱ 67,399,901

SCHEDULE F. Indebtedness to Related Parties (Long Term Loans from Related Parties)

Name of related party	Balance at beginning of period	Amount shown under caption "Current portion of long term debt

Not Applicable

Approved by: ____________________
Date: ____________________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES
(Formerly Yehey! Corporation and its Subsidiary)
For the year ended December 31, 2021

SCHEDULE G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the Company 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

Not Applicable

SCHEDULE H. Capital Stock

				Number of shares held by		
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet	Number of shares reserved for options, warrants, conversion and other rights	Related parties	Directors, officers and employees	Others
Common shares	600,000,000,000	292,686,349,297	none	none		

Approved by: ____________________
Date: ____________________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES
(Formerly Yehey! Corporation and its Subsidiary)
As at period ended December 31, 2021

II. RECONCILIATIONOF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION AS REQUIRED BY REVISED SRC RULE 68 ANNEX 68-D

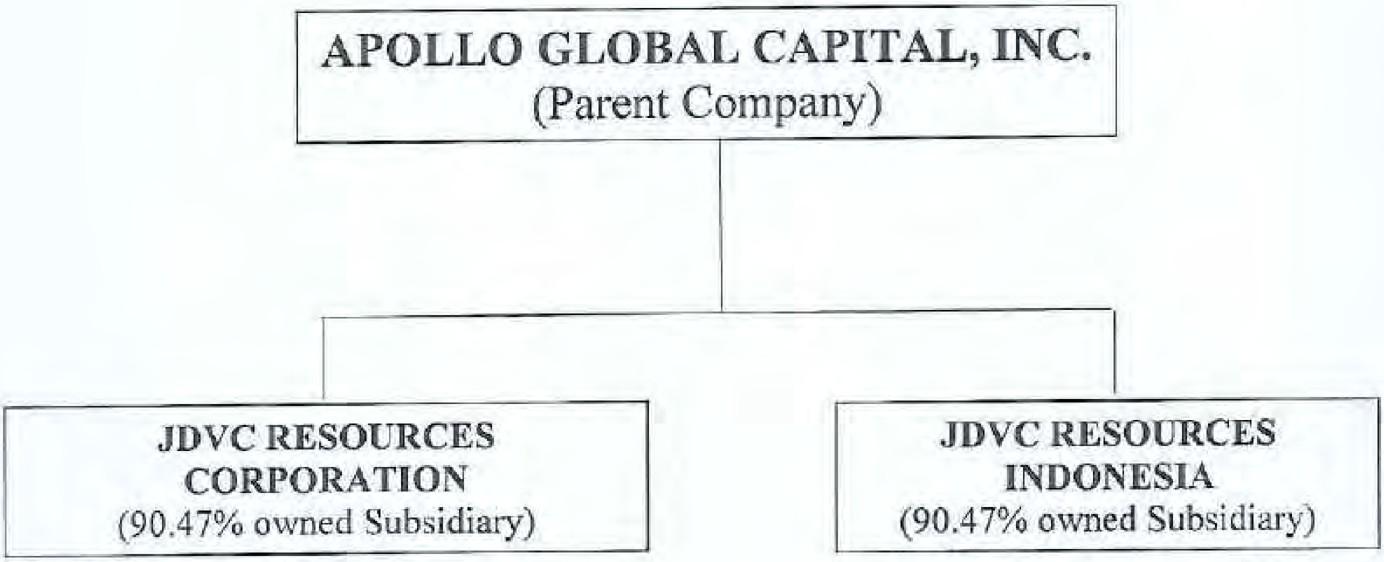
Not applicable*

*The Parent Company's Retained Earnings as of December 31, 2021 did not exceed its 100% of paid-in capital stock since it is in deficit position.

Approved by: ____________________
Date: ____________________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
(Formerly Yehey! Corporation and its Subsidiary)
For the year ended December 31, 2021

III. MAP OF GROUP OF COMPANIES



Approved by: ____________
Date: ____________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
(Formerly Yehey! Corporation and its Subsidiary)
For the year ended December 31, 2021

IV. SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS REQUIRED BY REVISED SRC RULE 68 ANNEX 68-E

Ratio	Formula		As of period ended December 31, 2021		As of year ended December 31, 2020
Current Ratio	Total current assets	₱	211,335,182	₱	4,918,947
	Divided by: Total current liabilities		121,705,907		109,338,120
	Current ratio		1.74:1		0.04:1
Acid test ratio	Total current assets	₱	211,335,182	₱	4,918,947
	Less: Other current assets		5,049,858		3,634,557
	Quick assets	₱	206,285,324	₱	1,284,390
	Divide by: Total current liabilities		121,705,907		109,338,120
	Acid test ratio		1.69:1		0.01:1
Solvency Ratio	Net income(loss)	₱	56,680,919	₱	(17,687,395)
	Add: Depreciation		860,555		418,573
		₱	(57,541,474)	₱	(17,268,822)
	Divide by: Total liabilities		437,089,031		357,170,665
	Solvency ratio		0.13:1		(0.05):1
Debt-to-Equity Ratio	Total liabilities	₱	437,089,031	₱	357,170,665
	Divided by: Total Equity		3,999,229,948		2,981,515,530
	Debt-to-equity ratio		0.11:1		0.12:1
Asset-to-equity ratio	Total assets	₱	4,436,318,979	₱	3,338,686,195
	Divided by: Total equity		3,999,229,948		2,981,515,530
	Asset-to-equity ratio		1.11:1		1.12:1
Interest rate coverage ratio	Loss before income tax	₱	(46,677,885)	₱	(18,868,886)
	Add: Interest expense		4,147,185		2,177,028
		₱	(15,733,679)	₱	(16,691,858)
	Divided by: Interest expense		4,147,185		2,177,028
	Interest rate coverage ratio		(12.26):1		(7.67):1
Return on equity	Net loss	₱	(16,287,020)	₱	(17,687,395)
	Divided by: Total equity		2,965,228,510		2,981,515,530
	Return on equity		(0.005):1		(0.006):1
Return on assets	Net loss	₱	(16,287,020)	₱	(17,687,395)
	Divided by: Total assets		3,347,430,671		3,338,686,195
	Return on assets		(0.0049):1		(0.0053):1
Net profit margin	Net loss	₱	(16,287,020)	₱	(17,687,395)
	Net sales		N/A		N/A
	Net profit margin		N/A		N/A

Approved by: ______________
Date: ______________

APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY
(Formerly Yehey! Corporation and its Subsidiary)
For the year ended December 31, 2021

IV. SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS REQUIRED BY REVISED SRC RULE 68 ANNEX 68-E

Ratio	Formula		As of period ended December 31, 2021		As of year ended December 31, 2020
Other ratios					
Basic earnings (loss)per shareratio	Net loss attributable to the equity holders of the Parent Company	₱	**58,831,314**	₱	58,831,314
	Divided by: Weighted average number of shares outstanding		**280,336,349,297**		276,759,279,282
	Basic earnings (loss) per share ratio		**(0.00005):1**		(0.00006):1
Diluted earnings (loss) per share ratio	Net loss attributable to the equity holders of the Parent Company	₱	**58,831,314**	₱	(16,001,786)
	Divided by: Weighted average number of diluted shares outstanding		**280,336,349,297**		276,759,279,282
	Diluted earnings (loss) per share ratio		**(0.00005):1**		(0.00006):1

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	Apollo Global Capital, Inc.
Location of Headquarters	Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City
Location of Operations	Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	JDVC Resources Corporation
Business Model, including Primary Activities, Brands, Products, and Services	None
Reporting Period	FY2021
Highest Ranking Person responsible for this report	Mr. Vittorio Lim

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
The company is currently non-operational, we regularly conduct reviews of our externalities- in consideration of our current lean organization and in our pursuit for new ventures and business opportunities. We are committed to minimizing our negative impact to the economy, the environment and to society by enhancing our operations to align with normative frameworks on sustainability. We believe in treating all people with respect. We believe that we have a role in the community to be stewards of the planet. We believe that in our pursuit for new business/es and opportunities sustainability should be at its core.

[1] See GRI 102-46 (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	46,677,885	PhP
Direct economic value distributed:		
a.Operating costs	(40,518,030)	PhP
b.Employee wages and benefits	0	PhP
c.Payments to suppliers, other operating costs		Php
d.Dividends given to stockholders and interest payments to loan providers	0	PhP
e.Taxes given to government		PhP
f.Investments to community (e.g. donations, CSR)		PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore provides negligible impact to the economy.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore provides negligible impact to the economy.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore provides negligible impact to the economy.

Climate-related risks and opportunities[15]

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities	Disclose the actual and potential impacts[16] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	Disclose how the organization identifies, assesses, and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climaterelated risks and opportunities where such information is material
Recommended Disclosures			
a) Describe the board's oversight of climaterelated risks and opportunities "The Corporation shall be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.	a) Describe the climate related risks and opportunities the organization has identified over the short, medium and long term We keep ourselves abreast on climaterelated issues. Since we are currently nonoperational, however, we find ourselves unaffected by these matters, yet.	a) Describe the organization's processes for identifying and assessing climate related risks In the projects we consider, we include screening them for climate risk and conduct the necessary due diligence. We conduct a 360-degree approach starting from interviews with management and the local communities. We have also in our competency improvements climate risk management tools such as the one shared by USAID – Climate Risk Screening and Management Tool. Any climate risks identified become starting points for climate risk management. From there, we will consider options such as hiring of experts, climate risk mitigation options, etc.	a)Disclose the metrics used by the organization to assess climaterelated risks and opportunities in line with its strategy and risk management process When we explore business opportunities, we adopted a risk rating system that has a grading system of low climate risk, moderate climate risk and high climate risk. Low climate risk means low probability with low impact. Moderate climate risk means moderate probability with moderate impact. High climate risk means high probability with high impact.

b) Describe management's role in assessing and managing climaterelated risks and opportunities "The Corporation shall be socially responsible in all its dealings with thecommunities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.	b) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy and financial planning Theincreased awareness and studies on climate change have affected our considerations on business models andopportunities in the pipeline. We understand the changing paradigms and we take these into serious account in strategizing and financial planning matters.	b) Describe the organization's processes for managing climate related risks We adopted the following measures to manage climate related risks: i. Climate risk management is an integral part of theproject cycle. Since we include climate risk screening early on we follow up throughout the design process, if necessary. ii. Continuous enhancement of board/management/ employee competencies on climate related initiatives and actively developing climate risk management activities within departments.	b)Describe the targets used by the organization to manage climaterelated risks and opportunities and performance against targets We are currently nonoperational. Any project we intend to pursue, of which any short, mediumand long-term goals willalso include our sustainability efforts.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios including a 2°C or lower scenario With no business operations at the	d) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management For any project we	

	moment and projects are still in the digesting stage, we cannot categorically indicate the degree of resilience our strategies are with the envisioned climate related scenarios being considered. However, we are committed to climate related matters and seriously considers these issues. We acknowledge the changing paradigms and we as much as possible include these topics in our discussions.	are considering, it is important to us to anticipate future trends. We gauge possible new regulations by monitoring initiatives and publications of the Global Reporting Initiative ("GRI"), Sustainability Accounting Standards Board ("SASB"), and the UN Sustainable Development Goals. We believe also in continuously engaging our stakeholders and we would like to use this mechanism in receiving insights in our areas we can improve on. We also believe in embedding sustainability issues into our core business strategies and in our internal audit procedures.	

