# 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) 8801-5568 | N/A |

| No. of Stockholders | Annual Meeting (Month/Day) | Fiscal Year (Month/Day) |
|---|---|---|
| 806 | 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 |
|---|---|---|---|
| Lucky T. Uy | info@apolloglobalcapital.com | (632) 8801-5568 | N/A |

**Contact Person's Address**

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

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

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

SECURITIES AND EXCHANGE COMISSION

# SEC FORM 17-A

## ANNUAL REPORT

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

1. For the fiscal year ended December 31, 2023

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) 8801-5568
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, 2023 is ₱2,584,655,642.29 based on closing price of ₱0.013 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

### I. Business

Company Overview

Apollo Global Capital, Inc. (APL or the "Company"), 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 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.

<u>Principal Products or Services</u>
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.

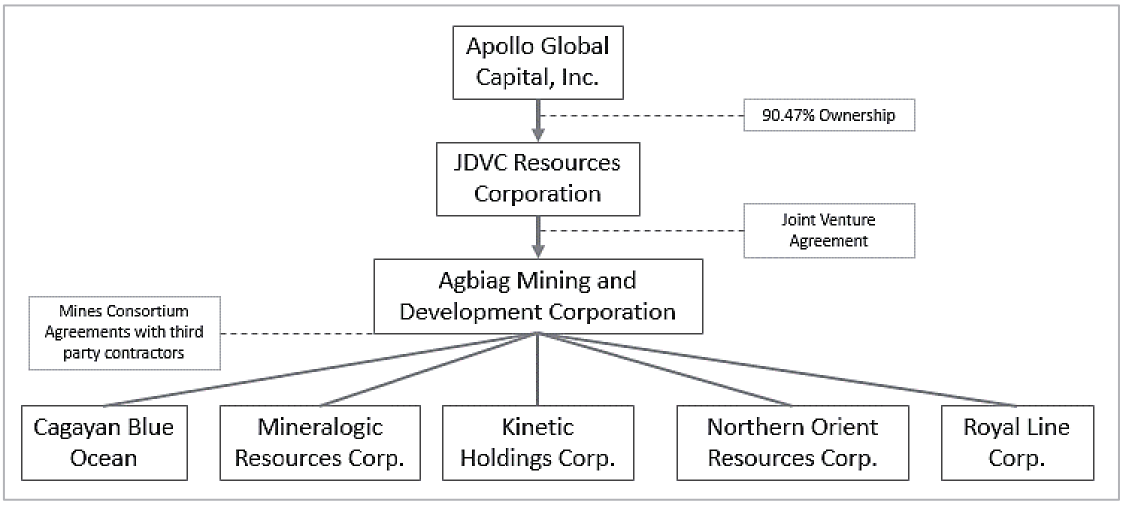
<u>Competition</u>
The Company competes with magnetite iron ore suppliers in world iron ore markets. The most notable domestic competitors are Peniel Resources Mining Corp., San Lorenzo Mines, Inc., T & T Resources and Mining Corp., and J & M Resources Mining & Exploration Corp. The Company competes 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, 2023, APL has 6 employees and is being managed by its officers free of charge., while JDVC has 14 regular employees involved in its mining operations. The Group expects to employ more personnel in 2023 in anticipation of commencement of mining operations.

## II. Properties

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

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

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

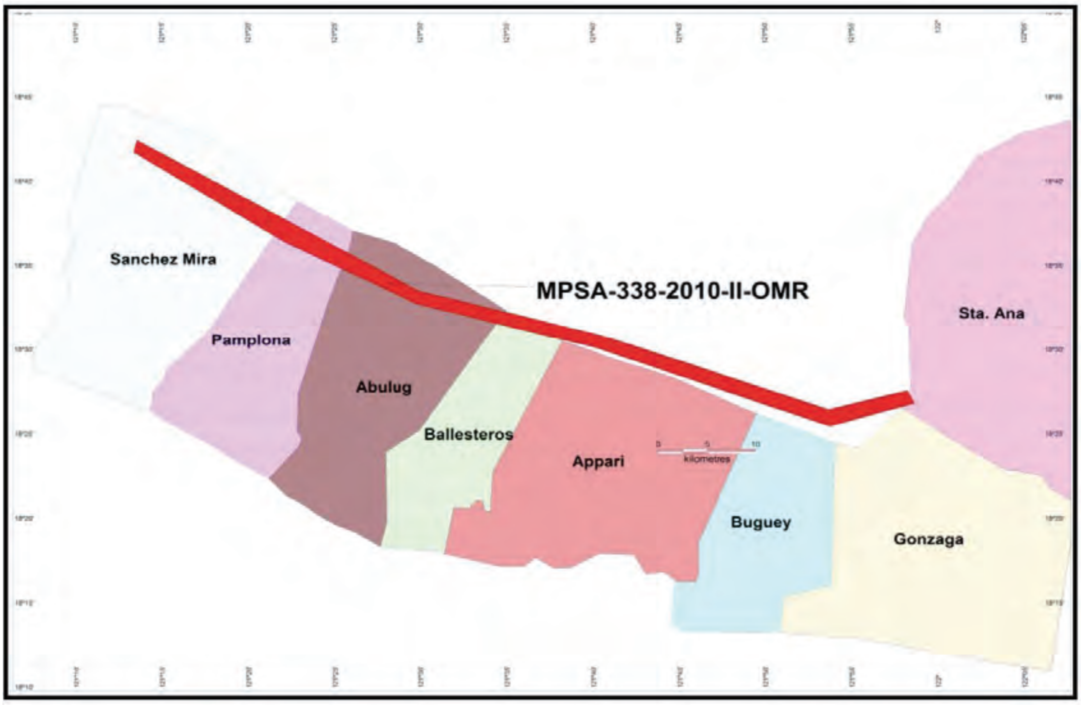



Figure 1. Tenement Map Showing Political Boundaries

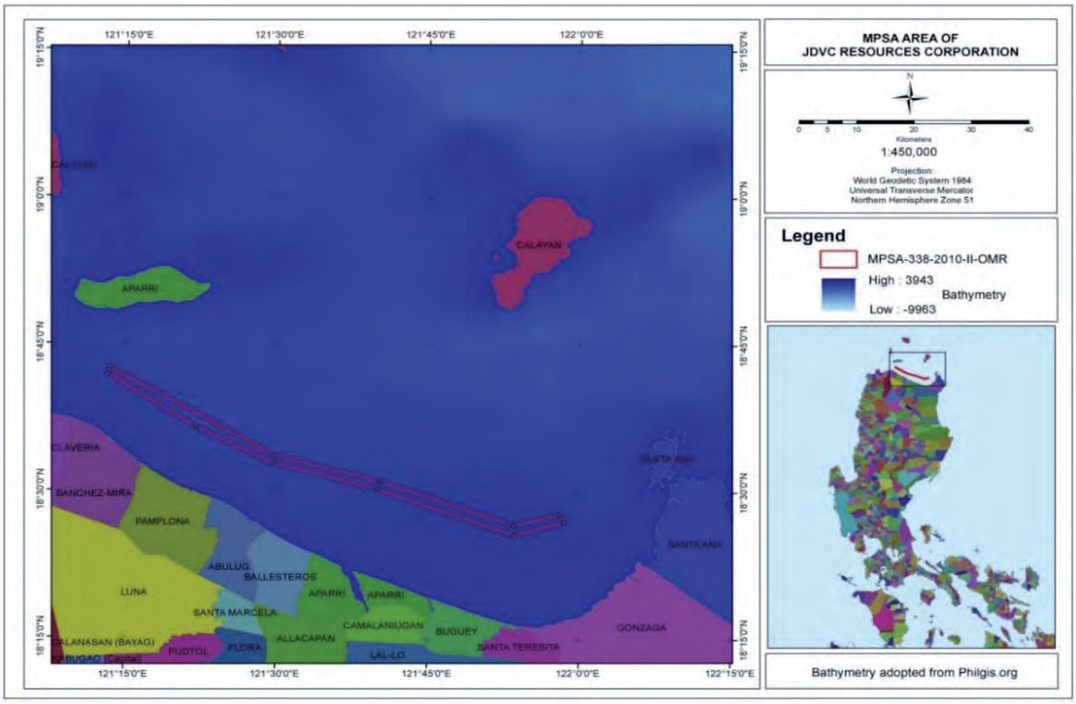



Figure 2. Tenement Map Showing Claim Boundaries

## Mineral Resources and Reserves

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

Mineral Resource Estimates

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

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

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

## III. Legal Proceedings

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

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

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

# PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information

The registrant's common shares is traded in the Philippine Stock Exchange under the ticker symbol "APL". The Company's public float as of December 31, 2023 is 67.93%.

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:

- 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.

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 Ph₱) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | 2022 | | 2021 | |
| | High | Low | High | Low | High | Low | High | Low |
| 1st Quarter | 0.015 | 0.0099 | 0.040 | 0.029 | 0.082 | 0.039 | 0.475 | 0.133 |
| 2nd Quarter | – | – | 0.037 | 0.023 | 0.051 | 0.036 | 0.247 | 0.160 |
| 3rd Quarter | – | – | 0.026 | 0.014 | 0.043 | 0.028 | 0.182 | 0.090 |
| 4th Quarter | – | – | 0.020 | 0.012 | 0.041 | 0.025 | 0.115 | 0.068 |

Market price of the Company's shares as at close of the year 2023 was ₱0.013 per share.

Holders
As of December 31, 2023, there were 806 shareholders of the 292,686,349,297 common shares issued and outstanding. The top 20 shareholders of the Company as of December 31, 2023 are as follows:

| | Name of Shareholder | No. of Shares Held | Ownership Percentage |
|---|---|---|---|
| 1. | PCD Nominee Corporation (Filipino) | 265,581,434,699 | 90.74% |
| 2. | PCD Nominee Corporation (Non-Filipino) | 16,152,352,255 | 5.52% |
| 3. | Napoleon M. De Leon Jr. | 5,250,000,000 | 1.79% |
| 4. | Daniel C. Go | 2,625,000,000 | 0.90% |
| 5. | Lloyd Reagan C. Taboso | 2,625,000,000 | 0.90% |
| 6. | Juan G. Chua | 94,040,000 | 0.03% |
| 7. | East Pacific Investors Corporation | 49,095,000 | 0.02% |
| 8. | Cygnet Development Corporation | 43,125,000 | 0.02% |
| 9. | Alistair E.A. Israel | 27,720,000 | 0.01% |
| 10. | David Q. Quitoriano | 24,200,000 | 0.01% |
| 11. | Century Securities Corp. | 6,025,000 | 0.00% |
| 12. | Ricardo L. Ng | 5,847,700 | 0.00% |
| 13. | Campos, Lanuza & Co., Inc. | 5,807,500 | 0.00% |
| 14. | Suzanne Lim | 5,175,000 | 0.00% |
| 15. | Jerry Tiu | 4,916,200 | 0.00% |
| 16. | Susana Ang Chua | 4,191,700 | 0.00% |
| 17. | R. Coyiuto Securities, Inc. | 3,350,000 | 0.00% |
| 18. | Avesco Marketing Corporation | 2,875,000 | 0.00% |
| 19. | David Go Securities Corp. | 2,750,000 | 0.00% |
| 20. | Fortune Securities Inc. | 2,750,000 | 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 Operations

The year 2023 proved to be a challenging year to the Group as certain series of events beyond the control of management, particularly adverse weather conditions, damage to the mining and auxiliary vessels, and spare parts supply availability, prevented the start of commercial mining operations. The Group focused on trying to prepare for commencement of mining operations when the weather permits and on developing an in-land iron upgrading plant designed to raise the iron grade of the mined magnetite iron from 62% to 65%.

The Group anticipates having its first shipment of magnetite iron within 1H of 2023 depending on the weather condition in Cagayan and expects around 10-12 shipments of 30,000 metric tons per shipment, earning approximately US$3 million per shipment. Management is also focusing on working with other contractors to bring in their own mining vessels to boost production from the mining tenement and shipments.

Key Performance Indicators

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

| Ratio | Formula | | 2023 | 2022 | | 2021 |
|---|---|---|---|---|---|---|
| Current Ratio | Current Assets | ₱ | 25,456,152 | 115,018,257 | ₱ | 211,833,781 |
| | Divide by: Current Liabilities | ₱ | 154,325,955 | 202,912,451 | ₱ | 121,705,906 |
| | Current Ratio | | 0.16 : 1 | 0.57 : 1 | | 1.74 : 1 |
| Asset-to-Liability Ratio | Total Assets | ₱ | 4,436,106,585 | 4,639,408,097 | ₱ | 4,727,913,432 |
| | Divide by: Total Liabilities | ₱ | 415,964,178 | 480,795,674 | ₱ | 437,089,030 |
| | Asset-to-Liability Ratio | | 10.66 : 1 | 9.65 : 1 | | 10.82 : 1 |
| Asset-to-Equity Ratio | Total Assets | ₱ | 4,436,106,585 | 4,639,408,097 | ₱ | 4,727,913,432 |
| | Divide by: Total Equity | ₱ | 4,020,142,407 | 4,158,612,423 | ₱ | 4,290,824,402 |
| | Asset-to-Equity Ratio | | 1.10 : 1 | 1.12 : 1 | | 1.10 : 1 |
| Debt-to-Equity Ratio | Total Liabilities | ₱ | 415,964,178 | 480,795,674 | ₱ | 437,089,030 |
| | Divide by: Total Equity | ₱ | 4,020,142,407 | 4,158,612,423 | ₱ | 4,290,824,402 |
| | Debt-to-Equity Ratio | | 9 : 91 | 10 : 90 | | 9 : 91 |
| Book Value per Share | Total Equity attributable to APL | ₱ | 3,782,693,158 | 3,914,626,037 | ₱ | 4,044,033,150 |
| | Divide by: Total No. of Shares Outstanding | | 292,686,349,197 | 292,686,349,197 | | 292,686,349,197 |
| | Book Value per Share | ₱ | 0.01292 | 0.01337 | ₱ | 0.01382 |
| Basic Earnings (Loss) per Share | Profit (Loss) for the year attributable APL | ₱ | (115,846,576) | (80,190,465) | ₱ | 69,146,541 |
| | Divide by: Weighted Ave. No. of Shares Outstanding | | 292,686,349,197 | 292,686,349,197 | | 284,453,015,964 |
| | Basic Earnings (Loss) per Share | ₱ | (0.00040) | (0.00027) | ₱ | 0.00024 |

Results of Operations (December 31, 2023 vs. December 31, 2022)

| | For the years ended December 31, | | | | Horizontal Analysis | | Vertical Analysis | |
|---|---|---|---|---|---|---|---|---|
| | | 2023 | | 2022 | Inc (Dec) | %age | 2023 | 2022 |
| 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 | | (38,900,953) | | (66,241,304) | 27,340,351 | -41.27% | n/a | n/a |
| Operating loss | ₱ | (38,900,953) | ₱ | (66,241,304) | 27,340,351 | -41.27% | n/a | n/a |
| Finance income | | 63,543 | | 55,194 | 8,349 | 15.13% | n/a | n/a |
| Finance costs | | (6,250,360) | | (8,272,685) | 2,022,325 | -24.45% | n/a | n/a |
| Share in net loss of associate | | (44,165,814) | | (22,594,199) | (21,571,615) | 95.47% | n/a | n/a |
| Other income/losses – net | | 243,994 | | 181,731 | 62,263 | 34.26% | n/a | n/a |
| Loss before tax benefit | ₱ | (89,009,590) | ₱ | (96,871,263) | 7,861,673 | -8.12% | n/a | n/a |
| Income tax benefit | | (30,036,854) | | 13,874,163 | (43,911,017) | -316.49% | n/a | n/a |
| Loss for the period | ₱ | (119,046,444) | ₱ | (82,997,100) | (36,049,344) | 43.43% | n/a | n/a |
| Other comprehensive income | | 18,613,010 | | 49,216,648 | (30,603,638) | -62.18% | n/a | n/a |
| Total comprehensive loss | ₱ | (100,433,434) | ₱ | (33,780,452) | (66,652,982) | 197.31% | n/a | n/a |

*General & Administrative Costs*

The Group's general & administrative costs decreased 41.27% which was primarily due to lower professional fees (decreased by 17.69-million or 85%), representation (decreased by 3.88-million or 59%), and transportation expenses (decreased by 3.37-million or 47%).