[15] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.
[16] For this disclosure, impact refers to the impact of climate-related issues on the company.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not Applicable	*Not Applicable*	Regardless of our non-operational status, we practice sustainable procurement practices and have implemented general practices for its day to day. We include the following factors in our procurement policies: • Environmental aspects – environment effects of the assets, supplies, and/or services • Social aspects – impact of the assets, supplies, and/or services on poverty reduction, women empowerment, scarcity of resources, labor conditions human rights, etc. • Local entrepreneurship.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore any procurement needs it currently has are for minimal office supplies and printing services and provide negligible risks.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore any procurement needs it currently has are for minimal office supplies and printing services and provide negligible risks.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anticorruption policies and procedures have been	100	%

communicated to		
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	*Not Applicable*	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not Applicable	*Not Applicable*	The Company currently has no operations and has only one (1) employee who is also their compliance officer.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible risks in terms of corruption practices.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore provides negligible opportunities for corruption

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#

Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and has only one (1) employee who is also their compliance officer.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible risks in terms of corruption practices.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore provides negligible opportunities for corruption.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)		kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	n/a	GJ
Energy reduction (LPG)	n/a	GJ
Energy reduction (diesel)	n/a	GJ
Energy reduction (electricity)	n/a	kWh
Energy reduction (gasoline)	n/a	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not Applicable	*Not Applicable*	The Company currently has no operations and only consumes purchased electricity equivalent to the use of lights and office computers. We do not directly consume fuel within the organization, or by sources we own or control.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible risks in terms of energy consumption practices.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible opportunities in terms of energy consumption practices other than conserving electricity consumption in its day to day use of the lights and computers.

Water consumption within the organization

Disclosure	**Quantity**	**Units**
Water withdrawal	n/a	Cubic meters
Water consumption	n/a	Cubic meters
Water recycled and reused	n/a	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore any water consumption it has is for purposes of general cleaning of its office premises.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible risks in terms of water consumption.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible opportunities in relation to water consumption.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
x renewable	0	kg/liters
x non-renewable	0	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible risks in relation to this topic
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible opportunities in relation to this topic.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	n/a
Habitats protected or restored	None	n/a

IUCN[2] Red List species and national conservation list species with habitats in areas affected by operations	None	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

[2] International Union for Conservation of Nature

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
Not Applicable		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic

Air pollutants

Disclosure	Quantity	Units
NO_x	0	kg
SO_x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic

Solid and Hazardous Wastes

Solid Waste

Disclosure	**Quantity**	**Units**
Total solid waste generated	0	kg
Reusable	0	kg
Recyclable	0	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**

Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**

Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	*Not Applicable*	The Company currently has no operations and therefore has negligible impact in relation to this topic

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[3]	1	
a.Number of female employees	0	#
b.Number of male employees	1	#
Attrition rate[4]	0%	rate
Ratio of lowest paid employee against minimum wage	Not Applicable	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y		
PhilHealth	Y		
Pag-ibig	Y		
Parental leaves	Y		
Vacation leaves	Y		
Sick leaves	Y		
Medical benefits (aside from PhilHealth))	Y		
Housing assistance (aside from Pagibig)	Y		
Retirement fund (aside from SSS)	Y		
Further education support	Y		
Company stock options	Y		
Telecommuting	Y		
Flexible-working Hours	Y		
(Others)	Y		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach

[3] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRIStandards 2016 Glossary)
[4] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic. Regardless, we are generous in our employee benefits.
What are the Risk/s Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic. Regardless, we are generous in our employee benefits.
What are the Opportunity/ies Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic. Regardless, we are generous in our employee benefits.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a.Female employees	0	hours
b.Male employees	0	hours
Average training hours provided to employees		
a.Female employees	0	hours/employee
b.Male employees	0	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Risk/s Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

What are the Opportunity/ies Identified?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Risk/s Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Opportunity/ies Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	0	%
% of male workers in the workforce	100	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Risk/s Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Opportunity/ies Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	0	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Risk/s Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

What are the Opportunity/ies Identified?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	No	-
Child labor	No	-
Human Rights	No	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Risk/s Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Opportunity/ies Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy: ___________________________

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	-
Forced labor	N	-
Child labor	N	-
Human rights	N	-
Bribery and corruption	N	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Risk/s Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Opportunity/ies Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
None	None	None	None	None	None

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____________

Certificates	Quantity	Units
FPIC process is still undergoing	0	#
CP secured	0	#

What are the Risk/s Identified?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Opportunity/ies Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	None	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Risk/s Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Opportunity/ies Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

What are the Risk/s Identified?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Opportunity/ies Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Risk/s Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Opportunity/ies Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#

No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Risk/s Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Opportunity/ies Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Risk/s Identified?	**Management Approach**

Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.
What are the Opportunity/ies Identified?	**Management Approach**
Not Applicable	The Company currently has no operations and therefore has negligible impact in relation to this topic.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
We are currently nonoperational and therefore have no products and services, at the moment	We are currently nonoperational and have negligible societal value/contribute to UN SDGs.	We are currently nonoperational and have negligible contribution to UN SDGs.	Not applicable. Regardless, we manage our day to day with a general concept of responsibility, sustainability and consciousness.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A 1 9 9 8 0 6 8 6 5

COMPANY NAME

APOLLO GLOBAL CAPITAL INC.

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS		

COMPANY INFORMATION

Company's email Address	Company's Telephone Number	Mobile Number
N/A	(632)8532-8654	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
805	LAST FRIDAY OF JUNE	31 - DEC

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
KRISTINA JOYCE CARO- GANGAN	main@picazolaw.com	(632)8532-8654	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 thirthy (30) calendar days from the occurance thereof with information and complete contact details of the new contact person designated.

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

Apollo Global Capital

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **APOLLO GLOBAL CAPITAL INC** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year(s) ended December 31, 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Valdes, Abad &Company, CPAs, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature : SALVADOR SANTOS-OCAMPO
Chairman of the Board

Signature : CHRISTOPHER GO
Chief Financial Officer

Signature : LUCKY DICKINSON UY
Compliance Officer

MAY 06 2022

SUBSCRIBED AND SWORN to before me this ____ day of ____ in QUEZON CITY, Philippines, affiant exhibited to me his/her ... issued ID No. ____ as proof of identity.

Signed this ___ day of ___

DOC. NO. 152
PAGE NO. 31
BOOK NO. IX-A
SERIES OF 2022

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 204 (2021 - 2022)
IBP O.R. No. 132134 MD 2021 & IBP O.R. No. 133076 MD 2022
PTR O.R. No. 2463255D 1/3/22 Roll No. 33832 / TIN# 129-871-009
MCLE No. VI-0029583, Quezon City
Address: 31 F-Harvard St., Cubao, Q.C.

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

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

Branches:
Cebu and Davao

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

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member
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INDEPENDENT AUDITOR'S REPORT TO ACCOMPANYING FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors
APOLLO GLOBAL CAPITAL, INC. ***(Formerly Yehey! Corporation)***
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

We have examined the separate financial statements of **APOLLO GLOBAL CAPITAL, INC.** ***(Formerly Yehey! Corporation)*** for the year ended December 31, 2021, on which we have rendered the attached report dated May 16, 2021.

In compliance with Revised SRC Rule 68, we are stating that the Company has eight hundred four (804) stockholders owning one hundred (100) or more shares each as of December 31, 2021.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on July 29, 2021, Valid until July 14, 2024
BIR Accreditation No. 08-002126-000-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No.0314-SEC, Group A
Issued on February 23, 2022

For the firm:

Felicidad A. Abad
FELICIDAD A. ABAD
Partner
CPA Registration No. 25184, Valid until April 5, 2024
TIN No. 123-048-248-000
PTR No. 8852940, Issue Date: January 6, 2022, Makati City
BOA/PRC Reg. No. 0314
Issued on July 29, 2021, Valid until July 14, 2024
BIR Accreditation No. 08-002126-001-2021
Issued on March 19, 2021, Valid until March 18, 2024
SEC Accreditation No. 25184-SEC, Group A
Issued on February 23, 2022

Makati City, Philippines
May 16, 2022

Valdes Abad &
Company
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INDEPENDENT PUBLIC AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors
APOLLO GLOBAL CAPITAL, INC. ***(Formerly Yehey! Corporation)***
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **APOLLO GLOBAL CAPITAL, INC.** ***(Formerly Yehey! Corporation)*** as at December 31, 2021 and 2020 and have issued our report thereon dated May 16, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2021 and 2020 and no material exceptions were noted.

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Makati City, Philippines
May 16, 2022

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
APOLLO GLOBAL CAPITAL, INC. ***(Formerly Yehey! Corporation)***
Unit 504, Galleria Corporate Center, EDSA corner Ortigas Ave.,
Brgy. Ugong Norte, Quezon City

Opinion

We have audited the separate financial statements of **APOLLO GLOBAL CAPITAL, INC.** ***(Formerly Yehey! Corporation)*** which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of income, statements of changes in equity, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of **APOLLO GLOBAL CAPITAL, INC.** ***(Formerly Yehey! Corporation)*** as of December 31, 2021 and 2020 and of its financial performances and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

Report on Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on Note 26 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

VALDES ABAD & COMPANY, CPAs
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Felicidad A. Abad
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Partner
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SEC Accreditation No. 25184-SEC, Group A
Issued on February 23, 2022

Makati City, Philippines
May 16, 2022

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF FINANCIAL POSITION
(In Philippine Peso)

		December 31,	
ASSETS	Note	2021	2020
CURRENT ASSETS			
Cash in banks	8	**155,657,797**	505,834
Receivables	9	**3,834,663**	-
Advances to related party	18	**49,602,511**	9,198,954
Other current assets	10	**2,953,829**	1,980,145
Total Current Assets		**212,048,800**	11,684,933
NON CURRENT ASSETS			
Property and equipment, net	11	**41,596,363**	1,339,041
Investment in an associate	12	**809,752,974**	-
Investment in subsidiaries	13	**2,773,232,325**	2,741,567,825
Deferred tax asset	20	**6,309,081**	-
Total Non Current Assets		**3,630,890,743**	2,742,906,866
TOTAL ASSETS		**3,842,939,543**	2,754,591,799
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts and other payables	14	**2,246,092**	2,263,494
Advances from contractor	15	**39,570,200**	3,651,000
Total Current Liabilities		**41,816,292**	5,914,494
NON CURRENT LIABILITIES			
Advances from related parties	18	**1,819,239**	1,775,024
EQUITY			
Share capital	16	**2,926,863,493**	2,803,363,493
Share premium	17	**868,071,980**	17,586,961
Retained earnings(Deficit)		**4,368,539**	(74,048,173)
Total Equity		**3,799,304,012**	2,746,902,281
TOTAL LIABILITIES AND EQUITY		**3,842,939,543**	2,754,591,799

See Notes to the Separate Financial Statements

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF INCOME
(In Philippine Peso)

For the Years Ended December 31,	Notes	2021	2020
REVENUE			
Share in net earnings of an associate	12	97,772,094	-
Interest income	8	35,109	1,485
Total Revenue		97,807,203	1,485
EXPENSES	19		
Professional fees		11,654,467	1,841,650
Repairs and maintenance		5,720,512	5,550
Commission expense		1,764,286	-
Provision for expected credit losses	9,18	1,259,883	-
Escrow and lodging fees		938,635	-
Foreign exchange loss		904,700	-
Taxes and licenses	26	857,036	1,116,331
Rent	22	737,851	804,928
Salaries expense		412,500	-
Depreciation	11	326,394	69,965
Representation expense		265,247	-
Fines and penalties		198,000	-
Advertisement		146,063	170,048
Transportation		84,755	80,760
Office supplies		33,418	60,000
Others		395,825	202,477
Total Operating Expenses		25,699,572	4,351,709
INCOME(LOSS) BEFORE TAX		72,107,631	(4,350,224)
INCOME TAX BENEFIT	20	6,309,081	-
NET INCOME(LOSS)		78,416,712	(4,350,224)

See Notes to the Separate Financial Statements

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF CHANGES IN EQUITY
(In Philippine Peso)

For the Years Ended December 31,	Note	2021	2020
SHARE CAPITAL	16		
Balance at beginning of year		**2,803,363,493**	2,803,363,493
Additional issuance of share capital	16	**123,500,000**	-
Balance at end of year		**2,926,863,493**	2,803,363,493
SHARE PREMIUM	17		
Balance at beginning of year		**17,586,961**	17,586,961
Share premium on additional issued share capital	17	**850,485,019**	-
Balance at end of year		**868,071,980**	17,586,961
RETAINED EARNINGS (CUMULATIVE DEFICIT)			
Balance at beginning of year		**(74,048,173)**	(69,697,949)
Net income(loss) for the year		**78,416,712**	(4,350,224)
Balance at end of year		**4,368,539**	(74,048,173)
TOTAL EQUITY		**3,799,304,012**	2,746,902,281

See Notes to the Separate Financial Statements

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

SEPARATE STATEMENTS OF CASH FLOWS
(In Philippine Peso)

For the Years Ended December 31,	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income(Loss) before tax		**72,107,631**	(4,350,224)
Adjustment for:			
Share in net earnings of an associate	12	**(97,772,094)**	-
Provision for expected credit losses	9,18	**1,259,883**	
Depreciation	10, 19	**326,394**	69,965
Interest income	8	**(35,109)**	(1,485)
Operating loss before changes in working capital		**(24,113,295)**	(4,281,744)
Decrease (increase) in:			
Receivables		**(4,265,860)**	
Other current assets		**(973,684)**	(243,370)
Increase (decrease) in:			
Accrued expenses and other payables		**(17,402)**	160,143
Advances from a contractor		**35,919,200**	-
Cash generated from (used for) operations		**6,548,959**	(4,364,971)
Interest received	8	**35,109**	1,485
Income taxes paid	20	**-**	(45,446)
Net Cash from Operating Activities		**6,584,068**	(4,408,932)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additional acquisition of ownership	12,13	**(743,645,380)**	-
Collections of:			
Advances to a related party	18	**-**	5,738,515
Additions to:			
Advances to a related party	18	**(41,232,243)**	-
Property and equipment	11	**(40,583,716)**	(1,409,006)
Net Cash from Investing Activities		**(825,461,339)**	4,329,509
CASH FLOWS FROM FINANCING ACTIVITIES			
Availments of advances from related party	18	**44,215**	92,041
Issuance of share capital	16,17	**973,985,019**	-
Net Cash from Financing Activities		**974,029,234**	92,041
NET INCREASE IN CASH		**155,151,963**	12,618
CASH IN BANKS, BEGINNING	8	**505,834**	493,216
CASH IN BANKS, ENDING	8	**155,657,797**	505,834

See Notes to the Separate Financial Statements

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – GENERAL INFORMATION

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

On August 9, 2012, the SEC approved the Company's application to list ₱278 million common shares by way of introduction in the second board of the Philippine Stock Exchange (PSE) at an initial price of P1 per share. On October 18, 2012, the Parent Company was listed in the PSE.

As of December 31, 2014, the Company is 66.95% owned by Vantage Equities, Inc. (Vantage), a company also incorporated in the Philippines and listed in the PSE. On July 7, 2015, Vantage entered into a Sale and Purchase Agreement (SPA), with third party buyers for the sale of the entire shares owned by Vantage. Under the SPA, the closing of the transfer of the Sale Shares is subject to and conditioned upon the conduct and completion of a mandatory tender offer as well as the payment of the purchase price, which conditions have been complied with on October 15, 2015. Accordingly, on October 15, 2015, the Parent Company ceased as a majority owned subsidiary of Vantage when Vantage sold its shares at ₱290 million to a group of individual shareholders.

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

On December 7, 2015, the BOD approved the change of the Company's name from YEHEY! CORPORATION to APOLLO GLOBAL CAPITAL, INC. The amendment was filed with the SEC and was approved on October 7, 2016. Along with the change in the corporate name, the Company's primary purpose was likewise amended to that of a holding company which is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, guarantee, exchange, develop, or otherwise dispose of real or personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences, of indebtedness, and other securities, or obligations of any corporation or corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership.

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

Approval of financial statements

The separate financial statements for the years ended December 31, 2021 and 2020 were authorized for issuance by the BOD on May 16, 2022.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

The accompanying separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS are based on International Financial Reporting Standards issued by the

International Accounting Standards Board (IASB). PFRS consist of PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial Reporting Standards Council (FRSC).

2.2 Basis of presentation

The separate financial statements of the Company have been prepared on the historical cost basis.

2.3 Going Concern Assumption

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

2.4 Functional and presentation currency

The separate financial statements are presented in Philippine peso (₱), which is the functional currency of the Company. All values are rounded off to the nearest peso.

2.5 Use of judgment and estimates

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes.

Judgments are made by management in the development, selection and disclosure of the Company significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an on-going basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where significant judgments and estimates have been made in preparing the separate financial statements and their effects are disclosed in Note 4.

2.6 Adoption of new and revised accounting standards

New and Amended Accounting Standards Effective in 2021

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted

Effective beginning on or after June 1, 2020

- *Amendments to PFRS 16, COVID-19-related Rent Concessions* – the amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. When there is a change in lease payments, the accounting consequences will depend on whether that change meets the definition of a lease modification, which PFRS 16 Leases defines as "a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term)".

Effective beginning on or after January 1, 2021

- *PFRS 9, PFRS 7, PFRS 4 and PFRS 16 (amendments), Interest Rate Benchmark Reform – Phase 2* The amendments provide in the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform;
- Relief from discontinuing hedging relationships;
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The Company shall also disclose information about:

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

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

New and Amended Standards Effective Subsequent to 2021 but not Early Adopted

Pronouncements issued but not yet effective as at December 31, 2021 are listed below. The Company intends to adopt the following pronouncements when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2022

Amendments to PAS 16, Property, Plant and Equipment - Proceeds before Intended Use - the purpose of the amendments is to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Amendments to PAS 37, Onerous Contracts - Cost of Fulfilling a Contract – the amendment is regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to PFRS 3, Reference to the Conceptual Framework with amendments to PFRS 3 'Business Combinations – the amendments update an outdated reference in PFRS 3 without significantly changing its requirements. The changes are: update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to PFRS 3 a requirement that, for transactions and other events within the scope of PAS 37 or IFRIC 21, an acquirer applies PAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to PFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The Company is still assessing the impact of the preceding amendments to the financial statements.

Effective beginning on or after January 1, 2023

Amendments to PAS 1, Classification of Liabilities as Current or Non-current – the amendments provide a more general approach to the classification of liabilities under PAS 1 based on the contractual arrangements in place at the reporting date. The amendments affect only the presentation of liabilities in the statement of financial position not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. To:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to PAS 1, 'Presentation of financial statements', PFRS Practice statement 2 and PAS 8, 'Accounting policies, changes in accounting estimates and errors' - The amendment require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. On the other hand, the amendment to PAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments should help companies:

- to improve accounting policy disclosures, either by making the disclosures more specific to the entity or by reducing generic disclosures that are commonly understood applications of IFRS; and
- to distinguish changes in accounting estimates from changes in accounting policies.

These amendments are not expected to have a significant impact on the preparation of financial statements.

Amendments to PFRS 17, Insurance Contracts – the amendments' purpose is to address concerns and implementation challenges that were identified after PFRS 17 'Insurance Contracts' was published in 2017. The main changes are: deferral of the date of initial application of PFRS 17 by two years to annual periods beginning on or after January 1, 2023; additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk; recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognized in a business acquired in a business combination; extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives; amendments to require an entity that at initial recognition recognizes losses on onerous insurance contracts issued to also recognize a gain on reinsurance contracts held; simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts; and several small amendments regarding minor application issues.

The Company is still assessing the impact of the preceding amendments to the financial statements.

Deferred

PFRS 10 (amendments), Consolidated Financial Statements, and PAS 28 (amendments), Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

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

Annual Improvements to PFRS

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

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

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

- PFRS 9, Fees in the '10 per cent' test for derecognition of financial liabilities - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

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

- PFRS 16, Lease Incentives - The amendment removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- PAS 41, Taxation in fair value measurements - The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

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

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial assets and financial liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

"Day 1" Difference. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

As of December 31, 2021 and 2020, the Company does not have financial assets and liabilities measured at FVPL.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As of December 31, 2021 and 2020, the Company's cash, receivables, security and bond deposits, and advances to related party are included under this category.