*Finance Income*

Total interest income increased by 15.13% arising from higher cash balance from the proceeds in the follow-on offering.

*Share in Net Loss of Associate*

The account pertains to the equity share of the Group on the profit (loss) of PBO, the Group's associate. Since the Group has not yet commenced commercial operations, PBO has not yet started earning from its charter of the mining vessel.

*Total Comprehensive Loss*

Total comprehensive loss decreased in 2023 as compared to 2022 as a result of higher share in net loss of associate.

Financial Condition December 31, 2023 vs. December 31, 2022)

| | As at December 31, | | | | Horizontal Analysis | | Vertical Analysis | |
|---|---|---|---|---|---|---|---|---|
| | | 2023 | | 2022 | Inc (Dec) | %age | 2023 | 2022 |
| ASSETS | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash | ₱ | 9,996,975 | ₱ | 91,545,099 | (81,548,124) | -89.08% | 0.23% | 1.97% |
| Receivables | | – | | 15,277,191 | (15,277,191) | -100.00% | 0.00% | 0.33% |
| Advances to related parties | | 13,000,000 | | 278,400 | 12,721,600 | 4,569.54% | 0.29% | 0.01% |
| Other current assets | | 2,459,177 | | 7,917,567 | (5,458,390) | -68.94% | 0.06% | 0.17% |
| Total current assets | ₱ | 25,456,152 | ₱ | 115,018,257 | (102,283,705) | -89.14% | 0.28% | 2.47% |
| Non-current assets: | | | | | | | | |
| Investment in associate | ₱ | 966,771,399 | ₱ | 1,028,797,561 | (62,026,162) | -6.03% | 21.79% | 22.18% |
| Mine properties | | 3,335,498,812 | | 3,325,677,027 | 9,821,785 | 0.30% | 75.19% | 71.68% |
| Property & equipment – net | | 103,340,221 | | 95,557,823 | 7,782,398 | 8.14% | 2.33% | 2.06% |
| Deferred tax assets | | – | | 30,033,194 | (30,033,194) | -100.00% | 0.00% | 0.65% |
| Other non-current assets | | 5,040,001 | | 44,324,235 | (39,284,234) | -100.00% | 0.11% | 0.96% |
| Total non-current assets | ₱ | 4,410,650,433 | ₱ | 4,524,389,840 | (101,017,807) | -2.233% | 99.72% | 97.53% |
| TOTAL ASSETS | ₱ | 4,436,106,585 | ₱ | 4,639,408,097 | (203,301,512) | -4.38% | 100.00% | 100.00% |

| LIABILITIES & EQUITY | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Current liabilities:** | | | | | | | | |
| Interest-bearing loans & borrowings | ₱ | 120,899,901 | ₱ | 90,999,901 | 29,900,000 | 32.86% | 2.73% | 1.96% |
| Trade & other payables | | 24,764,155 | | 20,840,656 | 3,923,499 | 18.83% | 0.56% | 0.45% |
| Current tax payable | | 3,660 | | 1,694 | 1,966 | 116.06% | 0.00% | 0.00% |
| Other current liabilities | | 8,658,239 | | 91,070,200 | (82,411,961) | -90.49% | 0.20% | 1.96% |
| Total current liabilities | ₱ | 154,325,955 | ₱ | 202,912,451 | (48,586,496) | -23.94% | 3.48% | 4.37% |
| **Non-current liabilities:** | | | | | | | | |
| Interest-bearing loans & borrowings | ₱ | 13,655,000 | ₱ | 29.900,000 | (16,245,000) | -54.33% | 0.31% | 0.64% |
| Advances from related party | | 247,983,223 | | 247,983,223 | – | 0.00% | 5.59% | 5.35% |
| Total non-current liabilities | ₱ | 261,638,223 | ₱ | 277,883,223 | (16,245,000) | -5.85% | 5.90% | 5.99% |
| Total liabilities | ₱ | 415,964,178 | ₱ | 480,795,674 | (64,831,496) | -13.48% | 9.38% | 10.36% |
| **Equity:** | | | | | | | | |
| Share capital | ₱ | 2,926,863,493 | ₱ | 2,926,863,493 | – | 0.00% | 65.98% | 63.09% |
| Share premium | | 868,071,980 | | 868,071,980 | – | 0.00% | 19.57% | 18.71% |
| Accumulated losses | | (224,679,066) | | (111,359,197) | (113,319,869) | 101.76% | -5.06% | -2.40% |
| Equity reserves | | 212,436,751 | | 231,049,761 | (18,613,010) | -8.06% | 4.79% | 4.98% |
| Total equity attributable to Parent Company's shareholders | ₱ | 3,782,693,158 | ₱ | 3,914,626,037 | (131,932,879) | -3.37% | 85.27% | 84.38% |
| Non-controlling interest | | 237,449,249 | | 243,986,386 | (6,537,137) | -2.68% | 5.35% | 5.26% |
| Total equity | ₱ | 4,020,142,407 | ₱ | 4,158,612,423 | (138,470,016) | -3.33% | 90.62% | 89.64% |
| TOTAL LIABILITIES & EQUITY | ₱ | 4,436,106,585 | ₱ | 4,639,408,097 | (203,301,512) | -4.38% | 100.00% | 100.00% |

***Total Assets***

Total assets of the Group decreased by ₱203.30-million (4.38%), which was primarily caused by usage of cash for administrative expenses and collections of receivables.

*Cash*

Cash decreased by ₱81.55 million (89.08%) which was the result of negative cash flows from operations and due to cash used in investing activities i.e, acquisition of additional property & equipment and costs expended on the mine property.

*Receivables*

Receivables were fully collected in 2023.

*Other Current Assets*

Other current assets decreased by ₱5.46 million (68.94%) as a result of lower input taxes claimed for the year.

*Investment in Associate*

The ₱62.03-million decrease in investment in associate resulted from the equity share in total comprehensive loss of PBO.

*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 mining equipment for the mining vessel and for the inland iron upgrading plant.

***Total Liabilities***

Total liabilities have decreased by ₱64.83-million (13.48%), which was primarily caused by decrease in other current liabilities amounting to ₱82.41-million.

*Interest-Bearing Loans & Borrowings*

Loans & borrowings pertains to loans from CBO and Agbiag Mining and Development Corporation. In 2023, the Group availed of additional loan from Agbiag amounting to ₱13.66-million.

*Trade & Other Payables*

The increase in the balance of this account by ₱3.92-million was due to the increase in amounts due to suppliers.

***Total Equity***

The decrease in total equity of ₱138.47-million in this account pertains to the total comprehensive loss that the Group incurred in its operations.

*Equity Reserves*

Equity reserves pertain to (1) revaluation reserves from the incremental valuation recognized on the mining vessel, and (2) translation reserves from foreign operations of PT. JDVC Resources Indonesia and PBO. The decrease in equity reserves reflect the weakened peso against the dollar reflecting a translation loss for 2023.

Results of Operations (December 31, 2022 vs. December 31, 2021)

| | For the years ended December 31, | | | | Horizontal Analysis | | Vertical Analysis | |
|---|---|---|---|---|---|---|---|---|
| | | 2022 | | 2021 | Inc (Dec) | %age | 2022 | 2021 |
| Revenues | ₱ | – | ₱ | – | – | n/a | n/a | n/a |
| Direct costs | | – | | – | – | n/a | n/a | n/a |
| Gross profit | ₱ | – | ₱ | – | – | n/a | n/a | n/a |
| General & administrative costs | | (66,241,304) | | (46,114,945) | (20,126,359) | 43.64% | n/a | n/a |
| Operating loss | ₱ | (66,241,304) | ₱ | (46,114,945) | (20,126,359) | 43.64% | n/a | n/a |
| Finance income | | 55,194 | | 36,247 | 18,947 | 52.27% | n/a | n/a |
| Finance costs | | (8,272,685) | | (4,147,185) | (4,125,500) | 99.48% | n/a | n/a |
| Share in net earnings (loss) of associate | | (22,594,199) | | 109,100,139 | (131,694,338) | -120.71% | n/a | n/a |
| Other income/losses – net | | 181,731 | | (868,326) | 1,050,057 | -120.93% | n/a | n/a |
| Profit (Loss) before tax benefit | ₱ | (96,871,263) | ₱ | 58,005,930 | (154,877,193) | -374.41% | n/a | n/a |
| Income tax benefit | | 13,874,163 | | 10,003,034 | 3,871,129 | 38.70% | n/a | n/a |
| Profit (Loss) for the period | ₱ | (82,997,100) | ₱ | 68,008,964 | (151,006,064) | -222.04% | n/a | n/a |
| Other comprehensive income (loss) | | 49,216,648 | | 280,266,408 | (329,483,056) | -117.56% | n/a | n/a |
| Total comprehensive income (loss) | ₱ | (33,780,452) | ₱ | 348,275,372 | (382,055,824) | -109.70% | n/a | n/a |

*General & Administrative Costs*

The Group's general & administrative costs increased by 43.64% which was primarily due to higher compensation (increased by ₱4.4-million or 104.86%), representation (increased by ₱6.7-million or 524.63%), travel (increased by ₱6.2-million or 712.22%), and depreciation charges (increased by ₱3.7-million or 427.34%).

*Finance Income*

Total interest income increased by 52.27% arising from higher cash balance from the proceeds in the follow-on offering.

*Finance costs*

The 99.48% increase in interest is correlated to the additional interest-bearing loans and borrowings and on higher interest rates on the additional availed loan from the usual 6% to 10%.

*Share in Net Earnings (Loss) of Associate*

The account pertains to the equity share of the Group on the profit (loss) of PBO, the Group's associate. Since the Group has not yet commenced commercial operations, PBO has not yet started earning from its charter of the mining vessel.

*Total Comprehensive Income (Loss)*

Total comprehensive income (loss) decreased in 2022 as compared to 2021 as a result of higher administrative costs and finance costs. Also, 2021 recognized more one-time transactions from the valuation of PBO's mining vessel.

Financial Condition December 31, 2022 vs. December 31, 2021)

| | | As at December 31, | | | Horizontal Analysis | | Vertical Analysis | |
|---|---|---|---|---|---|---|---|---|
| | | 2022 | | 2021 | Inc (Dec) | %age | 2022 | 2021 |
| A S S E T S | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash | ₱ | 91,545,099 | ₱ | 202,949,260 | (111,404,161) | -54.89% | 1.97% | 4.29% |
| Receivables | | 15,277,191 | | 3,834,663 | 11,442,528 | 298.40% | 0.33% | 0.08% |
| Other current assets | | 7,917,567 | | 5,049,858 | 2,867,709 | 56.79% | 0.17% | 0.11% |
| Total current assets | ₱ | 114,739,857 | ₱ | 211,833,781 | (97,093,924) | -45.83% | 2.47% | 4.48% |
| Non-current assets: | | | | | | | | |
| Investment in associate | ₱ | 1,028,797,561 | ₱ | 1,100,848,828 | (72,051,267) | -6.55% | 22.18% | 23.28% |
| Advances to related parties | ₱ | 278,400 | ₱ | – | 278,400 | n/a | 0.01% | 0.00% |
| Mine properties | | 3,325,677,027 | | 3,315,448,592 | 10,228,435 | 0.31% | 71.68% | 70.12% |
| Property & equipment – net | | 95,557,823 | | 42,170,961 | 53,386,862 | 126.60% | 2.06% | 0.89% |
| Deferred tax assets | | 30,033,194 | | 16,157,337 | 13,875,857 | 85.88% | 0.65% | 0.34% |
| Other non-current assets | | 44,324,235 | | 41,453,933 | 2,870,302 | 6.92% | 0.96% | 0.88% |
| Total non-current assets | ₱ | 4,524,668,240 | ₱ | 4,516,079,651 | 8,588,589 | 0.19% | 97.53% | 95.52% |
| TOTAL ASSETS | ₱ | 4,639,408,097 | ₱ | 4,727,913,432 | (88,505,335) | -1.87% | 100.00% | 100.00% |
| L I A B I L I T I E S & E Q U I T Y | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Interest-bearing loans & borrowings | ₱ | 90,999,901 | ₱ | 23,600,000 | 67,399,901 | 285.59% | 1.96% | 0.50% |
| Trade & other payables | | 20,840,656 | | 7,035,706 | 13,804,950 | 196.21% | 0.45% | 0.15% |
| Current tax payable | | 1,694 | | – | 1,694 | n/a | 0.00% | 0.00% |
| Other current liabilities | | 91,070,200 | | 91,070,200 | – | 0.00% | 1.96% | 1.93% |
| Total current liabilities | ₱ | 202,912,451 | ₱ | 121,705,906 | 81.206.545 | 66.72% | 4.37% | 2.57% |
| Non-current liabilities: | | | | | | | | |
| Interest-bearing loans & borrowings | ₱ | 29.900,000 | ₱ | 67,399,901 | (37,499,901) | -55.64% | 0.64% | 1.43% |
| Advances from related party | | 247,983,223 | | 247,983,223 | – | 0.00% | 5.35% | 5.25% |
| Total non-current liabilities | ₱ | 277,883,223 | ₱ | 315,383,124 | (37,499,901) | -11.89% | 5.99% | 6.67% |
| Total liabilities | ₱ | 480,795,674 | ₱ | 437,089,030 | 43,706,644 | 10.00% | 10.36% | 9.24% |
| Equity: | | | | | | | | |
| Share capital | ₱ | 2,926,863,493 | ₱ | 2,926,863,493 | – | 0.00% | 63.09% | 61.91% |
| Share premium | | 868,071,980 | | 868,071,980 | – | 0.00% | 18.71% | 18.36% |
| Accumulated losses | | (111,359,197) | | (31,168,732) | (80,190,465) | 257.28% | -2.40% | -0.66% |
| Equity reserves | | 231,049,761 | | 280,266,409 | (49,216,648) | -17.56% | 4.98% | 5.93% |
| Total equity attributable to Parent Company's shareholders | ₱ | 3,914,626,037 | ₱ | 4,044,033,150 | (129,407,113) | -3.20% | 84.38% | 85.54% |
| Non-controlling interest | | 243,986,386 | | 246,791,252 | (2,804,866) | -1.14% | 5.26% | 5.22% |
| Total equity | ₱ | 4,158,612,423 | ₱ | 4,290,824,402 | (132,211,979) | -3.08% | 89.64% | 90.76% |
| TOTAL LIABILITIES & EQUITY | ₱ | 4,639,408,097 | ₱ | 4,727,913,432 | (88,505,335) | -1.87% | 100.00% | 100.00% |

*Total Assets*

Total assets of the Group decreased by ₱88.5-million (1.87%), which was primarily caused by usage of cash for administrative expenses and for acquisition of additional equipment to be used in mining operations.

*Cash*

Cash decreased by ₱111.4-million (54.89%) which was the result of negative cash flows from operations and due to cash used in investing activities i.e, acquisition of additional property & equipment and costs expended on the mine property.

*Receivables*

Receivables increased by ₱11.4-million or by 294.40% due to additional advances made to an affiliate, Cagayan Blue Ocean.

*Other Current Assets*
Other current assets increased by ₱2.9-million (56.79%) as a result of additional input taxes claimed from the purchased equipment.

*Investment in Associate*
The ₱72.1-million decrease in investment in associate resulted from the equity share in total comprehensive loss of PBO.

*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 mining equipment for the mining vessel and for the inland iron upgrading plant.

***Total Liabilities***
Total liabilities have increased by ₱43.7-million (10.00%), which was primarily caused by increase in accounts & other payables amounting to ₱13.8-million and interest bearing loans & borrowings amounting to ₱23.9 million.

*Interest-Bearing Loans & Borrowings*
Loans & borrowings pertains to loans from CBO and Agbiag Mining and Development Corporation. In 2022, the Group availed of additional loan from Agbiag amounting to ₱22.9 million.

*Trade & Other Payables*
The increase in the balance of this account by ₱13.8-million was due to the increase in amounts due to suppliers.

***Total Equity***
The decrease in total equity of ₱132.2-million in this account pertains to the total comprehensive loss that the Group incurred in its operations.

*Equity Reserves*
Equity reserves pertain to (1) revaluation reserves from the incremental valuation recognized on the mining vessel, and (2) translation reserves from foreign operations of PT. JDVC Resources Indonesia and PBO. The decrease in equity reserves reflect the weakened peso against the dollar reflecting a translation loss for 2022.

## 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, 2023, 2022 and 2021. 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

The external auditor of the Company billed the audit fees for the professional services rendered for the audit of the Company's annual financial statements and services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for the period.

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, 2023, 2022 and 2021 amounts to the following:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Audit Fees | 450,000 | 450,000 | 400,000 |
| Non-Audit Fees | 400,000 | 400,000 | 100,000 |
| Total | ₱850,000 | ₱850,000 | ₱500,000 |

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.

Other Fees

Non-audit fees refer to the services rendered by the external auditor on the quarterly review of the Disbursement of the IPO proceeds and related services.

Except as disclosed above, there were no other services rendered by the external auditor to the Company during the above period.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with the independent external auditors for the years 2023 and 2022 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, 2023**.

| Name | Citizenship | Age | Position | Period Served |
|---|---|---|---|---|
| Salvador A. Santos-Ocampo | Filipino | 53 | Chairman of the Board | Oct. 2015 – present |
| David M. De La Cruz | Filipino | 57 | Director | Feb. 2017 – present |
| Norman L. De Leon | Filipino | 32 | Director | Dec. 2018 – present |
| Bonner C. Dytoc | Filipino | 54 | Director | Dec 2022 -- present |

| | | | | |
|---|---|---|---|---|
| Bernadette C. Herrera-Dy | Filipino | 47 | Director | Mar. 2019 – present |
| John Oliver L. Pascual | Filipino | 54 | Director | Jan. 2020 – present |
| Lloyd Reagan C. Taboso | Filipino | 42 | Director | Dec. 2018 – present |
| Lucky Dickinson T. Uy | Filipino | 41 | Director | Dec. 2022 -- present |
| Ze Hong Tan | Chinese | 25 | Director | Dec 2023 -- present |
| George O. Chua Cham | Filipino | 73 | Independent Director | Mar. 2021 – present |
| Alcuin Brendan V. Papa | Filipino | 54 | Independent Director | Dec 2023 – present |

Executive Officers

The table sets forth the Company's executive officers as of **December 31, 2023**.

| Name | Citizenship | Age | Position | Period Served |
|---|---|---|---|---|
| Bonner C. Dytoc | Filipino | 54 | President | Dec. 2022 – present |
| Louis T. Santos | Filipino | 40 | Chief Operating Officer | Dec. 2022 -- present |
| Edwin T. Lim | Filipino | 48 | Treasurer | Dec. 2018 – present |
| Lucky Dickinson T. Uy | Filipino | 41 | Chief Financial Officer | Oct. 2022 – present |
| Mark Ulric G. Chan | Filipino | 29 | Compliance Officer | Oct. 2022 – present |
| Lyra Gracia Y. Lipae-Fabella | Filipino | 47 | Corporate Secretary | Oct. 2022 – present |

The brief background of the directors and executive officers of the Company is as follows:

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

**Mr. Bonner C. Dytoc (Director/ President)** was the Officer-In-Charge prior to his election as President. He used to be the Asst. Vice President for Ferrotech Group of Companies, a manufacturer of liquefied petroleum gas tanks catering to the top 3 oil companies in the Philippines. He was also Technical Assistant to the President of Metalex International, Inc., an importer of steel coils, plates, and other steel products. He obtained his Bachelor of Arts in Communication Arts degree from the University of the Philippines – Diliman in 1992.

**Mr. Lucky Dickinson T. Uy (Director/Chief Finance Officer)** is the former Compliance Officer of the Company. He is a stock broker at SB Equities since October 2017. He was also a stock broker at Venture Securities from 2013 to September 2017. He obtained his Bachelor of Science in Chemical Engineering degree from the Dela Salle University in 2005.

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

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

**Ms. Bernadette C. Herrera-Dy (Director)** is a member of the 19$^{th}$ Congress of the House of Representatives representing Bagong Henerasyon Partylist. During the 18$^{th}$ Congress, she was named Deputy Speaker and she co-authored a bill banning child marriage in the Philippines which lapsed into law as Republic Act No. 11596. During the 17$^{th}$ Congress, she was the Chairperson of the Committee on Women and Gender Equality, the House body responsible for matters directly and principally relating to the rights and welfare of women and female children and youth, and the Vice- Chairperson of the Committee on Welfare of Children. She graduated from the University of the Philippines with degrees in B.S. Business Economics and M.S. Finance.

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

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

**Mr. Ze Hong Tan (Director)** is a Director of Amiyaman Mining Corporation. He is also the Marketing Manager of Carewinds Dialysis Center Corporation and the Executive Assistant at Vivo City Real Estate Corporation. Mr. Tan graduated from the Ateneo de Manila University with a degree in BS Management Engineering. He currently owns 6,000,000 shares of the Company.

**Mr. Alcuin Brendan V. Papa (Independent Director)** has been the Executive Assistant to the CEO for Marketing and Media Relations of the University of Perpetual Help System -DALTA since 2020. He previously worked with the ABS-CBN Corp. from 2013-2021 as Head of the Global News Bureau (2019-2021), as Managing Editor of the ANC (2015-2019) and as Head of the Central News Desk (2013-2015). He also used to work with the anc.yahoo.com, rappler.com, GMA Network, Inc., Philippine Daily Inquirer and the Manila Times. He obtained his Bachelor of Arts in English (Anglo-American Literature concentration) and Bachelor in Library and Information Science from UP Diliman, Quezon City in 1997 and 1993, respectively. He currently owns 110,000 shares of the Company.

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

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

**Mr. Louis T. Santos (Chief Operations Officer)** is a geologist with a vast experience in the exploration of metallic minerals such as copper, gold, nickel, chromite, iron and other related commodities and non-metallic resources such as clay, silica, and aggregates. He has acted as Consulting Geologist for several mining companies within the Philippines. His expertise is on offshore mineral deposits such as iron, palladium and other associated minerals. He has eighteen (18) years of experience in the field of geology particularly in mineral exploration. He also worked for eight (8) years with an Australian listed company (Mineral Resources Limited) with mining projects all over the Philippines and was responsible for the exploration and geological due diligence of the mining claims which includes drilling, sampling, geological mapping and other related geological works. He graduated from Mapua Institute of Technology Bachelor of Science in Geology year 2005 and obtained his license as a Geologist during the same year (12th placer Geology Board Exam).

**Atty. Lyra Gracia Y. Lipae-Fabella (Corporate Secretary)** is a Certified Public Accountant and member of the Integrated Bar of the Philippines. She is Corporate Secretary/Officer to a number of publicly-listed companies. She is also Managing Partner of the Fabella and Fabella Law Office. She previously worked as Junior Auditor in a leading auditing firm, Associate in a law firm and Securities Counsel III with the Securities and Exchange Commission. She obtained her Bachelor of Laws degree from San Beda College in Manila and her BS Business Administration and Accountancy degree from the University of the Philippines in Quezon City.

**Mr. Mark Ulric Go Chan (Compliance Officer)** obtained his Bachelor of Laws degree from The University of Kent in England. He is a former and experienced educator of English Language and Multinational Literature as well as Epistemology. He was the former Compliance Officer of Coventry Intrasete Manpower and Management Inc.

## X. Executive Compensation

*Compensation of Directors and Officers*

Standard Arrangements

There are no special compensatory arrangements between the Company and its directors and officers.

There are no special arrangements as to the employment contract of any executive officer. Any compensation upon the officer's resignation, retirement or other termination from the Company or its subsidiaries, or as may result from a change in control will be in accordance with the provisions of existing laws.

The Company's directors have not received any form of compensation from election up to present. They have likewise waived the per diem for the meetings attended.

The Company has no price or stock warrants.

Summary Compensation Table (Annual Compensation)

| Name and Principal Position | Year | Annual Compensation |
|---|---|---|
| All key personnel and officers as a group unnamed | 2023 | Php 2,292,119.00 |
| | 2022 | Php 6,592,000.00 |
| | 2021 | Php 2,800,000.00 |

The top executives of the Company are as follows:

a. President – Bonner C. Dytoc
b. Chief Finance Officer – Lucky Dickinson T. Uy
c. Chief Operating Officer – Louis T. Santos
d. Treasurer – Edwin T. Lim

## 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, 2023:

| 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 | 265,581,434,699 | 66.80% |
| Common | Napoleon M. De Leon Jr. | Napoleon M. De Leon Jr. | Filipino | 5,250,000,000 (D)<br>40,974,979,304 (I) | 15.79% |
| Common | Daniel C. Go | Daniel C. Go | Filipino | 2,625,000,000 (D)<br>21,224,094,673 (I) | 8.15% |
| Common | PCD Nominee Corporation (Non-Filipino) | | Non-Filipino | 16,152,352,255 | 5.52% |

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, 2023:

| 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 | 2,625,000,000 (D)<br>43,846,972,000 (I) | 15.88% |
| Common | Edwin T. Lim | Edwin T. Lim | Filipino | 100 (D)<br>1,000,000,000 (I) | 0.34% |
| Common | Bonner C. Dytoc | Bonner C. Dytoc | Filipino | 150,000,000 (I) | 0.05% |
| Common | Louis T. Santos | Louis T. Santos | Filipino | 10,750,000 (I) | 0.00% |
| Common | Ze Hong Zhuang Tan | Ze Hong Zhuang Tan | Chinese | 6,000,000(I) | 0.00% |
| Common | Norman L. De Leon | Norman De Leon | Filipino | 2,000 (D)<br>1,700,000 (I) | 0.00% |
| Common | John Oliver L. Pascual | John Oliver L. Pascual | Filipino | 1,060,000 (I) | 0.00% |
| Common | Alcuin Brendan V. Papa | Alcuin Brendan V. Papa | Filipino | 110,000 (I) | 0.00% |
| Common | David M. De La Cruz | David M. De La Cruz | Filipino | 100,000 (I) | 0.00% |
| Common | Lucky Dickinson T. Uy | Lucky Dickinson T. Uy | Filipino | 10,000 (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 | Bernadette C. Herrera-Dy | Bernadette Herrera-Dy | Filipino | 1 (D) | 0.00% |
| Common | Lyra Gracia Y. Lipae-Fabella | Lyra Gracia Y. Lipae-Fabella | Filipino | 0 (D) | 0.00% |
| Common | Mark Ulric G. Chan | Mark Ulric G. Chan | 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 26, *Related Party Transactions*, to the 2023 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 2023:

| Document Date | Filing Date | Item No. | Matter |
|---|---|---|---|
| Mar. 31 | Mar. 31 | 9 | Update on Operations |
| Jun. 22 | Jun. 23 | 9 | Postponement of Annual Stockholders Meeting for the Year 2023 |
| Nov. 9 | Nov. 10 | 9 | Annual Stockholders Meeting for the Year 2023 |
| Dec. 20 | Dec. 20 | 9 | Results of the 2023 Annual Stockholders' Meeting |
| Dec. 20 | Dec. 20 | 9 | Results of Organizational Meeting of the Board of Directors |

## SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of Apollo Global Capital, Inc., by the undersigned, thereunto duly authorized, in QUEZON CITY on APR 29 2024.

By:

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

**BONNER C. DYTOC**
*President*

**LUCKY DICKINSON T. UY**
*Chief Financial Officer*

**LOUIS T. SANTOS**
*Chief Operating Officer*

**EDWIN T. LIM**
*Treasurer*

**LYRA GRACIA Y. LIPAE-FABELLA**
*Corporate Secretary*

**SUBSCRIBED AND SWORN** to before me, a Notary Public for and in QUEZON CITY Philippines, this APR 29 2024, 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 | ID No. | Issued By |
|---|---|---|
| Bonner C. Dytoc | SSS No. 03-9234389-9 | Social Security System |
| Louis T. Santos | TIN 242-541-329 | Bureau of Internal Revenue |
| Lucky Dickinson T. Uy | TIN 219-879-396 | Bureau of Internal Revenue |
| Edwin T. Lim | Passport No. P3168541B | Dept. of Foreign Affairs – NCR East |
| Lyra Gracia Y. Lipae-Fabella | SSS No. 09-1836302-0 | Social Security System |

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Series of 2024.

**NOTARY PUBLIC**

**ATTY. JASON G. DE BELEN**
Roll No. 36259
Adm. No. NP-008 Notary Public
Notary Public for Quezon City
My Commission expires on December 31, 2025
No. 7M Panay Ave. cor. Sct. Borromeo St., Q.C.
IBP No. 385735; Q.C., 1-2-2024
PTR No. 5554846; Q.C.; 1-2-2024
MCLE VII-0019570; 5-30-22

**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 | 2023 |
| Highest Ranking Person responsible for this report | Mr. Bonner Dytoc<br>President |

**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]** |
|---|
| As the Company has not yet commenced commercial operations, we 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) | 0 | PhP |
| Direct economic value distributed: | | |
| a.Operating costs | 38,900,953 | PhP |
| b.Employee wages and benefits | 6,839,967 | 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 | 2,602,361 | 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 climate related risks and opportunities where such information is material |
| **Recommended Disclosures** | | | |
| a) Describe the board's oversight of climate related risks and opportunities<br><br>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<br><br>We keep ourselves abreast on climate related 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<br><br>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.<br><br>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 | a)Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process<br><br>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. |

| | | | |
|---|---|---|---|
| | | options such as hiring of experts, climate risk mitigation options, etc. | |
| b) Describe management's role in assessing and managing climate related risks and opportunities<br><br>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. | b) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy and financial planning<br><br>The increased awareness and studies on climate change have affected our considerations on business models and opportunities 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<br><br>We adopted the following measures to manage climate related risks: i. Climate risk management is an integral part of the project 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 climate related risks and opportunities and performance against targets<br><br>We are currently nonoperational. Any project we intend to pursue, of which any short, medium and long-term goals will also 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<br><br>With no business operations at the 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. | d) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management<br><br>For any project we 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.<br><br>We include the following factors in our procurement policies:<br><br>• Environmental aspects – environment effects of the assets, supplies, and/or services<br>• Social aspects – impact of the assets, supplies, and/or services on poverty reduction, women empowerment, scarcity of resources, labor conditions human rights, etc.<br>• 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 communicated to | 100 | % |
| 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 | Which stakeholders are affected? | Management Approach |
|---|---|---|
| organization's involvement in the impact? | | |
| *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 |
| **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. AND ITS SUBSIDIARY (FORMERLY: YEHEY! CORPORATION AND ITS SUBSIDIARY)

PRINCIPAL OFFICE *( No. / Street / Barangay / City / Town / Province )*

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

| Form Type | Department requiring the report | Secondary License Type, If Applicable |
|---|---|---|
| AFS | | |

COMPANY INFORMATION

| Company's Email Address | Company's Telephone Number | Mobile Number |
|---|---|---|
| N/A | (632)8801-5568 | N/A |

| No. of Stockholders | Annual Meeting (Month / Day) | Fiscal Year (Month / Day) |
|---|---|---|
| 806 | 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 |
|---|---|---|---|
| Lucky T. Uy | info@apolloglobalcapital.com | (632)8801-5568 | N/A |

CONTACT PERSON's ADDRESS

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

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

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

**APOLLO GLOBAL CAPITAL, INC.**

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The management of **APOLLO GLOBAL CAPITAL, INC. (Formerly: YEHEY! CORPORATION) and its Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated 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 : BONNER C. DYTOC
*(Printed Name of the President)*

Signature : SALVADOR A. SANTOS-OCAMPO
*(Printed Name of the Chairman)*

Signature : LUCKY DICKINSON UY
*(Printed Name of the Chief Financial Officer)*

**Signed this ____ day of ____** APR 3 0 2024

SUBSCRIBED AND SWORN TO BEFORE ME THIS APR 3 0 2024 IN QUEZON CITY

ATTY. CONCEPCION P. VILLAREÑA
Notary Public for Quezon City
Until December 31, 2024
PTR No. 5565783 / January 03, 2024 Q.C
IBP No. 399899 / January 04, 2024 Q.C
Roll No. 30457 / 05-09-1980
MCLE VII-0006994 / 03-21-2021
ADM. MATTER No. NP-021 (2024-2025)
TIN NO. 131-942-754
Matalino Corner Malakas ST., Brgy. Central District IV, Diliman Quezon City

DOC# 21
PAGE# 6
BOOK# 79
SERIES OF 2024

# INDEPENDENT AUDITOR'S REPORT

The Stockholders and Board of Directors
**APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY**
***(Formerly Yehey! Corporation and Its Subsidiary)***
Unit 1204, 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)*** (the Group) which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022 and of its consolidated financial performances and its consolidated cash flows for each of the three years in the period ended December 31, 2023 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 Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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, 2023. These matters were addressed in the context of our audit of the consolidated 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 ₱3.34 billion as of December 31, 2023. This represents 75.19% of the Group's total assets and the management assesses the impairment of 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 Accounting Judgment, Estimates and Assumptions, and Note 17, Mine Properties of the consolidated financial statements.