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

Financial assets at FVPL are carried in the statements of financial position at fair value with net changes in fair value recognized in the statements of comprehensive income. As at December 31, 2021 and 2020, the Company has no financial assets at FVPL.

Financial Assets at FVOCI. For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Company may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

As of December 31, 2021 and 2020, the Company's has no financial assets at FVOCI.

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

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As of December 31, 2021 and 2020, the Company's accounts and other payables and advances from contractors and related parties are included under this category.

3.2 Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

3.3 Impairment of financial assets at amortized cost and FVOCI

The Company records an allowance for "expected credit loss" (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For loan receivables, the Company has applied the simplified approach and has calculated ECLs based on the lifetime expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

At each reporting date, the Company assesses whether financial assets at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3.4 Derecognition of financial assets and liabilities

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

3.5 Offsetting financial instrument

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

3.6 Classification of financial instrument between liability and equity

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

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

3.7 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/noncurrent classification.

An asset is current when:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within twelve months after the reporting period, or
- Cash on hand and in banks unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as noncurrent.

3.8 Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded by the Company at the respective functional currency rates prevailing at the date of the transaction.

Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the statements of comprehensive income with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in OCI until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits applicable to exchange differences on these monetary items are also recorded in the OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the par value is determined.

3.9 Fair value measurements

The Company measures a number of financial and non-financial assets and liabilities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

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

3.10 Cash in banks

Cash in banks earns interest at respective bank deposit rates. For the purpose of reporting cash flows, cash in banks is unrestricted and available for use in current operations.

3.11 Other current assets

Other current assets are recognized when the Company expects to receive future economic benefit from them, and the amount can be measured reliably. Other assets are classified in the statements of financial position as current assets when the cost of goods or services related to the assets are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer.

Other current assets consist of input value-added tax (VAT), creditable withholding taxes (CWTs) and security deposit.

Input VAT represents tax imposed on the Company by its suppliers and contractors for the purchase of goods and services, as required under Philippine taxation laws and regulations. The portion of input VAT that will be used to offset the Company's current VAT liabilities is presented as a current asset in the consolidated statement of financial position.

CWTs represent the amount withheld by the Company's customers in relation to its revenue. These are recognized upon collection of the related revenue and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations. CWTs are stated at their estimated net realizable value.

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

3.12 Property and equipment, net

Property and equipment are carried at historical cost less accumulated depreciation and any accumulated impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property and equipment.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to income in the period in which the costs are incurred.
In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation on other assets is charged to allocate the cost of assets less their fair value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Office furniture & fixtures	3-5 years
Leasehold improvements	5 years
Computer software	5 years
Machineries & equipment	7 years

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

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated recoverable reserves, useful lives, and depreciation and depletion methods are reviewed periodically to ensure that the estimated recoverable reserves, residual values, periods and methods of depreciation and depletion are consistent with the expected pattern of economic benefits from items of property and equipment. The residual values, if any, are reviewed and adjusted, if appropriate, at each end of reporting period. If there is an indication that there has been a significant change in depreciation and depletion rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When properties are retired or otherwise disposed of, the cost and related accumulated depreciation and depletion and any allowance for impairment loss are eliminated from the accounts and any resulting gain or loss is credited or charged to statements of comprehensive income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the items) is included in the statements of comprehensive income in the year the asset is derecognized.

Fully depreciated assets are retained as property and equipment until these are no longer in use.

3.13 Investment in associates

Associates are entities over where the Company is in a position to exercise significant influence in the financial and operating policy decisions but not control or joint control.

Investment in associates is recognized using the equity method of accounting. Under the equity method the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. On acquisition of the investment any difference between the cost of the investment and the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with PFRS 3 Business Combinations.

The income statement of the investor includes the investor's share of the income statement of the investee.

Losses of associates in excess of the company's interest in the relevant entity are not recognized except to the extent that the Company has an obligation. Profits on company transactions with associates are eliminated to the extent of the Company's interest in the relevant associate.

The Company owns 49% ownership of its associate, Poet Blue Ocean (PBO). PBO is incorporated in the Philippines.

3.14 Investment in subsidiaries

A subsidiary is an entity, including an unincorporated entity such as a partnership, which is controlled by the Parent Company. The Parent Company has control over an entity if it has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investment in subsidiary in the Parent Company financial statements is carried at cost, less any impairment in the value of the individual investment.

3.15 Impairments of non-financial assets

General
An assessment is made at each balance sheet date of whether there is any indication of impairment of an asset, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the assets recoverable amount is calculated as the higher of the assets value in use or net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, but only to the extent of the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is credit to current operations.

Property and equipment
The Company assesses at each financial reporting date whether there is an indication that an asset may be impaired. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amounts, the assets or cash generating units (CGU) are written down to their estimated recoverable amounts. The estimated recoverable amount of an asset is the greater of the fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less the cost of disposal, while the value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the estimated recoverable amount is determined for the CGU to which the asset is belongs. Impairment losses of continuing operations are recognized in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed by a credit to current operations (unless the asset is carried at a revalued amount in which case the reversal of the impairment loss is credited to the revaluation increment of the same asset) to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and depletion) had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in statements of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on systematic basis over its remaining useful life.

3.16 Advances from/to related parties

Advances from/to related parties are non-interest-bearing borrowings. These are measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments.

3.17 Accounts and other payables

Accounts and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers which are unpaid. Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed upon by the supplier, including amounts due to employees. Accounts payable and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business of longer and recognized at fair value). If not, they are presented as non-current liabilities.

Accounts payables and accruals are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.18 Revenue recognition

Revenue from contract with customers

Revenue from contract with customers is recognized at a point in time when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods or services. The Company applies this standard with its revenue arrangements on the earnings from investments.

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

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

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

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

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

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

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

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

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contract with customers are disclosed in Note 4.

Other income
Other income is recognized in the statements of comprehensive income as they are earned.

Finance income
Interest income is recorded using the EIR which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. Interest income is included in "other income" in the statements of comprehensive income.

Contract balances

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

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

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

3.19 Cost and expenses recognition

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

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

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

Cost of Services
The Company recognizes costs related to the contracts with customer when the performance obligation has been fulfilled and the related contract revenue has been recognized as earned.

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

3.20 Related party transactions and relationship

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. The key management personnel of the Company and close members of the family of nay individuals owning directly or indirectly a significant voting power of the Company that gives them significant influence in the financial and operating policy decisions of the Company are also considered to be related parties.

An entity is related to the Company if any of the following conditions apply:

- The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others)
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member)
- Both entities are joint ventures of the same third party
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity
- The entity is a post-employment benefit plan for the benefit of employees of either the Company of an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company
- The entity is controlled or jointly controlled by a person identified above
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Company and include that person's children and spouse or domestic partner, and dependents of that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Company when it directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the Company. Transactions between related parties are based on terms similar to those offered to non-related entities in an economically comparable market, except for non-interest-bearing advances with no definite repayment terms.

3.21 Equity

Share capital is measured at par value for all shares issued. When the shares are sold out at a premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained earnings represent the cumulative balance of periodic net income or loss, dividend distribution, prior period adjustments, effect of changes in accounting policy and other capital adjustments. When retained earnings account has a debit balance, it is called "deficit", and presented as a deduction from equity.

Dividends are recognized when they become legally payable. Dividend distribution to equity shareholders is recognized as liability in the Company's financial statements in the period in which the dividends are declared and approved by the Company's Board of Directors.

3.22 Income taxes

Current income tax
Current income tax assets and liabilities for the current period is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, when timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither the accounting profit nor taxable profit (or loss).

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle the liabilities simultaneously.

3.23 Value-added Tax (VAT)

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

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

For acquisition of capital goods over ₱1,000,000, the VAT is deferred and amortized over the useful life of the related capital goods or 60 months, whichever is shorter, commencing on the date of the acquisition.

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

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of 'prepayments and other current assets' or 'trade and other payables' in the statements of financial position.

3.24 Employee benefits

Employee benefits are all forms of considerations given by the Company in exchange for service rendered by the employees. It includes short-term employee benefits and post-employment benefits.

Short-term benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Termination benefits
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the Company's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

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

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

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

As of December 31, 2021 and 2020, the Company has not yet provided retirement benefits for its employees since the Company has no regular employees.

3.25 Leases

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company assesses whether the contract meets three key evaluations which are whether:

a) the contract contains an *identified asset*, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company,

b) the Company has the *right to obtain substantially all of the economic benefits* from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract,

c) the Company has the *right to direct the use* of the identified asset throughout the period of use.

The Company shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

As a lessee

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

(a) Right-of-use asset

At the initial application date, the Company recognizes a right-of-use asset on the statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

(b) Lease liability

At the initial application date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

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

3.26 Provisions and contingencies

General

The Company recognizes a provision of a present obligation has arisen as a result of a past event, payment is probable and the amount can be measured reliably. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, that is, the amount the Company would rationally pay to settle the obligation to a third party.

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

3.27 Earnings per share (EPS) attributable to equity holders

Basic EPS is calculated by dividing the profit attributable to the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding and assume conversion of all dilutive potential ordinary shares.

If the number of ordinary or potential shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted EPS for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are authorized for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

The Company has no dilutive potential common shares outstanding.

3.28 Events after the end of the reporting period

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

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in conformity with PFRS requires the Company's management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes.

The estimates and associated assumptions are based on historical experiences and other various factors that are believed to be reasonable under the circumstances including expectations of related future events, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

4.1 Judgments

Going concern
As of December 31, 2021, the Company's management has made an assessment on the Company's ability to continue as a going concern in the current evolving environment especially on the impact of COVID-19 pandemic and is satisfied that the Company has the resources to continue their business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Determination of functional currency
The financial statements are presented in the Philippine Peso, which is also the Company's functional currency. For each entity, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Fair value measurements
A number of the Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Company uses market observable data when measuring the fair value of an asset or liability. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

If the inputs used to measure the fair value of an asset or a liability can be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy based on the lowest level input that is significant to the entire measurement.

Classification of financial instruments

The Company manages its financial assets based on business models that maintain adequate liquidity level and preserve capital requirements, while maintaining a strategic portfolio of financial assets for accrual and trading activities consistent with its risk appetite.

In determining the classification of a financial instrument under PFRS 9, the Company evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the Company.

In addition, PFRS 9 emphasizes that if more than an infrequent and more than an insignificant sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Company considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Company can explain the reasons for those sales and why those sales do not reflect a change in the Company's objective for the business model.

Assessing significant influence and control over investee.

The Company determines that it has control over its subsidiaries by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following are also considered:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual agreements.
- The Company's voting rights and potential voting rights.