**Responsibilities of Management and Those Charged with Governance for the Consolidated 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 Consolidated 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 Group'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 Group'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 the 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 consolidated 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 consolidated 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, 2022 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, 2022 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
SEC Accreditation No.0314-SEC
Valid for 2022 - 2026 audit periods
BIR Accreditation No. 08-002126-000-2024
Issued on April 5, 2024, Valid until April 4, 2027

**For the firm:**

**ALFONSO L. CAY-AN**
**Partner**
CPA Registration No. 99805, Valid until December 14, 2026
TIN No. 213-410-741-000
PTR No. 10081734, Issued Date: January 8, 2024, Makati City
BOA/PRC Reg. No. 0314
Issued on July 29, 2021, Valid until July 14, 2024
SEC Accreditation No. 99805 – SEC, Group A
Valid for 2022 - 2026 audit periods
BIR Accreditation No. 08-002126-005-2024
Issued on April 5, 2024, Valid until April 4, 2027

Makati City, Philippines
April 30, 2024

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

The Shareholders and Board of Directors
**APOLLO GLOBAL CAPITAL, INC. AND ITS 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, 2023, on which we have rendered the attached report dated April 30, 2024.

In compliance with Revised SRC Rule 68, we are stating that the Group has eight hundred five (805) stockholders owning one hundred (100) or more shares each as of December 31, 2023.

**VALDES ABAD & COMPANY, CPAs**
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BIR Accreditation No. 08-002126-000-2024
Issued on April 5, 2024, Valid until April 4, 2027

**For the firm:**

**ALFONSO L. CAY-AN**
**Partner**
CPA Registration No. 99805, Valid until December 14, 2026
TIN No. 213-410-741-000
PTR No. 10081734, Issued Date: January 8, 2024, Makati City
BOA/PRC Reg. No. 0314
Issued on July 29, 2021, Valid until July 14, 2024
SEC Accreditation No. 99805 – SEC, Group A
Valid for 2022 - 2026 audit periods
BIR Accreditation No. 08-002126-005-2024
Issued on April 5, 2024, Valid until April 4, 2027

Makati City, Philippines
April 30, 2024

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Website: www.vacocpa.com.ph
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SEC Accreditation No. 0314-SEC

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

The Shareholders and Board of Directors
**APOLLO GLOBAL CAPITAL, INC. AND ITS 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, 2023 on which we have rendered the attached report dated April 30, 2024. 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, 2023 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
SEC Accreditation No.0314-SEC
Valid for 2022 - 2026 audit periods
BIR Accreditation No. 08-002126-000-2024
Issued on April 5, 2024, Valid until April 4, 2027

**For the firm:**

**ALFONSO L. CAY-AN**
**Partner**
CPA Registration No. 99805, Valid until December 14, 2026
TIN No. 213-410-741-000
PTR No. 10081734, Issued Date: January 8, 2024, Makati City
BOA/PRC Reg. No. 0314
Issued on July 29, 2021, Valid until July 14, 2024
SEC Accreditation No. 99805 – SEC, Group A
Valid for 2022 - 2026 audit periods
BIR Accreditation No. 08-002126-005-2024
Issued on April 5, 2024, Valid until April 4, 2027

Makati City, Philippines
April 30, 2024

Valdes Abad & Company
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# INDEPENDENT PUBLIC AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Shareholders and 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, 2023 and 2022 and have issued our report thereon dated April 30, 2024. 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, 2023 and 2022 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
SEC Accreditation No.0314-SEC
Valid for 2022 - 2026 audit periods
BIR Accreditation No. 08-002126-000-2024
Issued on April 5, 2024, Valid until April 4, 2027

**For the firm:**

**ALFONSO L. CAY-AN**
**Partner**
CPA Registration No. 99805, Valid until December 14, 2026
TIN No. 213-410-741-000
PTR No. 10081734, Issued Date: January 8, 2024, Makati City
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SEC Accreditation No. 99805 – SEC, Group A
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BIR Accreditation No. 08-002126-005-2024
Issued on April 5, 2024, Valid until April 4, 2027

Makati City, Philippines
April 30, 2024

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

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
*(In Philippine Peso)*

| | | December 31, | |
|---|---|---|---|
| **ASSETS** | **Note** | **2023** | 2022 |
| **CURRENT ASSETS** | | | |
| Cash | 11 | **9,996,975** | 91,545,099 |
| Receivables, net | 12 | - | 15,277,191 |
| Advances to related parties, net | 26 | **13,000,000** | 278,400 |
| Other current assets | 13 | **2,459,177** | 7,917,567 |
| Total Current Assets | | **25,456,152** | 115,018,257 |
| **NON CURRENT ASSETS** | | | |
| Restricted fund | 14 | **5,040,001** | 5,040,001 |
| Advances to contractors, net | 15 | - | 39,284,234 |
| Investment in an associate | 16 | **966,771,399** | 1,028,797,561 |
| Mine properties | 17 | **3,335,498,812** | 3,325,677,027 |
| Property and equipment, net | 18 | **103,340,221** | 95,557,823 |
| Deferred tax asset | 30 | - | 30,033,194 |
| Total Non Current Assets | | **4,410,650,433** | 4,524,389,840 |
| **TOTAL ASSETS** | | **4,436,106,585** | 4,639,408,097 |
| **LIABILITIES AND EQUITY** | | | |
| **CURRENT LIABILITIES** | | | |
| Accounts and other payables | 19 | **24,764,155** | 20,840,656 |
| Loans and borrowings, current portion | 20 | **120,899,901** | 90,999,901 |
| Advances from contractors | 21 | **8,658,239** | 91,070,200 |
| Income tax payable | 30 | **3,660** | 1,694 |
| Total Current Liabilities | | **154,325,955** | 202,912,451 |
| **NON CURRENT LIABILITIES** | | | |
| Loans and borrowings, net of current portion | 20 | **13,655,000** | 29,900,000 |
| Advances from related parties | 26 | **247,983,223** | 247,983,223 |
| Total Non-Current Liabilities | | **261,638,223** | 277,883,223 |
| **EQUITY** | | | |
| Share capital | 22 | **2,926,863,493** | 2,926,863,493 |
| Share premium | 23 | **868,071,980** | 868,071,980 |
| Deficit | | **(224,679,066)** | (111,359,197) |
| Other comprehensive income | 24 | **212,436,751** | 231,049,761 |
| Total equity attributable to Parent Company's shareholders | | **3,782,693,158** | 3,914,626,037 |
| Equity attributable to non-controlling interest | | **237,449,249** | 243,986,386 |
| Total Equity | | **4,020,142,407** | 4,158,612,423 |
| **TOTAL LIABILITIES AND EQUITY** | | **4,436,106,585** | 4,639,408,097 |

*See accompanying Notes to the Consolidated Financial Statements*

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

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

*(In Philippine Peso)*

| For the Years Ended December 31, | Note | 2023 | 2022 | (As restated) 2021 |
|---|---|---|---|---|
| **SHARE IN NET EARNINGS(LOSS) OF AFFILIATES** | 16 | **(44,165,814)** | (22,594,199) | 109,100,139 |
| **GENERAL AND ADMINISTRATIVE EXPENSES** | 27 | **(38,900,953)** | (66,241,304) | (46,114,945) |
| **FINANCE INCOME** | 11 | **63,543** | 55,194 | 36,247 |
| **FINANCE COSTS** | 29 | **(6,250,360)** | (8,272,685) | (4,147,185) |
| **OTHER INCOME (LOSS), NET** | 29 | **243,994** | 181,731 | (868,326) |
| **INCOME(LOSS) BEFORE TAX** | | **(89,009,590)** | (96,871,263) | 58,005,930 |
| **INCOME TAX BENEFIT (EXPENSE)** | 30 | **(30,036,854)** | 13,874,163 | 10,003,034 |
| **NET INCOME(LOSS)** | | **(119,046,444)** | (82,997,100) | 68,008,964 |
| **OTHER COMPREHENSIVE INCOME** | 24 | | | |
| Revaluation gain (loss) on plant and equipment | | - | - | 277,602,788 |
| Foreign translation (gain) loss | | **18,613,010** | 49,216,648 | 2,663,620 |
| Total comprehensive loss for the year | | **18,613,010** | 49,216,648 | 280,266,408 |
| **TOTAL COMPREHENSIVE INCOME (LOSS)** | | **(100,433,434)** | (33,780,452) | 348,275,372 |
| **NET PROFIT(LOSS) ATTRIBUTABLE TO:** | | | | |
| Equity holders of the Parent Company | | **(115,846,576)** | (80,190,465) | 69,146,541 |
| Non-controlling interest | | **(3,199,868)** | (2,806,635) | (1,137,577) |
| | | **(119,046,444)** | (82,997,100) | 68,008,964 |
| **BASIC EARNINGS(LOSS) PER SHARE** | | **(0.00041)** | (0.00028) | 0.00024 |

***See accompanying Notes to the Consolidated Financial Statements***

**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** (Note 25) | **Revaluation Gain on Plant and Equipment** (Notes 24, 25) | **Foreign Currency Translation Loss** (Notes 24, 25) | **Total** | **Non Controlling Interest** | **Total Equity** |
| **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 (Note 5) | - | - | - | - | - | - | 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** |
| Prior period adjustments attributed to | | | | | | | | |
| Additional share in net earnings | - | - | 11,328,045 | - | - | 11,328,045 | - | 11,328,045 |
| Revaluation gain on plant and equipment | - | - | - | 277,602,788 | - | 277,602,788 | - | 277,602,788 |
| Unrealized loss on foreign currency translation | - | - | - | - | 2,663,620 | 2,663,620 | - | 2,663,620 |
| Balance at beginning of year, as restated | 2,926,863,493 | 868,071,980 | (31,168,732) | 277,602,788 | 2,663,620 | 4,044,033,150 | 246,791,252 | 4,290,824,402 |
| Net loss for the year | - | - | (80,190,465) | - | - | (80,190,465) | (2,806,635) | (82,997,100) |
| Unrealized loss on foreign currency translation | - | - | - | - | (49,216,648) | (49,216,648) | 1,769 | (49,214,879) |
| **BALANCE AT DECEMBER 31, 2022** | 2,926,863,493 | 868,071,980 | (111,359,197) | 277,602,788 | (46,553,028) | 3,914,626,037 | 243,986,386 | 4,158,612,423 |
| Written-off investment in subsidiary | - | - | 2,526,707 | - | - | 2,526,707 | (3,337,269) | (810,562) |
| Net loss for the year | - | - | (115,846,576) | - | - | (115,846,576) | (3,199,868) | (119,046,444) |
| Unrealized loss on foreign currency translation | - | - | - | - | (18,613,010) | (18,613,010) | - | (18,613,010) |
| **BALANCE AT DECEMBER 31, 2023** | **2,926,863,493** | **868,071,980** | **(224,679,066)** | **277,602,788** | **(65,166,038)** | **3,782,693,158** | **237,449,249** | **4,020,142,407** |

***See accompanying Notes to the Consolidated Financial Statements***

**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, | Note | 2023 | 2022 | (As restated) 2021 |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Income(Loss) before tax | | **(89,009,590)** | (96,871,263) | 58,005,930 |
| Adjustment for: | | | | |
| Share in net earnings of affiliates | 16 | **44,165,814** | 22,594,199 | (109,100,139) |
| Written-off investment in subsidiary | | **(810,562)** | - | - |
| Provision for credit losses | 12, 15 | - | 2,303,503 | 4,375,583 |
| Website cost | 27 | - | - | 360,777 |
| Depreciation | 18 | **5,027,646** | 4,538,015 | 860,555 |
| Interest income | 29 | **(63,543)** | (55,194) | (36,247) |
| Interest expense | 29 | **6,250,360** | 8,272,685 | 4,147,185 |
| Foreign exchange (gain) loss | 11 | **(752,662)** | (12,322) | 868,326 |
| Operating income before changes in working capital | | **(35,192,537)** | (59,230,377) | (40,518,030) |
| Decrease (increase) in: | | | | |
| Receivables | 12 | **15,277,191** | (11,600,332) | (4,265,860) |
| Advances to contractors | 15 | **39,284,234** | 23,999 | (509,628) |
| Other current assets | 13 | **5,458,390** | (2,867,709) | (1,107,848) |
| Increase (decrease) in: | | | | |
| Accounts and other payables | 19 | **(2,326,861)** | 5,532,265 | (38,688,054) |
| Advances from contractors | 21 | **(82,411,961)** | - | 35,919,200 |
| Cash used in operations | | **(59,911,544)** | (68,142,154) | (49,170,220) |
| Interest income received | 29 | **63,543** | 55,194 | 36,247 |
| Income taxes paid | 30 | **(1,694)** | - | - |
| Net Cash from Operating Activities | | **(59,849,695)** | (68,086,960) | (49,133,973) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Additions to: | | | | |
| Investment in an associate | 16 | - | - | (711,980,880) |
| Collection of: | | | | |
| Mine properties | 17 | **(9,821,785)** | (10,228,435) | (26,700,027) |
| Property and equipment | 18 | **(12,810,044)** | (57,924,877) | (40,604,248) |
| Net Cash from Investing Activities | | **(22,631,829)** | (68,153,312) | (779,285,155) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from: | | | | |
| Loans and borrowings | 20 | **13,655,000** | 29,900,000 | 53,449,901 |
| Advances (to) from related party | 26 | **(12,721,600)** | (278,400) | 58,638 |
| Issuance of shares | 22 | - | - | 973,985,019 |
| Non-controlling interest on issued shares by subsidiary | 22 | - | - | 3,335,500 |
| Repayment of: | | | | |
| Restricted fund | 14 | - | (5,040,001) | - |
| Net Cash Flow from Financing Activities | | **933,400** | 24,581,599 | 1,030,829,058 |
| **EFFECTS OF EXCHANGE RATE CHANGES ON CASH** | 11 | - | 753,111 | (369,727) |
| **NET INCREASE (DECREASE) IN CASH** | | **(81,548,124)** | (110,905,562) | 202,040,203 |
| **CASH, BEGINNING** | 11 | **91,545,099** | 202,450,661 | 909,057 |
| **CASH, ENDING** | 11 | **9,996,975** | 91,545,099 | 202,949,260 |

***See accompanying Notes to the Consolidated Financial Statements***

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**December 31, 2023, 2022 and 2021**

## 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, 2023 (including comparative amounts as at December 31, 2022 and for the years ended December 31, 2022 and 2021) were approved and authorized for issuance by the Board of Directors on April 29, 2024.

## 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. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with PFRS 9. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, 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 PFRS 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 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:

Effective beginning on or after January 1, 2023

*Amendments to PAS 1, Presentation of Financial Statements.* These amendments help entities provide useful accounting policy disclosures by: requiring entities to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies relating to material transactions, other events or conditions are themselves material.

These *Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors* clarify how entities distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition and guidance on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. The amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy.

These *Amendments to PAS 12, Income Taxes* clarify how entities account for deferred taxes on certain transactions, such as leases and decommissioning obligations, with a focus on reducing diversity in practice. The amendments narrow the scope of the initial recognition exemption so entities will need to recognize a deferred tax asset and a deferred tax liability arising from transactions that give rise to equal and offsetting temporary differences.

*PFRS 17 – Insurance Contract.* This establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance, and cash flows.

The amendments do not have material impact on the consolidated financial statements.

Effective beginning on or after January 1, 2024

*Amendment to PFRS 16 – Leases on sale and leaseback.* These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

*Amendment to PAS 1 – Non-current liabilities with covenants.* These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

*Amendment to PAS 7 and PFRS 7 – Supplier finance.* These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

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

Effective beginning on or after January 1, 2025

*Amendments to PAS 21 - Lack of Exchangeability.* An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The Group is still assessing the impact of the preceding amendment to the consolidated 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 consolidated 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 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, 2023 and 2022, 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, 2023 and 2022, the Group's cash, receivables, security and bond deposits, advances to contractors, and advances to related parties 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, 2022 and 2021, 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, 2023 and 2022, 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, 2023 and 2022, the Group's accounts and other payables, loans and borrowings, advances from contractors, and advances to 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 consolidated 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 consolidated statements 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 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 Receivables*

Receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method less any allowance for expected credit losses (ECL). Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the statements of comprehensive income when the receivables are derecognized or impaired, as well as through the amortized process.

### *3.13 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.

### *3.14 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.

### *3.15 Restricted fund*

Restricted cash are highly liquid investment and are subject to an insignificant risk of change in value. The utilization of these financial assets is restricted for specific purposes.

### *3.16 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.

Exploration and evaluation activities include:

*(a)* Gathering exploration data through geological studies;
*(b)* Exploratory drilling and sampling; and
*(c)* 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, 2023 and 2022 based on the valuation report conducted by Cuervo Appraisers, Inc. dated February 16, 2022. Hence, no impairment is recognized during the year.

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

***3.17 Property and equipment***

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 and equipment | 3-5 years |
| Motor vehicle | 3-5 years |
| Leasehold improvements | 5 years |
| Computer software | 5 years |
| Transportation equipment | 5 years |
| Machineries and 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.

***3.18 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 Singapore.

***3.19 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.

***3.20 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.

*Mine properties, 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.

### *3.21 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.

### *3.22 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.

### *3.23 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 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.

***3.24 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.

***3.25 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:

(a) The parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
(b) Each party's rights regarding the goods or services to be transferred or performed can be identified;
(c) The payment terms for the goods or services to be transferred or performed can be identified;
(d) 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,
(e) Collection of the consideration in exchange of the goods and services is probable.

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

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

- 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.

***3.26 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 consolidated statements of financial position as an asset.

*Production Costs and Excise Taxes*
Production costs, which include all direct materials, power and labor costs, handling, hauling and storage, and other costs related to the mining and milling operations, and all direct expenses incurred for logistics and storeroom costs for mine and mining inventories, are expensed as incurred. Excise taxes pertain to the taxes paid or accrued by the 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.

***3.27 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 financial and operating policy decisions of the Group are also considered as 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.

***3.28 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.

***3.29 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.

### *3.30 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.

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 consolidated statements of financial position.

### *3.31 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.

### *3.32 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.

### *3.33 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 December 31, 2023, 2022 and 2021, no provision for mine rehabilitation and decommissioning was recognized for no restorations on the operating locations has yet to be performed.

### *3.34 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.

### *3.35 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, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated 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, 2023 and 2022, the Company's management has made an assessment on the Company's ability to continue as a going concern 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 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 Group 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 Group 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 Group.

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 Group 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 Group can explain the reasons for those sales and why those sales do not reflect a change in the Group'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. In 2023, the Company lost the influence to JDVC Indonesia as discussed on Note 26.

*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 32).

*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 ₱1.3 million, ₱1.2 million, and ₱0.7 million in 2023, 2022 and 2021, respectively. (see Note 32)

*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 ₱3,335,498,812 and ₱3,325,677,027 as of years ended December 31, 2023 and 2022, respectively (see Note 17).

*Assessing production start dat*

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:

(a) The level of capital expenditure compared to construction cost estimates;
(b) Completion of a reasonable period of testing of the property and equipment;
(c) Ability to produce ore in saleable form; and,
(d) 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.

For the years ended December 31, 2023, 2022, and 2021, repairs and maintenance amounted to ₱6.5 million, ₱5.3 million and ₱5.8 million, respectively.(see Note 27)

***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.

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 2023, 2022, and 2021 amounted to nil, ₱2,303,503, and ₱4,375,583, respectively. The carrying amounts of the Group's financial assets are as follows:

| | Note | | **2023** | | 2022 |
|---|---|---|---|---|---|
| Cash in bank | 11 | ₱ | **9,930,817** | ₱ | 91,452,350 |
| Receivables, net | 12 | | **-** | | 15,277,192 |
| Security deposit | 13 | | **61,372** | | 71,772 |
| Construction bond | 13 | | **-** | | 50,000 |
| Restricted fund | 14 | | **5,040,001** | | 5,040,001 |
| Advances to contractors, net | 15 | | **-** | | 39,284,234 |
| Advances to related party, net | 26 | | **13,000,000** | | 278,400 |

*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 2023, 2022 and 2021 since no production yet has been made.

The carrying amounts of mine properties amounted to ₱3,335,498,812 and ₱3,325,677,027 as of December 31, 2023 and 2022, respectively (see Note 17).

*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. 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, 2023, 2022 and 2021, 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 ₱103,340,221 and ₱95,557,823 as of December 31, 2023 and 2022, respectively (see Note 18). Useful lives of property and equipment is disclosed in Note 3.17.

*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 2023, 2022 and 2021.

*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 2023, 2022 and 2021.

*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 nil and ₱30,033,194 as of December 31, 2023 and 2022, respectively (Note 30).

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

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

*Acquisition of Non-controlling Interests*

On December 10, 2019, the BOD approved the additional acquisition of 389,530 shares from existing stockholders of JDVC for ₱267.6 million. As a result, the Parent Company has 90.47% ownership of JDVC as at December 31, 2019 and no subsequent movement for the year ended December 31, 2020 and 2021.

*Acquisition of Additional Subsidiary*

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. This resulted to an additional non-controlling interest of ₱3,335,500.

## 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.

| | | 2023 | | 2022 |
|---|---|---|---|---|
| Equity share held by NCI | | **9.53%** | | 9.53% |
| **Summarized Statements of Financial Position:** | | | | |
| Current assets | ₱ | **2,994,691** | ₱ | 4,441,345 |
| Non-current assets | | **840,471,568** | | 893,344,252 |
| Current liabilities | | **206,929,957** | | 211,427,503 |
| Non-current liabilities | | **259,818,984** | | 276,063,984 |
| Total Equity | | **376,717,318** | | 410,294,110 |
| Equity attributable to Parent Company shareholders | | **139,028,574** | | 169,405,497 |
| Equity attributable to NCI | | **237,688,744** | | 240,888,613 |
| **Summarized Statements of Comprehensive Income:** | | | | |
| Revenues | ₱ | **-** | ₱ | - |
| Net loss | | **(33,576,792)** | | (29,450,521) |
| Loss attributable to Parent Company shareholders | | **30,376,923** | | 26,643,887 |
| Loss attributable to NCI | | **3,199,869** | | 2,806,634 |
| Dividends declared to NCI | | **-** | | - |
| Dividends paid to NCI | | **-** | | - |
| **Summarized Statements of Cash Flows:** | | | | |
| Operating activities | ₱ | **(16,850,850)** | ₱ | (17,654,654) |
| Investing activities | | **(647,257)** | | (16,489,030) |
| Financing activities | | **16,005,583** | | 24,859,999 |
| Effects of changes in foreign exchange rates | | **-** | | 12,322 |
| Net increase(decrease) in cash | | **(1,492,524)** | | (9,271,363) |

## NOTE 7 – SEGMENT INFORMATION

In 2023, The Group has only one business segment primarily involved in mining however and has not yet started its operation. In 2022, The Group has 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, 2023 and 2022, the Group operates in one geographic location only and therefore, no information on geographical segment is presented.

## 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, 2023 and 2022, 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 and 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.

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, 2023** | | | |
|---|---|---|---|---|
| | **Carrying Amount** | **On demand** | **Less than 1 Year** | **Over 1 Year** |
| **Financial assets at amortized cost** | | | | |
| Cash in bank (Note 11) | **₱ 9,930,817** | **₱ 9,930,817** | **₱ -** | **₱ -** |
| Security deposit (Note 13) | **61,372** | **-** | **61,372** | **-** |
| Restricted fund (Note 14) | **5,040,001** | **-** | **5,040,001** | **-** |
| Advances to related party (Note 26) | **13,000,000** | **-** | **13,000,000** | **-** |
| Total | **₱ 28,032,190** | **₱ 9,930,817** | **₱ 18,101,373** | **₱ -** |
| **Financial liabilities at amortized cost** | | | | |
| Accounts and other payables* (Note 19) | **₱ 24,537,536** | **₱ -** | **₱ 24,537,536** | **₱ -** |
| Loans and borrowings (Note 20) | **134,554,901** | **-** | **120,899,901** | **13,655,000** |
| Advances from contractors, net (Note 15) | **8,658,239** | **-** | **8,658,239** | **-** |
| Advances from related parties (Note 26) | **247,983,223** | **-** | **-** | **247,983,223** |
| Total | **₱ 415,733,899** | **₱ -** | **₱ 154,095,676** | **₱ 261,638,223** |

**excluding government liabilities*

| | December 31, 2022 | | | |
|---|---|---|---|---|
| | Carrying Amount | On demand | Less than 1 Year | Over 1 Year |
| **Financial assets at amortized cost** | | | | |
| Cash in bank (Note 11) | ₱ 91,452,350 | ₱ 91,452,350 | ₱ - | ₱ - |
| Receivables, net (Note 12) | 15,277,192 | - | 15,277,192 | - |
| Security deposit (Note 13) | 71,772 | - | 71,772 | |
| Construction bond (Note 13) | 50,000 | - | 50,000 | |
| Restricted fund (Note 14) | 5,040,001 | - | 5,040,001 | - |
| Advances to contractors, net (Note 15) | 39,284,234 | - | - | 39,284,234 |
| Advances to related party (Note 26) | 278,400 | - | 278,400 | - |
| Total | ₱ 151,453,949 | ₱ 91,452,350 | ₱ 20,717,365 | ₱ 39,284,234 |
| **Financial liabilities at amortized cost** | | | | |
| Accounts and other payables* (Note 19) | ₱ 19,559,005 | ₱ - | ₱ 19,559,005 | ₱ - |
| Loans and borrowings (Note 20) | 120,899,901 | - | 90,999,901 | 29,900,000 |
| Advances from contractors, net (Note 15) | 91,070,200 | - | 91,070,200 | - |
| Advances from related parties (Note 26) | 247,983,223 | - | - | 247,983,223 |
| Total | ₱ 479,512,329 | ₱ - | ₱ 201,629,106 | ₱ 277,883,223 |

**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.

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, 2023 and 2022, 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
Following tables show comparison of credit quality of the Group's financial assets by class as at reporting date:

| | **As at December 31, 2023** | | | | |
|---|---|---|---|---|---|
| | Neither past due nor impaired | | Past due but | | |
| | High Grade | Standard Grade | not impaired | Impaired | **Total** |
| Financial assets at amortized cost | | | | | |
| Cash in bank (Note 11) | ₱ **9,930,817** | ₱ - | ₱ - | ₱ - | ₱ **9,930,817** |
| Security deposit (Note 13) | **61,372** | - | - | - | **61,372** |
| Restricted fund (Note 14) | **5,040,001** | - | - | - | **5,040,001** |
| Advances to related party (Note 26) | **13,000,000** | - | - | - | **13,000,000** |
| Total | ₱ **28,032,190** | ₱ - | ₱ - | ₱ - | ₱ **28,032,190** |

| | As at December 31, 2022 | | | | |
|---|---|---|---|---|---|
| | Neither past due nor impaired | | Past due but | | |
| | High Grade | Standard Grade | not impaired | Impaired | Total |
| Financial assets at amortized cost | | | | | |
| Cash in bank (Note 11) | ₱ 91,452,350 | ₱ - | ₱ - | ₱ - | ₱ 91,452,350 |
| Receivables, net (Note 12) | 15,277,192 | - | 589,000 | - | 15,866,192 |
| Security deposit (Note 13) | 71,772 | - | - | - | 71,772 |
| Construction bond (Note 13) | 50,000 | - | - | - | 50,000 |
| Restricted fund (Note 14) | 5,040,001 | - | - | | 5,040,001 |
| Advances to contractors, net (Note 15) | 39,284,234 | - | 6,090,086 | - | 45,374,320 |
| Advances to related party (Note 26) | 278,400 | - | - | | 278,400 |
| Total | ₱ 151,453,949 | ₱ - | ₱ 6,679,086 | ₱ - | ₱ 158,133,035 |

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.

*Receivables*
Receivables that are past due for over 60 days were not considered in default since it was demonstrated that the non-payment was due to administrative oversight rather than resulting from financial difficulty of the borrower.

*Security deposits and Construction bond, and Advances to related party*
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 as of December 31 is presented below:

| | | **2023** | | 2022 |
|---|---|---|---|---|
| **Financial assets at amortized cost** | | | | |
| Cash in bank (Note 11) | ₱ | **9,930,817** | ₱ | 91,452,350 |
| Receivables (Note 12) | | - | | 15,866,192 |
| Security deposit (Note 13) | | **61,372** | | 71,772 |
| Construction bond (Note 13) | | - | | 50,000 |
| Restricted fund (Note 14) | | **5,040,001** | | 5,040,001 |
| Advances to contractors (Note 15) | | - | | 45,374,320 |
| Advances to related party (Note 26) | | **13,000,000** | | 278,400 |
| Total | ₱ | **28,032,190** | ₱ | 158,133,035 |

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, AND 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 and 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:

| | | **2023** | | 2022 |
|---|---|---|---|---|
| Total liabilities | ₱ | **415,964,178** | ₱ | 480,795,674 |
| Total equity | | **4,020,142,407** | | 4,158,612,423 |
| Debt-to-equity ratio | | **0.10:1** | | 0.12:1 |

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.