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

Revenue recognition from contracts with customers

Revenue recognition under PFRS 15 involves the application of significant judgment and estimation in the (a) identification of the contract for sale of services that would meet the requirements of PFRS 15; (b) assessment of performance obligation and the probability that the entity will collect the consideration from the buyer; and (c) determining the timing of satisfaction of the performance obligation.

Identification of the contract

The Company's primary document for a contract with a customer is a signed contract to sell. It has determined however, that in cases wherein contracts to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, quotation sheets and other documents, would contain all the criteria to qualify as contract with customer under PFRS 15.

In addition, part of the assessment of the Company before revenue recognition is to assess the probability that the Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Company considers the significance if the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as payment history of customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Determining performance obligation

The Company concluded that the transfer of goods and services in each contract constitute a performance obligation. Generally, the Company is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct in the context contract.

The Company uses those goods and services as inputs and provides a significant service of integrating them into a combined output.

Determining the timing of satisfaction of the performance obligation

The Company concluded that revenue from contracts with customers is to be recognized at a point in time since it does not fall within any of the following conditions to be met for a recognition over a period of time:

(a) The customer receives and consumes the benefits of the goods or services as they are provided by the Company;
(b) the Company's performance does not create an asset with an alternative use and;
(c) the goods or services create or enhances an asset that the customer controls as that asset is created and enhanced.

Determination whether an agreement contains a lease

The determination of whether a contract is, or contains a lease, is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting for lease commitments – Company as lessee

The Company has a lease agreement for its office space with a term of 12 months and is renewable upon mutual agreement of both parties. The Company availed of exemption for short-term leases with term of 12 months or less. Accordingly, lease payments on the short-term lease are recognized as expense on a straight-line basis over the lease term.

Rent expense arising from operating lease agreements amounted to ₱737,851 and ₱804,928 in 2021 and 2020, respectively (see Note 22).

Contingencies

The Company is currently involved in legal proceedings. The estimate of the probable cost for the resolution of claims has been developed in consultation with the aid of the outside legal counsel handling the Company's defense in this matter and is based upon an analysis of potential results. Management does not believe that the outcome of his matter will affect the results of operations. It is probable, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to this proceeding.

Repairs and maintenance

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

4.2 Estimates and assumptions

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

Fair values of financial instruments

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

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

The fair values of financial assets and financial liabilities by category and their fair value hierarchy are set out in Note 7 to the financial statements.

Assessing ECL on financial assets

The Company applies the general approach in measuring the ECL. For cash in banks the Company assessed that cash is deposited with reputable banks that possess good credit ratings. For loan receivable, accrued interest receivable, advances to contractors and related parties, the Company considers the financial capacity of the counterparty. No ECL was recognized in 2021 and 2020. The carrying amounts of the Company's financial assets are as follows:

	Note	2021	2020
Cash in banks	8	₱ 155,657,797	₱ 505,834
Receivables	9	3,834,663	
Security deposit	10	71,772	71,772
Construction bond	10	50,000	50,000
Advances to related parties	18	49,602,511	9,198,954

Allowance for credit losses of receivables

The Company reviews its impaired receivables at each reporting date to assess whether an additional provision for credit losses should be recorded in the profit and loss. In, particular, judgment by Management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about number of factors and actual results may differ, resulting in future changes to the allowance.

The carrying value of accounts and other receivables amounted to ₱3,834,663 and nil as of December 31, 2021, and 2020, respectively (Note 9). While the carrying value of advances to related party amounted to ₱49,602,511 and ₱9,198,954 as of December 31, 2021, and 2020, respectively (Note 18).

Allowance for credit losses amounted to ₱431,197 and nil as of December 31, 2021 and 2020. No write-off and recoveries either were recognized by the Company as of December 31, 2021 and 2020.

Assessing impairment of investment in a subsidiary

The Company assesses impairment on investment in a subsidiary whenever events or changes in circumstances indicate that the carrying amount of its investment may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant negative industry or economic trends; and
- Significant changes in the manner of use of the acquired assets or the strategy for overall business.

In determining the present value of estimated future cash flows expected to be generated from the investment, the Company is required to make judgment and estimates that can materially affect the separate financial statements.

No impairment loss on investment in a subsidiary was recognized in 2021 and 2020.

The carrying amount of the Company's investment in a subsidiary amounted to ₱2,773,232,325 and ₱2,741,567,825 as of December 31, 2021 and 2020, respectively. (see Note 13)

Estimating residual values and useful lives of property and equipment

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

The carrying amounts of property and equipment amounted to ₱41,596,363 and ₱1,339,041 as of December 31, 2021 and 2020, respectively (see Note 11). Useful lives of property and equipment is disclosed in Note 3.12.

Estimating impairment losses on property and equipment

The Company assesses impairment on its property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

In determining the present value of estimated future cash flows expected to be generated from continued use of the assets, the Company is required to make estimates that can materially affect the financial statements.
The assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For purposes of assessing impairment, assets are assessed at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognized and charged to statements of loss if the discounted expected future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows. There was no provision for impairment loss on property and equipment recognized in 2021 and 2020.

Estimating allowance for impairment losses on non-financial assets (except property and equipment)

The Company provides allowance for impairment losses on non-financial assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease related assets.

There was no indication of impairment noted on the Company's non-financial assets in 2021 and 2020.

Assessing realizability of deferred income tax assets

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

The Company did not recognize deferred tax assets on the carryforward benefits of NOLCO since management believes that it is more likely that the Company will not be able to realize their benefits in the future or prior to their expiration.

Retirement benefits

The determination of the obligation and cost of retirement benefits is dependent on certain assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 23 to the financial statements and include, among others, discount rates, salary increase rates and expected rates of return on plan assets. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, will generally affect the recognized expense and recorded obligation in such future periods. While the

Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement obligations.

As of December 31, 2021 and 2020, the Company has no regular employees hence no accrued retirement benefits costs was recognized.

4.3 Provision and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. The policy on the recognition and disclosure of provisions is discussed in Note 3.

NOTE 5 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments are composed of cash in banks, receivables and payables. The main purpose of these financial instruments is to raise finances for the Company's operations. The risks arising from the use of financial instruments are managed through a process of on-going identification, measurement, and monitoring. This process of risk management is critical to the Company's continuing profitability.

The BOD is ultimately responsible for overall risk management approach, monitoring risk exposures, and approving risk mitigation strategies and policies.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk.

5.1 Objectives and policies

The Company has significant exposure to the following financial risks primarily from its use of financial instruments:

- Interest rate risk
- Liquidity risk
- Credit risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Company is cash. This financial instrument is used mainly for working capital management purposes. Trade-related financial assets and financial liabilities of the Company such as trade and other receivables and trade and other payables, excluding statutory liabilities, arise directly from and are used to facilitate its daily operations.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Company.

The risk management policies of the Company are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

5.2 Interest rate risk

The Company's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Company's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Company follows prudent policies in managing its exposures to interest rate fluctuation, and constantly monitors its exposure to fluctuation in interest rates to estimate the impact of interest rate movements on its interest expense.

As at December 31, 2021 and 2020, the Company does not have any repriceable financial instruments subject to variable interest rates. There are no significant interest rate risk exposures since the interest-bearing loans & borrowings are subject to fixed interest rates of 6% and all other financial assets and liabilities are non-interest bearing.

5.3 Liquidity risk

Liquidity risk pertains to the risk that the Company will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Company's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Company constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

	December 31, 2021			
	Carrying Amount	On demand	Less than 1 Year	Over 1 Year
Financial assets at amortized cost				
Cash in banks (Note 8)	₱ 155,657,797	₱ 155,657,797	₱ -	₱ -
Receivables (Note 9)	3,834,663	-	3,834,663	-
Security deposit (Note 10)	71,772	-	71,772	-
Construction bond (Note 10)	50,000	-	50,000	-
Advances to related parties (Note 18)	49,602,511	-	49,602,511	-
Total	₱ 209,216,743	₱ 155,657,797	₱ 53,558,946	₱ -
Financial liabilities at amortized cost				
Accounts and other payables* (Note 14)	₱ 1,096,936	₱ 1,096,936	₱ -	₱ -
Advances from contractor (Note 15)	39,570,200	-	39,570,200	-
Advances from related parties (Note 18)	1,819,239	-	-	1,819,239
Total	₱ 42,486,375	₱ 1,096,936	₱ 39,570,200	₱ 1,819,239

**excluding government liabilities*

			December 31, 2020						
		Carrying Amount		On demand		Less than 1 Year		Over 1 Year
Financial assets at amortized cost								
Cash in banks (Note 8)	₱	505,834	₱	505,834	₱	-	₱	-
Security deposit (Note 10)		71,772		-		71,772		-
Construction bond (Note 10)		50,000		-		50,000		-
Advances to related parties (Note 18)		9,198,954		-		9,198,954		-
Total	₱	9,826,560	₱	505,834	₱	9,320,726	₱	-
Financial liabilities at amortized cost								
Accounts and other payables* (Note 14)	₱	1,167,692	₱	1,167,692	₱	-	₱	-
Advances from contractor (Note 15)		3,651,000		3,651,000		-		-
Advances from related parties (Note 18)		1,775,024		-		-		1,775,024
Total	₱	6,593,716	₱	4,818,692	₱	-	₱	1,775,024

**excluding government liabilities*

5.3 Credit risk

Credit risk is the risk of financial loss to the Company when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from receivables. The Company manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Company's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Company has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position (or in the detailed analysis provided in the notes to the financial statements).

As at December 31, 2021 and 2020, the Company has no financial assets for which credit risk has increased significantly since initial recognition and that are credit-impaired.

Credit quality per class of financial assets

The following table show a comparison of the credit quality of the Company's financial assets by class as at the reporting date:

		As at December 31, 2021								
		Neither past due nor impaired				Past due but				
		High Grade		Standard Grade		not impaired		Impaired		**Total**
Financial assets at amortized cost										
Cash in banks (Note 8)	₱	**155,657,797**	₱	-	₱	-	₱	-	₱	**155,657,797**
Receivables (Note 9)		**3,834,663**				**431,197**				**4,265,860**
Security deposit (Note 10)		**71,772**		-		-		-		**71,772**
Construction bond (Note 10)		**50,000**		-		-		-		**50,000**
Advances to related party (Note 18)		**49,602,511**		-		**828,686**		-		**50,431,197**
Total	₱	**209,216,743**	₱	-	₱	**1,259,883**	₱	-	₱	**210,476,626**

	As at December 31, 2020									
	Neither past due nor impaired				Past due but					
		High Grade		Standard Grade		not impaired		Impaired		Total
Financial assets at amortized cost										
Cash in banks (Note 8)	₱	505,834	₱	-	₱	-	₱	-	₱	505,834
Security deposit (Note 10)		71,772		-		-		-		71,772
Construction bond (Note 10)		50,000		-		-		-		50,000
Advances to related party (Note 18)		9,198,954		-		-		-		9,198,954
Total	₱	9,826,560	₱	-	₱	-	₱	-	₱	9,826,560

The Company evaluates credit quality on the basis of the credit strength of the security and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty. The Company determines if credit risk have increased significantly when financial assets are more than 30 days past due.

The Company's management considers none of the financial assets to be impaired or past due at the end of each financial reporting period.

Cash in banks
The credit risks for cash in banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Security deposits and Construction bond. These pertain to receivables from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.

Advances to related party
This pertain to receivable from counterparties which are not expected to default in setting its obligations, hence there is no perceived credit risk.

Maximum Credit Risk Exposure
Financial information on the Company's maximum exposure to credit risk without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	December 31,			
		2021		2020
Financial assets at amortized cost				
Cash in banks (Note 8)	₱	155,657,797	₱	505,834
Receivables (Note 9)		4,265,860		-
Security deposit (Note 10)		71,772		71,772
Construction bond (Note 10)		50,000		50,000
Advances to related party (Note 18)		50,431,197		9,198,954
Total	₱	210,476,626	₱	9,826,560

The Company does not hold any collateral as security or other credit enhancements attached to its financial assets.

The credit risk for is considered negligible, since the counterparties are reputable entities with high quality external credit ratings.

The Company's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of receivables is its carrying amount without considering collaterals or credit enhancements, if any. The Company has no significant concentration of credit risk since the Company deals with a large number of homogenous counterparties. The Company does not execute any credit guarantee in favor of any counterparty.

NOTE 6 – CAPITAL MANAGEMENT OBJECTIVES, POLICIES, & PROCEDURES

The Company's capital management objectives are:

- To ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.
- To invest the capital in investments that meet the expected return with the commensurate level of risk exposure.

The Company maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Company manages its capital structure and makes adjustments, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, pay-off existing debt, return capital to shareholders or issue new shares.

The Company considers its equity as capital.

The Company monitors its financial leverage using the debt-to-equity which is computed as total liabilities divided by total equity as shown in the table below:

		2021		2020
Total liabilities	₱	**43,635,531**	₱	7,689,518
Total equity		**3,798,992,479**		2,746,902,281
Debt-to-equity ratio		**0.0115:1**		0.0028:1

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

NOTE 7 – FAIR VALUE MEASUREMENT

7.1 Carrying amounts and fair values by category

The table below presents a comparison by category of carrying amounts and fair values of the Company's financial instruments as of years ended December 31, 2020 and 2019:

		2021			2020		
		Carrying Value	Fair value		Carrying Value		Fair value
Financial assets at amortized cost							
Cash in banks (Note 8)	₱	155,657,797	155,657,797	₱	505,834	₱	505,834
Receivables (Note 9)		3,834,663	3,834,663		-		-
Security deposit (Note 10)		71,772	71,772		71,772		71,772
Construction bond (Note 10)		50,000	50,000		50,000		50,000
Advances to related party (Note 18)		49,602,511	49,602,511		9,198,954		9,198,954
Total	₱	209,216,743	209,216,743	₱	9,826,560	₱	9,826,560
Financial liabilities at amortized cost							
Accounts and other payables* (Note 14)	₱	1,096,936	1,096,936	₱	1,167,692	₱	1,167,692
Advances from contractor (Note 15)		39,570,200	39,570,200		3,651,000		3,651,000
Advances from related parties (Note 18)		1,819,239	1,819,239		1,775,024		1,775,024
Total	₱	42,486,375	42,486,375	₱	6,593,716	₱	6,593,716

**excluding statutory liabilities*

Cash, Accrued Expenses and Other Payables (excluding statutory payables). The carrying values of these financial instruments approximate their fair values due to the relatively short-term maturity of these financial instruments.

Advances to (from) Related Parties. The carrying amounts of these related party transactions approximate their fair values.

7.2 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy Company's financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The fair value hierarchy has the following levels:

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

The following table summarizes the fair value hierarchy of the Company's financial assets and liabilities, which are measured at fair value or requires disclosure as prescribed by other PFRS, as at December 31, 2020 and 2019:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in banks (Note 8)	₱ 155,657,797	₱ -	₱ -	₱ 155,657,797
Receivables (Note 9)	-	-	3,834,663	3,834,663
Security deposit (Note 10)	-	-	71,772	71,772
Construction bond (Note 10)	-	-	50,000	50,000
Advances to related party (Note 18)	-	-	49,602,511	49,602,511
Total	₱ 155,657,797	₱ -	₱ 53,558,946	₱ 209,216,743
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 14)	₱ -	₱ -	₱ 1,096,936	₱ 1,096,936
Advances from contractors (Note 15)	-	-	39,570,200	39,570,200
Advances from related parties (Note 18)	-	-	1,819,239	1,819,239
Total	₱ -	₱ -	₱ 42,486,375	₱ 42,486,375

**excluding statutory liabilities*

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:				
Cash in banks (Note 8)	₱ 505,834	₱ -	₱ -	₱ 505,834
Security deposit (Note 10)	-	-	71,772	71,772
Construction bond (Note 10)	-	-	50,000	50,000
Advances to related party (Note 18)	-	-	9,198,954	9,198,954
Total	₱ 505,834	₱ -	₱ 9,320,726	₱ 9,826,560
Financial liabilities at amortized cost:				
Accounts and other payables* (Note 14)	₱ -	₱ -	₱ 1,167,692	₱ 1,167,692
Advances from contractors (Note 15)	-	-	3,651,000	3,651,000
Advances from related parties (Note 18)	-	-	1,775,024	1,775,024
Total	₱ -	₱ -	₱ 6,593,716	₱ 6,593,716

**excluding statutory liabilities*

As at December 31, 2021 and 2020, there are no financial assets or financial liabilities measured at fair value. There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2021 and 2020.

Financial instruments not measured at fair value for which fair value is disclosed

For financial assets with fair values included in Level 1, management considers that the carrying amounts of these financial instruments approximate their fair values due to their short-term duration.

The fair values of financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability base of the instrument where the significant inputs required to determine fair value of such instruments are not based on observable market data.

NOTE 8 – CASH IN BANKS

As of December 31, 2021 and 2020, this account amounted to ₱155,657,797 and ₱505,834, respectively.

Cash in bank earns interest at the respective bank deposit rates. Interest income from bank deposits amounted to ₱35,109 and ₱1,485 for the years ended December 31, 2021 and 2020, respectively.

NOTE 9 – RECEIVABLES

As of December 31, this account consists of the following:

Particulars		2021
Advances to CBO	₱	4,240,000
Advances to employees		25,860
Total		4,265,860
Allowance for expected credit losses		(431,197)
Net	₱	3,834,663

Movement of allowance for expected credit losses is as follows:

Particulars		2021
January 1,	₱	-
Provision (Note 19)		431,197
Write off		-
Reversals		-
December 31,	₱	431,197

The account is nil as of December 31, 2020.

NOTE 10 – OTHER CURRENT ASSETS

As of December 31, this account consists of the following:

Particulars		2021		2020
Input taxes (Note 26)	₱	1,527,471	₱	620,864
Prior year's excess tax credit		1,237,509		1,237,509
Security deposit (Note 22)		71,772		71,772
Prepaid rent (Note 22)		67,077		-
Construction bonds		50,000		50,000
Total	₱	2,953,829	₱	1,980,145

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

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

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

NOTE 11 – PROPERTY AND EQUIPMENT, NET

The movement of the property and equipment is as follows:

	December 31, 2021							
Particulars		Beginning Balance		Additions		Disposal		Ending Balance
Cost:								
Leasehold improvements	₱	1,358,606	₱	125,500	₱	-	₱	1,484,106
Office furniture and fixtures		50,400		200,588		-		250,988
Computer software		-		257,628				257,628
Machineries and equipment		-		40,000,000				40,000,000
Sub-total		1,409,006	₱	40,583,716	₱	-		41,992,722
Accumulated depreciation:								
Leasehold improvements		69,218	₱	295,148	₱	-		364,366
Office furniture and fixtures		747		23,947		-		24,694
Computer software		-		7,299		-		7,299
Sub-total		69,965	₱	326,394	₱	-		396,359
Net Book Value	₱	1,339,041					₱	41,596,363

	December 31, 2020							
Particulars		Beginning Balance		Additions		Disposal		Ending Balance
Cost:								
Leasehold improvements	₱	-	₱	1,358,606	₱	-	₱	1,358,606
Office furniture and fixtures		-		50,400		-		50,400
Sub-total		-	₱	1,409,006	₱	-		1,409,006
Accumulated depreciation:								
Leasehold improvements		-	₱	69,218	₱	-		69,218
Office furniture and fixtures		-		747		-		747
Sub-total		-		69,965		-		69,965
Net Book Value	₱	-					₱	1,339,041

The Company elected to use the cost model in accounting for property and equipment. They also believed that the carrying amount of its property and equipment during the year are not impaired.

Depreciation charged in the statements of income for the years ended December 31, 2021 and 2020 amounted to ₱326,394 and ₱69,965 (Note 19), respectively.

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

NOTE 12 – INVESTMENT IN AN ASSOCIATE

In 2021, the Company acquired 49% ownership of Poet Blue Ocean.

As of December 31, this account consists of the following:

Particulars		2021
Cost	₱	711,980,880
Equity in net earnings		97,772,094
Total	₱	809,752,974

Movement of equity in net earnings is as follows:

Particulars		2021
January 1,	₱	-
Share in net earnings for the year		97,772,094
December 31,	₱	97,772,094

There were no dividends declared as of December 31, 2021.

As of December 31, 2020, the account is nil.

NOTE 13 – INVESTMENT IN SUBSIDIARIES

Movements of this account are as follows:

As of December 31, 2021,

	JDVC			JDVC Indonesia			Total
	No. of shares		Amount	No. of shares		Amount	Amount
At January 1,	4,523,270	₱	2,741,567,825	-	₱	-	₱ 2,741,567,825
Acquisitions during the year	-		-	904,700		31,664,500	31,664,500
At December 31,	4,523,270	₱	2,741,567,825	904,700	₱	31,664,500	₱ 2,773,232,325

As of December 31, 2020,

		JVDC		
		No. of shares		Amount
At January 1,	₱	4,523,270	₱	2,741,567,825
Acquisitions during the year		-		-
At December 31,	₱	4,523,270	₱	2,741,567,825

In 2017, the Company acquired 82.67% ownership interest or 4,133,740 shares of JDVC Resources Corporation (JDVC) from existing shareholders of JDVC through a share swap agreement approved by the SEC on October 9, 2017. The aggregate transfer value based on the appraised value of JDVC's net assets at acquisition date is ₱2,473,960,715 or ₱598.48 a share.