## 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, 2023 and 2022:

| | December 31, 2023 | | December 31, 2022 | |
|---|---|---|---|---|
| | **Carrying Value** | **Fair value** | Carrying Value | Fair value |
| **Financial assets at amortized cost** | | | | |
| Cash in bank (Note 11) | ₱ **9,930,817** | ₱ **9,930,817** | ₱ 91,452,350 | ₱ 91,452,350 |
| Receivables, net (Note 12) | - | - | 15,277,191 | 15,277,191 |
| Security deposit (Note 13) | **61,372** | **61,372** | 71,772 | 71,772 |
| Construction bond (Note 13) | - | - | 50,000 | 50,000 |
| Restricted fund (Note 14) | **5,040,001** | **5,040,001** | 5,040,001 | 5,040,001 |
| Advances to contractors, net (Note 15) | - | - | 39,284,234 | 39,284,234 |
| Advances to related party (Note 26) | **13,000,000** | **13,000,000** | 278,400 | 278,400 |
| Total | ₱ **28,032,190** | ₱ **28,032,190** | ₱ 151,453,948 | ₱ 151,453,948 |
| **Financial liabilities at amortized cost** | | | | |
| Accounts and other payables* (Note 19) | ₱ **24,537,536** | ₱ **24,537,536** | ₱ 19,559,005 | ₱ 19,559,005 |
| Advances from contractors (Note 21) | **134,554,901** | **134,554,901** | 91,070,200 | 91,070,200 |
| Loans and borrowings (Note 20) | **8,658,239** | **8,658,239** | 120,899,901 | 120,899,901 |
| Advances from related parties (Note 26) | **247,983,223** | **247,983,223** | 247,983,223 | 247,983,223 |
| Total | ₱ **415,733,899** | ₱ **415,733,899** | ₱ 479,512,329 | ₱ 479,512,329 |

**excluding government liabilities*

*Cash, Receivables, Accounts and other payables (excluding statutory payables), Advances to(from) contractors and Loans 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).

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, 2023 and 2022:

| | **December 31, 2023** | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets at amortized cost:** | | | | |
| Cash in bank (Note 11) | ₱ 9,930,817 | ₱ - | ₱ - | ₱ 9,930,817 |
| Security deposit (Note 13) | - | - | 61,372 | 61,372 |
| Restricted fund (Note 14) | - | - | 5,040,001 | 5,040,001 |
| Advances to related party (Note 26) | - | - | 13,000,000 | 13,000,000 |
| Total | ₱ 9,930,817 | ₱ - | ₱ 18,101,373 | ₱ 28,032,190 |
| **Financial liabilities at amortized cost:** | | | | |
| Accounts and other payables* (Note 19) | ₱ - | ₱ - | ₱ 24,537,536 | ₱ 24,537,536 |
| Advances from contractors (Note 21) | - | - | 134,554,901 | 134,554,901 |
| Loans and borrowings (Note 20) | 8,658,239 | - | - | 8,658,239 |
| Advances from related parties (Note 26) | - | - | 247,983,223 | 247,983,223 |
| Total | ₱ 8,658,239 | ₱ - | ₱ 407,075,660 | ₱ 415,733,899 |

| | December 31, 2022 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets at amortized cost:** | | | | |
| Cash in bank (Note 11) | ₱ 91,452,350 | ₱ - | ₱ - | ₱ 91,452,350 |
| Receivables, net (Note 12) | - | - | 15,277,192 | 15,277,191 |
| Security deposit (Note 13) | - | - | 71,772 | 71,772 |
| Construction bond (Note 13) | - | - | 50,000 | 50,000 |
| Restricted fund (Note 14) | - | - | 5,040,001 | 5,040,001 |
| Advances to contractors, net (Note 15) | - | - | 39,284,234 | 39,284,234 |
| Advances to related party (Note 26) | - | - | 278,400 | 278,400 |
| Total | ₱ 91,452,350 | ₱ - | ₱ 60,001,599 | ₱ 151,453,948 |
| **Financial liabilities at amortized cost:** | | | | |
| Accounts and other payables* (Note 19) | ₱ - | ₱ - | ₱ 19,559,005 | ₱ 19,559,005 |
| Advances from contractors (Note 21) | - | - | 120,899,901 | 120,899,901 |
| Loans and borrowings (Note 20) | 120,899,901 | - | - | 120,899,901 |
| Advances from related parties (Note 26) | - | - | 247,983,223 | 247,983,223 |
| Total | ₱ 120,899,901 | ₱ - | ₱ 388,442,129 | ₱ 509,342,030 |

As at December 31, 2023 and 2022, 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 2023 and 2022.

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 11 – CASH

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

| Particulars | | 2023 | | 2022 |
|---|---|---|---|---|
| Petty cash fund | ₱ | **40,000** | ₱ | 92,749 |
| Cash on hand | | **26,158** | | - |
| Cash in banks | | **9,930,817** | | 91,452,350 |
| Total | ₱ | **9,996,975** | ₱ | 91,545,099 |

Cash in bank earns interest at the respective bank deposit rates. Interest income from bank deposits amounted to ₱63,543, ₱55,194, and ₱36,247 for the years ended December 31, 2023, 2022 and 2021, respectively (Note 28).

Included in cash in banks are amounts in a currency other than the Group's functional currency. As of December 31, 2023, 2022, and 2021 unrealized foreign exchange gain (loss) arising from foreign exchange translation at year-end spot rates amounted to ₱752,662, ₱12,322, and (₱868,326), respectively, were recognized in the Group's bank dollar account.

## NOTE 12 – RECEIVABLES, NET

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

| Particulars | | 2023 | | 2022 |
|---|---|---|---|---|
| Advances to CBO | ₱ | **-** | ₱ | 15,840,331 |
| Advances to employees | | **25,860** | | 25,860 |
| Total | | **25,860** | | 15,866,191 |
| Allowance for expected credit losses | | **(25,860)** | | (589,000) |
| Net | ₱ | **-** | ₱ | 15,277,191 |

Movement of allowance for expected credit losses is as follows:

| Particulars | | 2023 | | 2022 |
|---|---|---|---|---|
| January 1, | ₱ | **589,000** | ₱ | 431,197 |
| Provision (Note 25) | | **-** | | 157,803 |
| Write off | | | | - |
| Reversals | | **(563,140)** | | - |
| December 31, | ₱ | **25,860** | ₱ | 589,000 |

Advances to Cagayan Blue Ocean Aquamarine Services Inc. (CBO) pertain to the cash advance payments of the Company in relation to engagement in the general management of vessels including various types of ships engaged in Cagayan Blue Ocean Offshore.

Receivables are non-interest bearing and normally collected on the following accounting period. None of the receivables were pledged or collateralized to existing debt of the Group.

In 2023, the Group written-off accounts amounted to ₱563,140 related on the off-set of accounts with the memorandum of agreement between CBO. In 2022, no written-off accounts.

## NOTE 13 – OTHER CURRENT ASSETS

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

| Particulars | | 2023 | | 2022 |
|---|---|---|---|---|
| Input taxes | ₱ | **2,368,639** | ₱ | 6,558,286 |
| Prior year's excess credit | | **-** | | 1,237,509 |
| Security deposit | | **61,372** | | 71,772 |
| Prepaid rent | | **29,166** | | - |
| Construction bonds | | **-** | | 50,000 |
| Total | ₱ | **2,459,177** | ₱ | 7,917,567 |

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 – RESTRICTED FUND

As of December 31, 2023, the account consists of the following:

| Particulars | | 2023 | | 2022 |
|---|---|---|---|---|
| Rehabilitation cash fund | ₱ | **10,000** | ₱ | 10,000 |
| Monitoring trust fund | | **10,000** | | 10,000 |
| Final mine rehabilitation and decommissioning fund | | **4,709,901** | | 4,709,901 |
| Environmental trust fund | | **310,100** | | 310,100 |
| Total | ₱ | **5,040,001** | ₱ | 5,040,001 |

As of December 31, 2023, the Company has no additional deposit in the account.

During 2022, the Group opened trust fund accounts in Development Bank of the Philippines amounting to ₱5,040,001 in compliance with Mines and Geosciences Bureau.

One of the requirements for the Company is to comply with Section 180, Chapter 18, of the Department Administrative Order No. 2O1O-21, the revised implementing rules and regulations of Republic Ad7942, otheruise known as the Philippine Mining Acl of 1995 which states;

*"Cognizant of the need to ensure just and timely compensation for damages and progressive and sustainable rehabilitation for any adverse effect a mining operation or activity may cause, the Department (DENR) through the Bureau (MGB) shall institutionalize an environmental guarantee fund mechanism to be known collectively as the Contingent Liability and Rehabilitation Fund (CLRF)."*

The CLRF is composed of the Rehabilitation Cash Fund (RCF) which shall be used to ensure compliance with the approved rehabilitation activities and schedules, including research programs, as defined in the Environmental Protection and Enhancement Program (EPEP)/Annual EPEP and the Monitoring Trust Fund (MTF) for the exclusive use in the monitoring program approved by the Mine Rehabilitation Fund Committee (MRFC). The Environmental Trust Fund (ETF) shall be established to ensure payment of compensable damages, as may be adjudicated by the CLRF-Steering Committee to be not compensable under the Mine Waste and Tailings Reserve

Fund and the Final Mine Rehabilitation and Decommissioning Fund (FMRDF) to ensure that the full cost of the approved FMRI/D Plan is accrued before the end of the operating life of the mine.

The above-mentioned funds shall be deposited as trust funds in a Government depository bank agreed by the MRFC and during the meeting on March 22, 2O21; the MRFC moved and agreed that DBP Carig Branch shall be the Government Depository bank.

As of December 31, 2021, the account is nil.

## NOTE 15 – ADVANCES TO CONTRACTORS, NET

As of December 31, the account consists of:

| Contractors | | 2023 | | 2022 |
|---|---|---|---|---|
| Offshore Mining Chamber of the Philippines | ₱ | - | ₱ | 2,745,000 |
| Cagayan Blue Ocean | | - | | 208,950 |
| Others | | - | | 42,420,370 |
| Total | | - | | 45,374,320 |
| Allowance for expected credit losses | | - | | (6,090,086) |
| Net | ₱ | - | ₱ | 39,284,234 |

Movement of allowance for expected credit losses is as follows:

| Particulars | | 2023 | | 2022 |
|---|---|---|---|---|
| January 1, | ₱ | **6,090,086** | ₱ | 3,944,387 |
| Provision (Note 27) | | - | | 2,145,699 |
| Write off | | **6,090,086** | | - |
| Reversals | | - | | - |
| December 31, | ₱ | - | ₱ | 6,090,086 |

In 2023, the Company write-off, and offset advances to contractors to the advance royalty payment from Agbiag. Further discussed in Note 26.

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.

## NOTE 16 – INVESTMENT IN AN ASSOCIATE

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

| Particulars | | 2023 | | 2022 |
|---|---|---|---|---|
| Cost | ₱ | **711,980,880** | ₱ | 711,980,880 |
| Equity in net earnings | | **58,636,882** | | 86,519,582 |
| Equity in other comprehensive income | | **196,153,637** | | 230,297,099 |
| Total | ₱ | **966,771,399** | ₱ | 1,028,797,561 |

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

Movement of equity in net earnings is as follows:

| Particulars | | 2023 | | 2022 |
|---|---|---|---|---|
| January 1, | ₱ | **93,824,910** | ₱ | 109,113,780 |
| Share in net earnings (loss) for the year | | **(35,188,028)** | | (15,288,870) |
| December 31, | ₱ | **58,636,882** | ₱ | 93,824,910 |

Movement of equity in other comprehensive income is as follows:

| Particulars | | 2023 | | 2022 |
|---|---|---|---|---|
| January 1, | ₱ | **222,991,771** | ₱ | 279,754,168 |
| Share in other comprehensive income for the year: | | | | |
| Reversal of gain on plant and equipment | | **(8,977,785)** | | (7,305,328) |
| Foreign translation loss on investment | | **(17,860,348)** | | (49,457,069) |
| December 31, | ₱ | **196,153,638** | ₱ | 222,991,771 |

There were no dividends declared as of December 31, 2023 and 2022.

## NOTE 17 – MINE PROPERTIES

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

| Particulars | | Mineral Assets | | Mineral Development Cost | | Patent | | Total |
|---|---|---|---|---|---|---|---|---|
| As at December 31, 2021 | ₱ | 2,500,098,008 | ₱ | 726,350,584 | ₱ | 89,000,000 | ₱ | 3,315,448,592 |
| Additions | | - | | 10,228,435 | | - | | 10,228,435 |
| As at December 31, 2022 | ₱ | 2,500,098,008 | ₱ | 736,579,019 | ₱ | 89,000,000 | ₱ | 3,325,677,027 |
| Additions | | - | | 9,821,785 | | - | | 9,821,785 |
| As at December 31, 2023 | | **2,500,098,008** | | **746,400,804** | | **89,000,000** | | **3,335,498,812** |

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.

JDVC through a DOA transferred all rights and interest in the 2,400 ha portion of the MPSA-338-2010-II-OMR to San Lorenzo 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, 2022, 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, no impairment is recognized during the year.

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 ₱8,658,239 and ₱51,500,000 for the years ended December 31, 2023 and 2022, respectively (see Note 32).

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.

For the years ended December 31, 2023 and 2022, the Company does not have any contractual commitments for additional exploration.

Estimated Units of Production of Mine

The computation of ore reserve was done by a competent geologist, Cuervo Appraisers, Inc. in its valuation report dated February 16, 2022 using the Polygon Method. The ore reserve has a total of 631.707 million tons. With the computed indicated resource, the mine life for the current ore resource is 116 years for the siphoning and utilizing magnetic separation on-board of the vessels. With the yearly production schedule of 7.8 million metric tons of raw sand using 3 units of production lines of platform with an average magnetite fraction of 15% to 30% which can yield an iron concentrate of 55% to 62%.

At 70% utilization rate, the annual capacity of each capsize siphoning vessel is approximately 5,460,000 metric tons. The probable ore reserves of 631.707 million metric tons can depleted in 116years by a single vessel, 58 years by two vessel, and 39 years by three vessels. Five vessels can deplete the probable ore reserves within the MPSA life of 25 years.

Commencement of Operations
The Company has effectively deployed and positioned the first deep sea siphon mining vessel, MB Siphon 1, into the offshore mining tenement area of operation as of April 14, 2021. MB Siphon 1 has completed all the necessary offshore commissioning stages and necessary permits to start production. The Company will proceed into the developmental stage on the mining tenement area in preparation for commercial export shipments.

Technical Report on the Mineral Reserve Estimation of Magnetite Sand Deposits
In December 5, 2023, the Company commissioned accredited competent person in Mining Engineering – ACP Mining Engineer to prepare Technical Report on the mineral reserve estimation of magnetite sand deposits in Offshore Cagayan Valley within MPSA-338-2010-II-OMR solely for its own use.

Discussion and conclusion of the technical report quoted as follows:

MPSA 338-2010-II-OMR located in Sanchez Mira, Pamplona, Abulug, Ballesteros, Aparri, Buguey and Gonzaga, Province of Cagayan, originally issued to Bo Go Resources Mining Corporation (BGRMC) on June 9, 2010 covers an area of 14,240 hectares. After it was transferred to JDVC Resources Corporation (JDVC) on 25 November 2011 (consequently approved by DENR on 25 January 2013), the tenement was subjected to parcelasation and relinquishment of some portions. This resulted in the reduction of the holding of JDVC to 1,897 hectares renamed as MPSA 338-2010-II-OMR Amended A. Several Geologists including the Mines and Geosciences technical staff estimated the mineral resources of the JDVC area in 2015 to 2021. The reported Mineral Resources range from 569 Million DMT to 606 Million DMT with average values of contained magnetic fraction ranging from 25.47% MF to 26.51% MF. All the estimations were done using the polygon method in which Indicative resources are bounded by 1,500 meters radius from the drill hole collar and the boundaries of the MPSA area. The vertical extent of the geologic mineral resource modeling are the top and bottom boundaries of the drill hole intercept of sediment layers containing at least 5% MF. Magnetite-rich layers beyond the 1,500 meters radius are categorized as Inferred Mineral Resources. This basically covered the entire MPSA area.