In December 2019, the Company purchased additional 389,530 shares of JDVC from its existing shareholders for ₱267.6 million resulting to an increase in ownership of JDVC to 90.47% as at December 31, 2019. JDVC is a domestic corporation registered with the Philippine SEC on June 10, 1998 to engage in the business of offshore exploring, prospecting and operating mines and quarries of magnetite iron sand and other kinds of ores and minerals. JDVC is a holder of Mineral Production Sharing Agreement (MPSA) No. 338-2010-II-Amended A which grants the Subsidiary the right to explore and develop magnetite resources within a specified area in Cagayan province.

On August 6, 2019, the DENR approved the Declaration of Mining Project Feasibility of JDVC and has authorized the Subsidiary to proceed to the development, including extraction and commercial disposition of magnetite iron sand other associated minerals at the offshore areas in the Province of Cagayan covered by the MPSA. The Company's management believes that future economic benefits will be available once the Subsidiary commences its operations in 2021.

As at December 31, 2021 and 2020, JDVC has not yet started its offshore mining operations and has a deficit of ₱60 million and ₱40 million, respectively.

PT JDVC Resources Indonesia (JDVC Indonesia) was incorporated on September 27, 2021, and the Company acquired 90.47% ownership interest or 904,700 shares by cash infusion at par value on the same date. The aggregate transfer value based on the appraised value of JDVC Indonesia's net assets at acquisition date is ₱31,664,500 or ₱35 a share.

There were no dividends received from the investment in 2021 and 2020. The following summarizes the financial information of JDVC:

Particulars		2021		2020
Current assets	₱	13,456,802	₱	2,365,089
Noncurrent assets		870,172,527		841,142,556
Current liabilities		130,320,813		113,962,037
Noncurrent liabilities		313,563,885		269,749,562
Revenue		-		-
Net loss		20,051,415		11,936,796

The following summarizes the financial information of JDVC Indonesia:

Particulars		2021
Current assets	₱	35,432,092
Noncurrent assets		-
Current liabilities		2,945,157
Noncurrent liabilities		-
Revenue		-
Net loss		2,513,065

NOTE 14 – ACCOUNTS AND OTHER PAYABLES

As of December 31, this account consists of the following:

Particulars		2021		2020
Deferred output VAT	₱	818,036	₱	818,036
Accounts payable		580,335		611,361
Accrued expenses		516,601		556,331
Statutory payables		331,120		277,766
Total	₱	2,246,092	₱	2,263,494

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

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

NOTE 15 – ADVANCES FROM CONTRACTOR

This account pertains to the advances received from Cagayan Blue Ocean (CBO). As of December 31, 2021 and 2020, the account amounted to ₱39,570,200 and ₱3,651,000, respectively.

NOTE 16 – SHARE CAPITAL

As of December 31, the share capital of the Company is as follows:

	2021			2020		
Particulars	No. of shares		Amount	No. of shares		Amount
Authorized ₱0.01 par						
Balance at beginning and end of year	600,000,000,000	₱	6,000,000,000	600,000,000,000	₱	6,000,000,000
Issued and Outstanding						
Balance at beginning of year	280,336,349,297	₱	2,803,363,493	280,336,349,297	₱	2,803,363,493
Issuance of shares	12,350,000,000		123,500,000			
Balance at end of year	292,686,349,297		2,926,863,493	280,336,349,297	₱	2,803,363,493

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

		Number of shares		
Date of Approval	Nature	Authorized	Issued/ Subscribed	Issue/ Offer Price
October 18, 2012	Listing of shares	100,000,000,000	27,800,000,000	1.00
October 9, 2017	Share swap	600,000,000,000	247,396,071,520	0.01
September 11, 2019	Loan conversion	600,000,000,000	5,140,277,777	0.01
August 6, 2021	Follow-on offering	600,000,000,000	12,350,000,000	0.08

Issuance of Capital Stock
On August 6, 2021, the SEC approved the follow-on offering of the Company of 12,350,000,000 common shares at an Offer Price of ₱0.08, with a par value of ₱0.01 per share. Offer shares were approved for listing on August 31, 2021.

Increase in Authorized Capital Stock of APL
On October 9, 2017, the SEC approved the increase in the capital stock of the Parent Company from ₱1,000,000,000 divided into 100,000,000,000 shares to ₱6,000,000,000 divided into 600,000,000,000 shares both with a par value of ₱0.01.

Convertible Loan Agreement
On February 20, 2019, the BOD authorized the Parent Company to enter into a convertible loan agreement with a third party amounting to ₱50 million. The loan bears an interest of 5% per annum and will mature on February 20, 2021. The principal and interest are convertible to shares at ₱0.01 per share any time until the 10th day before the maturity date at the option of the third party.

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

The total number of stockholders of the Parent Company is 805 as of December 31, 2021.

NOTE 17 – SHARE PREMIUM

As of December 31, the movements of additional paid-in capital are as follows:

		2021		2020
At January 1	₱	**17,586,961**	₱	17,586,961
Share premium on common shares issued during the year				
Gross proceeds		**988,000,000**		-
Less: Directly attributable issuance costs		**14,014,981**		-
Par value of issued shares		**123,500,000**		-
Subtotal		**850,485,019**		-
End	₱	**868,071,980**	₱	17,586,961

Share premium arises when the amount subscribed is in excess of nominal value.

Issuance of Capital Stock
On August 6, 2021, the SEC approved the follow-on offering of the Company of 12,350,000,000 common shares at an Offer Price of ₱0.08, with a par value of ₱0.01 per share. Offer shares were approved for listing on August 31, 2021.

NOTE 18 – RELATED PARTY TRANSACTIONS

The details of the Company's related parties are summarized as follows:

Name of related party	Relationship	Country of incorporation
JDVC Resource Corporation	Subsidiary	Philippines
Individuals	Key management personnel/shareholders	-

Significant transactions with related parties are as follows:

As of December 31, 2021,

Related Party	Transactions	Outstanding Balance	Nature	Terms and Conditions
Advances to related party				
JDVC Resource Corporation	₱ 41,232,243	₱ 50,431,197	Reimbursement of Expenses	Short-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Advances from related parties				
Stockholders	₱ 44,215	₱ 1,819,239	Portion is cash advances for temporary financing and other portion is reimbursement of expenses	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash

As of December 31, 2020,

Related Party	Transactions	Outstanding Balance	Nature	Terms and Conditions
Advances to related party				
JDVC Resource Corporation	P (5,738,515)	P 9,198,954	Reimbursement of Expenses	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash
Advances from related parties				
Stockholders	P 92,041	P 1,775,024	Portion is cash advances for temporary financing and other portion is reimbursement of expenses	Long-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash

Terms and Conditions of Transactions with Related Parties

Advances to (from) Related Parties

Advances to (from) related parties are unsecured, noninterest-bearing, collectible and/or payable beyond 12 months and settlement occurs in cash. The Company did not recognize expected credit loss from advances to related parties. This assessment is undertaken each financial year by examining capacity and financial position of the related parties.

In 2021, an allowance for expected credit losses was recognized for advances to a related party amounting to P828,686. As of December 31, this account consists of the following:

Particulars	2021
Advances to a related party	P 50,431,197
Allowance for expected credit losses (Note 19)	(828,686)
Net	P 49,602,511

No allowance for expected credit losses was recognized in 2020.

Compensation of Key Management Personnel

Since the Company is in its pre-operating stages, there are no key management personnel compensation recognized 2021 and 2020, since the officers offer their services pro-bono to save on operating costs. Likewise, the Company does not provide post-employment benefit plans or equity-based compensation benefits to any of its directors or executive officers.

NOTE 19 – GENERAL AND ADMINISTRATIVE EXPENSES

As of December 31, this account consists of the following:

Particulars		2021		2020
Professional fees	₱	11,654,467	₱	1,841,650
Repairs and maintenance		5,720,512		5,550
Commission expense		1,764,286		-
Provision for expected credit losses (Note 9 & 18)		1,259,883		-
Escrow and lodging fees		938,635		-
Foreign exchange loss		904,700		-
Taxes and licenses (Note 26)		857,036		1,116,331
Rent (Note 22)		737,851		804,928
Salaries expense		412,500		-
Depreciation (Note 11)		326,394		69,965
Representation		265,247		-
Fines and penalties		198,000		-
Advertising		146,063		170,048
Travel and transportation		84,755		80,760
Office supplies		33,418		60,000
Others		395,825		202,477
Total	₱	25,699,572	₱	4,351,709

Others mainly include expenses incurred for Company's utilities, dues, and bank service charges, etc.

NOTE 20 – INCOME TAXES

Tax expense (benefit) consists of the following:

Particulars		2021		2020
Current tax expense	₱	-	₱	-
Deferred tax income, net		6,309,081		-
Income tax benefit	₱	6,309,081	₱	-

For the year ended December 31, 2021, the schedule of deferred tax assets is as follows:

		Statement of Financial Position		Statement of Comprehensive Income
Deferred tax assets:				
NOLCO	₱	5,994,110	₱	5,994,110
ECL		314,971		314,971
Deferred tax assets – net	₱	6,309,081		
Deferred tax benefit – net			₱	6,309,081

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 Group believes that it is not reasonably probable that future taxable profit against which the benefit of the Group's deferred tax assets can be utilized. Hence, no deferred tax benefit was recognized.

Details of the Company's NOLCO are as follows:

Year incurred	Valid Until	Original Amount	Used/Expired	Balance	Tax Effect
2021	2026	₱ 23,976,441	₱ -	₱ 23,976,441	₱ 5,994,110
2020	2025	4,351,709	-	4,351,709	830,651
2019	2022	3,873,124	-	3,873,124	1,161,937
2018	2021	3,448,254	(3,448,254)	-	-
		₱ 35,649,528	₱ (3,448,254)	₱ 32,201,274	₱ 7,986,698

Details of the Company's ECL are as follows:

Year incurred	Original Amount	Write-off/ Reversed	Balance	Tax Effect
2021	₱ 1,259,883	₱ -	₱ 1,259,883	₱ 314,971

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover as One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The Company is subject to Minimum Corporate Income Tax (MCIT) which is computed at 2% of gross income, as defined under tax regulations, or RCIT, whichever is higher. Both in 2021 and 2020, the Company does not have gross income hence not liable to MCIT nor RCIT.