In the estimation of the mineable mineral reserves, different estimation method and sets of limiting parameters were used. The ore block modeling were conducted using the Nearest Neighbor method and the new boundaries are defined by 1,000 meters radius from the drill hole collar and farthest bathymetric survey lines if distance is less than 1,000 meters. The bottom vertical limit of the mineral reserves is defined as the maximum depth that the suction dredging machine can reach (i.e. 100 meters from the surface of the sea water). This means that all previously considered mineral resources but outside the 1,000m radius or beyond the coverage of the bathymetric survey and below the reach of the dredging machine are excluded. Therefore, as can be expected, the mineable mineral reserves were estimated a much smaller volume/tonnage. PT GAS estimated the Probable Mineral Reserves at 204 Million DMT with average grade of 25.78% MF containing about 61.49% Fe on the average In this study, using the same methodology in estimating block grades but different delimiting factors, the estimated Probable Mineral Reserves is 223 Million DMT with an average grade of 25.86% MF containing an average of 61.38% Fe.

Assuming 100% mining recovery and 95% metallurgical recovery, the potential quantity of magnetite concentrates that can be produced throughout the life of the mine is 54.78 Million DMT. At an assumed market price of $90 per DMT, this can be valued at USD 4.9Billion or ₱269.5Billion.

Based on the result of technical report, the Management believes that the mine properties are not impaired since the estimated market value is greater that carrying value as of reporting date.

## NOTE 18 – PROPERTY AND EQUIPMENT, NET

As of December 31, 2023, the account consists of the following:

| Particulars | | Beginning Balance | | Additions | | Disposal | | **Ending Balance** |
|---|---|---|---|---|---|---|---|---|
| Cost: | | | | | | | | |
| Machineries and equipment | ₱ | 96,639,108 | ₱ | 11,290,892 | ₱ | - | ₱ | **107,930,000** |
| Leasehold improvements | | 1,484,106 | | - | | - | | **1,484,106** |
| Office furniture and equipment | | 1,401,234 | | - | | - | | **1,401,234** |
| Transportation equipment | | 2,247,280 | | 1,519,152 | | - | | **3,766,432** |
| Computer software | | 330,820 | | - | | - | | **330,820** |
| Sub-total | | 102,102,548 | ₱ | 12,810,044 | ₱ | - | | **114,912,592** |
| Accumulated depreciation: | | | | | | | | |
| Machineries and equipment | | 3,468,448 | ₱ | 4,044,950 | ₱ | - | | **7,513,398** |
| Leasehold improvements | | 661,188 | | 296,821 | | - | | **958,009** |
| Office furniture and equipment | | 874,659 | | 186,519 | | - | | **1,061,178** |
| Transportation vehicle | | 1,471,280 | | 433,192 | | - | | **1,904,472** |
| Computer software | | 69,150 | | 66,164 | | - | | **135,314** |
| Sub-total | | 6,544,725 | ₱ | 5,027,646 | ₱ | - | | **11,572,371** |
| Net book value | | | | | | | | |
| Machineries and equipment | | 93,170,660 | | | | | | **100,416,602** |
| Leasehold improvements | | 822,918 | | | | | | **526,097** |
| Office furniture and equipment | | 526,575 | | | | | | **340,056** |
| Transportation vehicle | | 776,000 | | | | | | **1,861,960** |
| Computer software | | 261,670 | | | | | | **195,506** |
| Sub-total | ₱ | 95,557,823 | | | | | ₱ | **103,340,221** |

As of December 31, 2022, the account consists of the following:

| Particulars | | Beginning Balance | | Additions | | Disposal | | Ending Balance |
|---|---|---|---|---|---|---|---|---|
| Cost: | | | | | | | | |
| Machineries and equipment | ₱ | 40,000,000 | ₱ | 56,639,108 | ₱ | - | ₱ | 96,639,108 |
| Leasehold improvements | | 1,484,106 | | - | | - | | 1,484,106 |
| Office furniture and equipment | | 1,088,658 | | 312,576 | | - | | 1,401,234 |
| Transportation equipment | | 1,347,280 | | 900,000 | | - | | 2,247,280 |
| Computer software | | 257,627 | | 73,193 | | - | | 330,820 |
| Sub-total | | 44,177,671 | ₱ | 57,924,877 | ₱ | - | | 102,102,548 |
| Accumulated depreciation: | | | | | | | | |
| Machineries and equipment | | - | ₱ | 3,468,448 | ₱ | - | | 3,468,448 |
| Leasehold improvements | | 364,366 | | 296,822 | | - | | 661,188 |
| Office furniture and equipment | | 624,585 | | 250,074 | | - | | 874,659 |
| Transportation vehicle | | 1,010,460 | | 460,820 | | - | | 1,471,280 |
| Computer software | | 7,299 | | 61,851 | | - | | 69,150 |
| Sub-total | | 2,006,710 | ₱ | 4,538,015 | ₱ | - | | 6,544,725 |
| Net book value | | | | | | | | |
| Machineries and equipment | | 40,000,000 | | | | | | 93,170,660 |
| Leasehold improvements | | 1,119,740 | | | | | | 822,918 |
| Office furniture and equipment | | 464,073 | | | | | | 526,575 |
| Transportation vehicle | | 336,820 | | | | | | 776,000 |
| Computer software | | 250,328 | | | | | | 261,670 |
| Sub-total | ₱ | 42,170,961 | | | | | ₱ | 95,557,823 |

The Group elected to use the cost model in accounting for property and equipment. As of December 31, 2023 and 2022, there are no indication of any impairment loss on the carrying amount of property and 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, 2023, 2022, and 2021 amounted to ₱5,027,646, ₱4,538,015, and ₱860,555 (Note 27), respectively.

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

## NOTE 19 – ACCOUNTS AND OTHER PAYABLES

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

| Particulars | | 2023 | | 2022 |
|---|---|---|---|---|
| Accounts payable | ₱ | **5,680,000** | ₱ | 6,254,101 |
| Accrued expenses | | **-** | | 523,700 |
| Statutory payables | | **226,619** | | 463,615 |
| Deferred output VAT | | **-** | | 818,036 |
| Payable to a contractor | | **18,857,536** | | 12,781,204 |
| Total | ₱ | **24,764,155** | ₱ | 20,840,656 |

Accounts payable consist of liabilities arising from transactions with contractors and suppliers related to the normal course of business. Accrued expenses include professional fees and various unpaid expenses.

Statutory payables consist of withholding taxes and other payables to government agencies.

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 17). It is payable on demand of Agbiag.

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, 2023, outstanding balance of the convertible loans are all payable to Cagayan Blue Ocean Offshore Acquamarine Services Corporation (CBO) and Agbiag Mining Development Corporation and Garry Taboso. 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** |
| 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** |
| 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** |
| 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** |

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|---|---|---|---|
| 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. | July 14, 2023 – July 14, 2025 | Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share. | **500,000** |
| 10% p.a. | August 8, 2023 – August 8, 2025 | Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share. | **500,000** |
| 10% p.a. | August 22, 2023 – August 22, 2025 | 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 27, 2023 – September 27, 2025 | Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share. | **300,000** |
| 10% p.a. | October 27, 2023 – October 27, 2025 | Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share. | **1,500,000** |
| 10% p.a. | November 30, 2023 – November 30, 2025 | Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share. | **155,000** |
| 10% p.a. | December 07, 2023 – December 07, 2025 | Convertible, at the option of CBO, at any time during the loan period into shares at ₱100 a share. | **200,000** |
| 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** |
| 10% p.a. | January 13, 2022 - January 13, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | **300,000** |
| 10% p.a. | April 8, 2022 - April 8, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | **5,000,000** |

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|---|---|---|---|
| 10% p.a. | April 20, 2022 - April 20, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | 5,000,000 |
| 10% p.a. | June 2, 2022 - June 2, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | 6,000,000 |
| 10% p.a. | July 6, 2022 - July 6, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | 2,000,000 |
| 10% p.a. | August 25, 2022 - August 25, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | 3,000,000 |
| 10% p.a. | October 7, 2022 - October 7, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | 3,000,000 |
| 10% p.a. | December 16, 2022 - December 16, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | 5,600,000 |
| 10% p.a. | February 3, 2023 – February 3, 2025 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | 3,000,000 |
| 10% p.a. | March 2, 2023 – March 2, 2025 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | 3,000,000 |
| 10% p.a. | April 25, 2023 – April 25, 2025 | Convertible, at the option of GTaboso, at any time during the loan period into shares at ₱100 a share. | 1,000,000 |
| 10% p.a | April 26, 2023 – April 26, 2025 | Convertible, at the option of GTaboso, at any time during the loan period into shares at ₱100 a share. | 1,000,000 |
| 10% p.a. | June 6, 2023 – June 6, 2025 | Convertible, at the option of GTaboso, at any time during the loan period into shares at ₱100 a share. | 1,000,000 |
| 10% p.a. | June 15, 2023 – June 15, 2025 | Convertible, at the option of GTaboso, at any time during the loan period into shares at ₱100 a share. | 1,000,000 |
| | | | ₱ 134,554,901 |

As of December 31, 2022, 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 |
| 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** |
| 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** |
| 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** |
| 10% p.a. | January 13, 2022 - January 13, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | **300,000** |
| 10% p.a. | April 8, 2022 - April 8, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | **5,000,000** |
| 10% p.a. | April 20, 2022 - April 20, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | **5,000,000** |
| 10% p.a. | June 2, 2022 - June 2, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | **6,000,000** |
| 10% p.a. | July 6, 2022 - July 6, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | **2,000,000** |
| 10% p.a. | August 25, 2022 - August 25, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | **3,000,000** |
| 10% p.a. | October 7, 2022 - October 7, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | **3,000,000** |
| 10% p.a. | December 16, 2022 - December 16, 2024 | Convertible, at the option of Agbiag, at any time during the loan period into shares at ₱100 a share. | **5,600,000** |
| | | | **₱ 120,899,901** |

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

As of December 31, 2023 and 2022, current portion of loans payable amounted to ₱120,899,901 and ₱90,999,901, respectively. As of December 31, 2023 and 2022, non-current portion of loans payable amounted to ₱13,655,000 and ₱29,900,000, respectively.

Total borrowing costs attributable to these loans amounted to ₱6,250,360, ₱8,272,685, and ₱4,147,185 for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 29).

<u>Loan Facility from CBO</u>

In October 2019, JDVC obtained credit from CBO to finance the Company's working capital requirements. The loans were drawn from a series of promissory notes in various dates, and as of December 31, 2023 and 2022, ₱134,554,901 and ₱120,899,900, respectively, have been availed from CBO.

The loans bear an interest of 6% to 10% 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 market interest rate similar to these loans is less than the nominal interest rate. Hence, there is no equity component, and the full amount pertains to the liability component of the loans.

## NOTE 21 – ADVANCES FROM CONTRACTORS

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

| Particulars | | December 31, 2023 | | 2022 |
|---|---|---|---|---|
| Agbiag Mining Development Corporation (Note 32) | ₱ | **8,658,239** | ₱ | 51,500,000 |
| Cagayan Blue Ocean (CBO) | | **-** | | 39,570,200 |
| Total | ₱ | **8,658,239** | ₱ | 91,070,200 |

This account pertains to the advances received from Cagayan Blue Ocean (CBO) for the working capital purposes which has not right of offset against cash advances paid by the Group.

These advances are unsecured, non-interest bearing and normally paid on the following accounting period.

In 2023, the Group agreed with CBO to offset the related advances between the Company.

## NOTE 22 – SHARE CAPITAL

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

| Particulars | 2023 No. of shares | | 2023 Amount | 2022 No. of shares | | 2022 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 |
| Subscribed, issued, paid-up and outstanding: | | | | | | |
| Balance at beginning of year | **292,686,349,297** | ₱ | **2,926,863,493** | 292,686,349,297 | ₱ | 2,926,863,493 |
| Issuance of share | **-** | | **-** | - | | - |
| Balance at end of year | **292,686,349,297** | ₱ | **2,926,863,493** | 292,686,349,297 | ₱ | 2,926,863,493 |
| Ordinary share capital | **292,686,349,297** | ₱ | **2,926,863,493** | 292,686,349,297 | ₱ | 2,926,863,493 |

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

| | | | Number of shares | | |
|---|---|---|---|---|---|
| Date of Approval | Nature | Note | 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 |

*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.

*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.

*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.

*Listing of shares in PSE*
On October 18, 2012, the Company was listed on the Philippine Stock Exchange (PSE). 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 PSE at an initial price of P1 per share.

The total number of stockholders of the Parent Company is 805 and 806 as of December 31, 2023 and 2022, respectively.

## NOTE 23 – SHARE PREMIUM

As of December 31, the movements of share premium are as follows:

| | | 2023 | | 2022 |
|---|---|---|---|---|
| At January 1 | ₱ | **868,071,980** | ₱ | 868,071,980 |
| Share premium on common shares issued during the year | | | | |
| Gross proceeds | | - | | - |
| Direct attributable issuance costs | | - | | - |
| Par value of issued shares | | - | | - |
| End | ₱ | **868,071,980** | ₱ | 868,071,980 |

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 – OTHER COMPREHENSIVE INCOME

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

| Particulars | | 2023 | | 2022 |
|---|---|---|---|---|
| **Revaluation gain on plant and equipment** | | | | |
| Balance at beginning and end of year | ₱ | **277,602,788** | ₱ | 277,602,788 |
| **Foreign currency translation gain (loss)** | | | | |
| Balance at beginning of year | ₱ | **(46,553,029)** | ₱ | 2,663,620 |
| Foreign exchange gain (loss) from investment in associate (Note 11) | | **(18,613,010)** | | (49,457,069) |
| Foreign exchange gain from JDVC – Indonesia (Note 25) | | - | | 240,420 |
| Balance at end of year | ₱ | **(65,166,039)** | ₱ | (46,553,029) |
| **Total other comprehensive income** | ₱ | **212,436,751** | ₱ | 231,049,761 |

## NOTE 25 – PRIOR PERIOD ADJUSTMENTS

In 2023, there are no other prior adjustments.

In 2022, the Company restated the beginning balance of various accounts for the current year operation:

| Particulars | | Balance as of January 1, 2022 | | Adjustments | | **Adjusted balance as of January 1, 2022** |
|---|---|---|---|---|---|---|
| *Investment in associate* | | | | | | |
| Equity in net earnings | ₱ | 97,772,093 | ₱ | 11,341,687 | ₱ | **109,113,780** |
| Equity in other comprehensive income | | | | | | |
| Revaluation gain on plant and equipment | | - | | 277,602,789 | | **277,602,789** |
| Foreign translation gain on investment | | - | | 2,151,379 | | **2,151,379** |
| Total | | 97,772,093 | | 279,754,168 | | **279,754,168** |
| Net | ₱ | 97,772,093 | | 291,095,855 | | **388,867,948** |
| *JDVC Indonesia* | | | | | | |
| Foreign translation gain cash in bank (Note 24) | ₱ | - | ₱ | 512,241 | ₱ | **512,241** |
| Deficit | | - | | (13,641) | | **(13,641)** |
| Net | ₱ | - | ₱ | 498,600 | ₱ | **498,600** |
| *Effect to consolidated financial statement as of December 31, 2021* | | | | | | |
| *Deficit* | ₱ | (42,496,777) | ₱ | 11,328,045 | ₱ | **(31,168,732)** |
| *Other comprehensive income* | ₱ | - | ₱ | 2,663,620 | ₱ | **279,754,168** |

Investment in associate, Poet Blue Ocean Offshore Services PTE LTD, was restated for the net amount of ₱291,095,855 as of January 1, 2022. This was attributed to the following share of the Company:

- Equity in net earnings was restated to the retained earnings for the difference of recorded share in net income amounting to ₱11,341,689.
- Equity in other comprehensive income was restated for the total amount of ₱279,754,168. This was attributed for the unrecorded revaluation gain of plant and equipment, and foreign translation gain amounting to ₱277,602,789 and ₱2,151,379, respectively.