Details of the Company's MCIT are as follows:

Year incurred	Valid Until	Beginning balance	Incurred	Expired	Ending Balance	Tax Effect
2021	2024	₱ -	₱ -	₱ -	₱ -	₱ -
2020	2023	-	-	-	-	-
2019	2022	2,272,321	-	-	2,272,321	45,446
2018	2021	2,272,321	-	(2,272,321)	-	-
		₱ 4,544,642	₱ -	₱ (2,272,321)	₱ 2,272,321	₱ 45,446

The reconciliation of income tax at the statutory tax rate to the income tax as shown in the consolidated statement of comprehensive income is as follows:

	2021	2020
Income tax at statutory tax rate	₱ 18,026,908	₱ (1,305,067)
Tax effects of:		
Non-deductible expenses	115,811	-
Share in net earnings of associate	(24,443,023)	-
Income subject to final tax	(8,777)	(445)
Unrecognized DTA on NOLCO	-	1,305,512
Income tax benefit	₱ (6,309,081)	₱ -

NOTE 21 – EARNINGS(LOSS) PER SHARE

As of December 31, the financial information pertinent to the derivation of the basic and diluted earnings per share are as follows:

		2021		2020
Net income(loss) attributable to the equity holders of the Company	₱	78,466,212	₱	(4,350,224)
Weighted average number of shares outstanding:				
Balance at beginning of year		280,336,349,297		280,336,349,297
Effect of share issuances		4,116,666,667		-
Balance at end of year		284,453,015,964		280,336,349,297
Basic/Diluted earnings(loss) per share	₱	0.00028	₱	(0.00002)

Diluted earnings per share is equal to the basic earnings per share since the Company does not have potential dilutive shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial reporting date and the date of authorization of these consolidated financial statements.

NOTE 22 – SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Lease Agreements

In 2016, the Subsidiary entered into a cancellable lease agreement with a third party for its office space. The lease term is for a period of 2 years commencing on December 15, 2016 until January 14, 2018. The contract was renewed thereafter but was terminated by the Subsidiary on February 15, 2018. Upon termination of the lease agreement, the Parent Company allows its Subsidiary to use its office space at no cost to the Subsidiary.

In 2019, the Parent Company entered into a lease agreement with a third party for its office space with a term of one year and is renewable upon mutual agreement of both parties. The lease agreement has an escalation clause of 5% per annum. Security deposit amounted to ₱0.1 million as at December 31, 2020 (see Note 10). The contract was renewed in 2021, rental deposit and security deposit amounted to ₱67,077 and ₱71,772, respectively as of December 31, 2021 (see Note 10) As discussed in Note 2, the asset pertaining to such lease was classified as a short-term lease and its related rental payments are recognized in profit or loss on a straight-line basis.

Rent expense amounted to ₱737,851 and ₱804,928, for the years ended December 30, 2021 and 2020, respectively. (see Note 19)

COVID-19 Impact

In early 2020, the world was adversely affected by the COVID-19, which was declared a pandemic by the World Health Organization. In a move to contain the COVID-19 outbreak, the Philippine government initiated directives to impose stringent social distancing measures and guidelines under different levels of community quarantine depending on the assessment of the situation in the numerous parts of the country. These measures have cause disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

The Company's timeline for the commencement of the operations were delayed due to limited movement within the region and the start of monsoon season.

The overall impact of the COVID-19 pandemic is still uncertain and dependent on the progression of the virus and on actions taken by the government, businesses and individuals, which could result in different outcomes.

Considering the evolving nature of the outbreak, the Company will continue to monitor the situation in subsequent periods.

NOTE 23 – OTHER MATTERS

23.1 Retirement benefits

The Company does not yet provide post-employment benefits to its employees. Management believes that the retirement expense is not significant since the Company has no regular employees as of period ended December 31, 2021.

23.2 Note to statement of cash flows

The table below details changes in the liabilities of the Company arising from financing activities, including both cash and non-cash changes.

Particulars		January 1, 2021		Cash flows	Reclassification	Interest expense		December 31, 2021
Advances from related parties	P	1,775,024	P	44,215	-	-	P	1,819,239
Total liabilities from financing activities	P	1,775,024	P	44,215	-	-	P	1,819,239

Particulars		January 1, 2020		Cash flows		Reclassification		Interest expense		December 31, 2020
Advances from related parties	P	1,682,983	P	92,041	P	-	P	-	P	1,775,024
Total liabilities from financing activities	P	1,682,983	P	92,041	P	-	P	-	P	1,775,024

Non-cash Activities
The Company had no non-cash investing or financing activity-related transactions for the year ended December 31, 2021 and 2020.

NOTE 24 – CONTINGENCIES

The Company is a not party to any legal proceedings. There are no taxes, assessment and charges of whatsoever nature levied upon or against the Company, or against its properties, revenues, and assets.

NOTE 25 – EVENTS AFTER THE REPORTING PERIOD

Continuing COVID-19 Pandemic
The COVID-19 pandemic could have a material impact on the Company's financial results for the rest of 2021 and even periods thereafter. Considering the evolving nature of the pandemic, the Company will continue to monitor the situation.

NOTE 26 – SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

I. Information required under revenue Revenue Regulation (RR) No. 15-2010

In compliance with the requirements set forth by RR 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

26.1 Output tax

The Company has not declared any output VAT during the year as there are no transactions that would be subject to these taxes.

The Company has no zero-rated and exempt sales for the year ended December 31, 2021 pursuant to the provisions of Sections 106 (A) (2) and 108 (B) of the Tax Code.

26.2 Input tax

The amount of VAT Input taxes claimed are broken down as follows:

a. Beginning of the year (Note 10)	₱	620,864
b. Current year's domestic purchases:		
Services lodged under other accounts		906,607
c. Claims for tax credit/refund and other adjustments		-
d. Balance at the end of year (Note 10)	₱	1,527,471

26.3 Importation

The Company has not paid any custom duties and tariff fees during the year as there are no transactions that would be subject to these taxes.

26.4 Excise taxes

The Company has not paid any excise taxes during the year as there are no transactions that would be subject to these taxes.

26.5 Documentary stamp tax

Documentary stamp tax paid (DST) amounting to ₱1,235,000 was paid in 2021.

26.6 Other taxes and licenses

Particulars		Amount
Filing and processing fee	₱	374,580
Annual listing fee		355,840
Others		126,616
Total	₱	857,036

26.7 Witholding taxes

The Company has no regular employees hence no withholding tax on compensation was paid in 2021.

Total expanded withholding tax paid in 2021 amounted to 696,005.

26.8 Deficiency tax assessments

As of reporting date, the Company has no pending tax court cases or tax notices received from the BIR.

26.9 Deficiency tax assessments

As at December 31, 2021, the Company has no pending tax court cases nor has received tax assessment notices from the BIR.

II. BIR Revenue Regulation (RR) 34-2020

On December 18, 2020, BIR issued RR 34-2020 which prescribed the guidelines and procedures for the submission of BIR Form 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending the pertinent provision of RR No. 19-2020 and RR No. 15-2010.

The Company is covered by the requirements and procedures for related party transactions under the said regulation as it is one of the following taxpayers required to file and submit the RPT Form together with the Annual Income Tax Return (AITR) as provided under Section 2 thereof:

a. Large taxpayer;
b. Taxpayers enjoying tax incentives, i.e. Board of Investments (BOI)-registered and economic zone enterprises, those enjoying Income Tax Holiday (ITH) or subject to preferential income tax rate;
c. Taxpayers reporting net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years; and
d. A related party, as defined under Section 3 of Revenue Regulations (RR) No. 19- 2020, which has transactions with (a), (b) or (c). For this purpose, key management personnel (KMP), as defined under Section 3(7) of RR No. 19-2020, shall no longer be required to file and submit the RPT Form, nor shall there be any requirement to report any transaction between KMP and the reporting entity/parent company of the latter in the RPT Form.

APOLLO GLOBAL CAPITAL, INC.
(Formerly Yehey! Corporation)
As of year ended December 31, 2021

IV. SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS REQUIRED BY REVISED SRC RULE 68 ANNEX 68-E

Ratio	Formula	As of December 31, 2021	2020
Current Ratio	Total current assets	**212,048,800**	11,684,933
	Divided by: Total current liabilities	**41,816,292**	5,914,494
	Current ratio	**5.07**	1.98
Acid test ratio	Total current assets	**212,048,800**	11,684,933
	Less: Other current assets	**2,953,829**	1,980,145
	Quick assets	**209,094,971**	9,704,788
	Divide by: Total current liabilities	**41,816,292**	5,914,494
	Acid test ratio	**5.00**	1.64
Solvency Ratio	Net income(loss)	**78,416,712**	(4,350,224)
	Add: Depreciation	**326,394**	69,965
		78,743,106	(4,280,259)
	Divide by: Total liabilities	**41,816,292**	5,914,494
	Solvency ratio	**1.88**	(0.72)
Debt-to-Equity Ratio	Total liabilities	**41,816,292**	5,914,494
	Divided by: Total Equity	**3,799,304,012**	2,746,902,281
	Debt-to-equity ratio	**0.011**	0.002
Asset-to-equity ratio	Total assets	**3,842,939,543**	2,754,591,799
	Divided by: Total equity	**3,799,304,012**	2,746,902,281
	Asset-to-equity ratio	**1.01**	1.00
Interest rate coverage ratio	Loss before income tax	**72,107,631**	(4,350,224)
	Add: Interest expense	**-**	-
		72,107,631	(4,350,224)
	Divided by: Interest expense	**-**	-
	Interest rate coverage ratio	**N/A**	N/A
Return on equity	Net income(loss)	**78,416,712**	(4,350,224)
	Divided by: Total equity	**3,799,304,012**	2,746,902,281
	Return on equity	**0.0206**	(0.0016)
Return on assets	Net income(loss)	**78,416,712**	(4,350,224)
	Divided by: Total assets	**3,842,939,543**	2,754,591,799
	Return on assets	**0.0204**	(0.0016)
Net profit margin	Net income(loss)	**78,416,712**	(4,350,224)
	Net sales	**N/A**	N/A
	Net profit margin	**N/A**	N/A
Other ratios			
Basic earnings (loss) per share	Net income(loss) attributable to the equity holders of the Company	**78,416,712**	(4,350,224)
	Divided by: Weighted average number of shares outstanding	**284,453,015,964**	280,336,349,297
	Basic earnings (loss) per share	**0.00028**	(0.00002)
Diluted earnings (loss) per share	Net income(loss) attributable to the equity holders of the Company	**78,416,712**	(4,350,224)
	Divided by: Weighted average number of diluted shares outstanding	**284,453,015,964**	280,336,349,297
	Diluted earnings (loss) per share	**0.00028**	(0.00002)