JDVC Indonesia, a subsidiary, restated its cash in bank and retained earnings for the amount of ₱512,241 and ₱13,641, respectively, due to the foreign exchange rates used as of December 31, 2021.

## NOTE 26 – RELATED PARTY TRANSACTIONS

The Group, in the normal course of business, has significant transactions with related parties pertaining to granting and availing of advances for operational expenses.

The details of the Group's related parties are summarized as follows:

| Name of related party | Relationship | Country of incorporation |
|---|---|---|
| Cagayan Ore Metal Mining Exploration Corporation | With common shareholders | Philippines |
| Catagayan Iron Sand Resources Corporation | With common shareholders | Philippines |
| Catagayan Mining Resources (Phils.) Inc. | With common shareholders | Philippines |
| Individuals | Key management personnel/shareholders | - |

The Group, in the normal course of business, has entered into transactions with related parties principally consisting of:

As of December 31, 2023,

| Related Party | Transactions | Outstanding Balance | Nature | Terms and Conditions |
|---|---|---|---|---|
| **Advances to related parties** | | | | |
| Poet – Blue Ocean Offshore Services PTE. LTD. | **13,000,000** | **13,000,000** | Reimbursement of Expenses | Short-term, unsecured, no impairment, no guarantee, noninterest-bearing, repayable in cash |
| Stockholders | **(278,400)** | - | Advances for working capital purposes | Long-term, unsecured, no impairment, no guarantee, non-interest bearing, repayable in cash |
| | 12,721,600 | **13,000,000** | | |
| **Advances from related parties** | | | | |
| Key management personnel | ₱ - | **39,139,870** | Advances for working capital purposes | Long-term, unsecured, no impairment, no guarantee, non-interest bearing, repayable in cash |
| Stockholders | - | **208,843,353** | Advances for working capital purposes | Long-term, unsecured, no impairment, no guarantee, non-interest bearing, repayable in cash |
| | ₱ - | **247,983,223** | | |

As of December 31, 2022,

| Related Party | Transactions | Outstanding Balance | Nature | Terms and Conditions |
|---|---|---|---|---|
| **Advances to related parties** | | | | |
| Stockholders | 278,400 | 278,400 | Advances for working capital purposes | Long-term, unsecured, no impairment, no guarantee, non-interest bearing, repayable in cash |
| **Advances from related parties** | | | | |
| Key management personnel | ₱ - | ₱ 39,139,870 | Advances for working capital purposes | Long-term, unsecured, no impairment, no guarantee, non-interest bearing, repayable in cash |
| Stockholders | - | 208,843,353 | Advances for working capital purposes | Long-term, unsecured, no impairment, no guarantee, non-interest bearing, repayable in cash |
| | ₱ - | ₱ 247,983,223 | | |

**Terms and Conditions of Transactions with Related Parties**

*Advances to/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.

On August 31, 2023, the Group hereby agreed among its related parties for the following transactions:

1. The Group's Board of Directors approves reversal of the Investment in Subsidiary – JDVC Indonesia and to offset the same against "Advances from CBO" amounting to Thirty-One Million Six Hundred Sixty-Four Thousand Five Hundred Pesos only (₱31,664,500) due to political instability and the need of processed iron to export out of Indonesia;

2. The Group's Board of Directors approves the reclassification of the Advances to JDVC Indonesia to "Mine Properties" to account for the payment of the Joint Ore Reserves Committee Report worth Five Million Five Hundred Seventy Five Pesos Only (₱5,575,000);

3. The Group's Board of Directors approves to offset the following for the purpose of updating the relevant accounts: and

| Account Name | | **Amount** |
|---|---|---|
| Advances from contractors | ₱ | **42,841,761** |
| Allowance for Expected Credit Losses – Advances JDVC Indonesia | | **743,856** |
| Allowance for Expected Credit Losses – Advances to Contractors | | **5,346,230** |
| Total | ₱ | **48,931,847** |

Against,

| Account Name | | **Amount** |
|---|---|---|
| Advances to JDVC Indonesia | ₱ | **3,599,527** |
| Advances to OMC | | **2,745,000** |
| Advances to CBO | | **208,950** |
| Advances to Others | | **42,378,370** |
| Total | ₱ | **48,931,847** |

4. The Group's Board of Directors approves to make advances in favor of Poet Blue Ocean Offshore Services Pte. Ltd., the owner of MB Siphon I Vessel, for the purpose of paying the latter's Hull and Machinery Insurance worth Thirteen Million Pesos only (₱13,000,000).

As of December 31, this advances to related parties net of allowance for expected credit losses as follows:

| Particulars | | **2023** | | 2022 |
|---|---|---|---|---|
| Advances to a related party | ₱ | **13,000,000** | ₱ | 278,400 |
| Allowance for expected credit losses | | - | | - |
| Net | ₱ | **13,000,000** | ₱ | 278,400 |

In 2023 and 2022, the Management believes that probability of collection among affiliates is certain. Hence, no allowance for expected credit losses was recognized.

*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.

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.

**Compensation of Key Management Personnel**

Since the Group is in its pre-operating stages, there are no key management personnel compensation recognized 2023, 2022 and 2021, since the officers offer their services pro-bono to save on operating costs. Likewise, the Group does not provide post-employment benefit plans or equity-based compensation benefits to any of its directors or executive officers.

## NOTE 27 – GENERAL AND ADMINISTRATIVE EXPENSES

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

| Particulars | | 2023 | | 2022 | | 2021 |
|---|---|---|---|---|---|---|
| Salaries and wages (Note 28) | ₱ | **6,839,967** | ₱ | 8,680,199 | ₱ | 4,237,207 |
| Repairs and maintenance | | **6,594,503** | | 5,314,646 | | 5,829,887 |
| Depreciation (Note 18) | | **5,027,646** | | 4,538,015 | | 860,555 |
| Representation | | **4,260,825** | | 8,000,427 | | 1,280,830 |
| Travel and transportation | | **3,758,391** | | 7,126,328 | | 877,384 |
| Taxes and licenses | | **3,704,630** | | 3,392,351 | | 1,246,458 |
| Professional fees | | **3,103,570** | | 20,791,366 | | 18,450,232 |
| Contracted labor and services | | **1,728,802** | | 2,062,322 | | - |
| Rent (Note 32) | | **1,363,933** | | 1,261,060 | | 737,851 |
| Exploration expense | | **694,000** | | - | | - |
| Office supplies | | **233,786** | | 534,158 | | 188,450 |
| Association dues | | **155,469** | | 171,946 | | - |
| Mobilization cost | | **140,725** | | 27,383 | | - |
| Advertising | | **130,348** | | 98,780 | | 161,519 |
| Fines and penalties | | **114,615** | | 99,650 | | 198,000 |
| Provision for credit losses (Note 12, 15) | | - | | 2,303,503 | | 4,375,583 |
| Meetings and conference | | - | | 70,719 | | 196,018 |
| Organization cost | | - | | - | | 2,513,065 |
| Commission expense | | - | | - | | 1,764,286 |
| Website cost | | - | | - | | 360,777 |
| Miscellaneous | | **1,049,743** | | 1,768,451 | | 2,836,843 |
| Total | ₱ | **38,900,953** | ₱ | 66,241,304 | ₱ | 46,114,945 |

Miscellaneous expenses mainly include various marginal expenses covering office utilities, escrow and lodging fees, bank charge, meetings and conferences, and other petty expenditures.

## NOTE 28 – EMPLOYEE BENEFITS

As of December 31, 2023, 2022 and 2021, expenses recognized for salaries and employee benefits amounted to ₱6,839,967, ₱8,680,199, and ₱4,237,207, respectively. The amount of salaries and employee benefits is charged to general and administrative costs (see Note 27).

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 29 – FINANCE AND OTHER INCOME (LOSSES), NET

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

| Particulars | 2023 | 2022 | 2021 |
|---|---|---|---|
| *Finance income* | | | |
| Interest income from bank deposits | ₱ **63,543** | ₱ 55,194 | ₱ 36,247 |
| *Finance costs* | | | |
| Interest expense | **(6,250,360)** | (8,272,685) | (4,147,185) |
| *Other income (losses)* | | | |
| Other income | **243,994** | 169,409 | - |
| Foreign exchange gain (loss) (Note 11) | **-** | 12,322 | (868,326) |
| Subtotal | **243,994** | 181,731 | (868,326) |
| Finance and other income (losses), net | ₱ **(5,942,823)** | ₱ (8,035,760) | ₱ (4,979,264) |

Other income (losses) pertains to the incidental revenue earned (expenses incurred) on the conduct of business.

## NOTE 30 – INCOME TAXES

Tax expense (benefit) consists of the following:

| Particulars | 2023 | 2022 | 2021 |
|---|---|---|---|
| Current tax expense | ₱ **3,660** | ₱ 1,694 | ₱ - |
| Deferred tax (income)expense, net | **30,033,194** | (13,875,857) | (10,003,034) |
| Income tax benefit | ₱ **30,036,854** | ₱ (13,874,163) | ₱ (10,003,034) |

The schedule of deferred tax assets is as follows:

| | Statements of Financial Position | | Statements of Comprehensive Income | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| Deferred tax assets: | | | | |
| NOLCO | ₱ **39,204,335** | ₱ 28,040,946 | ₱ **11,163,389** | ₱ 13,182,983 |
| Provision for credit losses | **1,742,013** | 1,992,248 | **(250,235)** | 691,180 |
| Allowance for impairment | **(40,946,348)** | - | **(40,946,348)** | - |
| Deferred tax assets – net | ₱ **-** | ₱ 30,033,194 | | |
| Deferred tax (expense) benefit – net | | | ₱ **(30,033,194)** | ₱ 13,874,163 |

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:

| | | 2023 | | 2022 | | 2021 |
|---|---|---|---|---|---|---|
| **Unrecognized:** | | | | | | |
| NOLCO | ₱ | - | ₱ | 1,087,927 | ₱ | 1,992,588 |
| Excess MCIT | | **3,659** | | 1,694 | | 45,446 |
| Total | ₱ | **3,659** | ₱ | 1,089,621 | ₱ | 2,038,034 |

| | | 2023 | | 2022 | | 2021 |
|---|---|---|---|---|---|---|
| **Recognized:** | | | | | | |
| NOLCO | ₱ | **39,204,335** | ₱ | 28,040,946 | ₱ | 14,856,269 |
| ECL | | **1,742,013** | | 1,992,248 | | 1,301,068 |
| Allowance for impairment | | **(40,946,348)** | | - | | - |
| Total | ₱ | - | ₱ | 30,033,194 | ₱ | 16,157,337 |

In 2023, the Group believes that it is not reasonably probable that future taxable profit against which the benefit of the Company's deferred tax assets can be utilized. Hence, full allowance provided as of December 31, 2023.

Details of the Company's NOLCO are as follows:

| Year incurred | Valid Until | | Original Amount | | Used/Expired | | Balance | | Tax Effect |
|---|---|---|---|---|---|---|---|---|---|
| 2023 | 2026 | ₱ | 44,653,556 | ₱ | - | ₱ | 44,653,556 | ₱ | 11,163,389 |
| 2022 | 2025 | | 60,115,935 | | - | | 60,115,935 | | 15,028,984 |
| 2021 | 2026* | | 42,549,452 | | | | 42,549,452 | | 10,637,363 |
| 2020 | 2025* | | 13,850,107 | | - | | 13,850,107 | | 4,155,032 |
| 2019 | 2022 | | 11,250,350 | | (11,250,350) | | - | | - |
| | | ₱ | 172,419,400 | ₱ | (11,250,350) | ₱ | 161,169,050 | ₱ | 40,984,768 |

*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 Group does not have gross income hence not liable to MCIT nor RCIT. In 2019, the Group is liable of MCIT as the MCIT was higher than the RCIT.

As of December 31, 2023 and 2022, the Group's MCIT amounted to ₱3,660 and ₱1,694, respectively.

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:

| | | 2023 | | 2022 | | 2021 |
|---|---|---|---|---|---|---|
| Income tax at statutory tax rate | ₱ | **17,536,624** | ₱ | (22,776,069) | ₱ | 12,090,566 |
| Tax effects of: | | | | | | |
| Share in net (earnings) loss of associate | | **11,041,454** | | 4,091,498 | | (24,443,023) |
| Non-deductible expenses | | **3,137,968** | | 2,008,540 | | 432,181 |
| Income subject to final tax | | **(15,886)** | | (13,799) | | (9,062) |
| Written-off allowance | | **(1,663,306)** | | - | | - |
| Unrealized forex loss (gain) | | - | | 3,080 | | (9,093) |
| Expired NOLCO | | - | | 2,812,587 | | 1,935,397 |
| aaaa | | | | | | |
| Income tax benefit | ₱ | **(30,036,854)** | ₱ | (13,874,163) | ₱ | (10,003,034) |

## NOTE 31 – 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:

| | | 2023 | | 2022 | | 2021 |
|---|---|---|---|---|---|---|
| Net income (loss) attributable to the equity holders of the Group | ₱ | **(115,846,576)** | ₱ | (80,190,465) | ₱ | 69,146,541 |
| Weighted average number of shares outstanding: | | | | | | |
| Balance at beginning of year | | **284,453,015,964** | | 284,453,015,964 | | 280,336,349,297 |
| Effect of share issuances | | **-** | | - | | 4,116,666,667 |
| Balance at end of year | | **284,453,015,964** | | 284,453,015,964 | | 284,453,015,964 |
| Basic/Diluted earnings(loss) per share | ₱ | **(0.00041)** | ₱ | (0.00029) | ₱ | 0.00024 |

Diluted earnings per share is equal to the basic earnings per share since the Group 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 32 – 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 of 5% per annum upon renewal. Security deposit amounted to ₱63,372 and ₱71,772 as at December 31, 2023 and 2022, respectively (see Note 13).

Total expense from these leases amounted to ₱1,363,933, ₱1,261,060, and ₱737,851 for the years ended December 31, 2023, 2022 and 2021, respectively, which was charged to general & administrative costs. (See Note 27)

**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 as of December 31, 2023 and 2022, respectively (Note 17).

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. (Note 21)

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.

In July 14, 2023, it was resolved that for the purpose of updating the relevant accounts, the board of directors of the Subsidiary write off, and offset the advances to contractors to the advance royalty payment from Agbiag amounting to ₱6,090,086 and ₱45,374,320, respectively.

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.

## NOTE 33 – OTHER MATTERS

### *33.1 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, 2023 and 2022.

### *33.2 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, 2023** | **Cash flows** | **Reclassification** | **Interest expense** | **December 31, 2023** |
|---|---|---|---|---|---|
| **Loans and borrowings** | **₱ 120,899,901** | **₱ 13,655,000** | **₱ -** | **₱ -** | **₱ 134,554,901** |
| **Advances from related parties** | **247,983,223** | **-** | **-** | **-** | **247,983,223** |
| **Interest payable** | **13,696,320** | **-** | **-** | **6,250,360** | **19,946,680** |
| **Total liabilities from financing activities** | **₱ 382,579,444** | **₱ 13,655,000** | **₱ -** | **₱ 6,250,360** | **₱ 402,484,804** |

| Particulars | January 1, 2022 | Cash flows | Reclassification | Interest expense | December 31, 2022 |
|---|---|---|---|---|---|
| Loans and borrowings | ₱ 90,999,901 | ₱ 29,900,000 | ₱ - | ₱ - | ₱ 120,899,901 |
| Advances from related parties | 247,983,223 | - | - | - | 247,983,223 |
| Interest payable | 5,423,635 | - | - | 8,272,685 | 13,696,320 |
| Total liabilities from financing activities | ₱ 344,406,759 | ₱ 29,900,000 | ₱ - | ₱ 8,272,685 | ₱ 382,579,444 |

Non-cash Activities

The Group disposed the investment in subsidiary JDVC Indonesia amounting to ₱31,664,500 per Note 26, and has no non-cash financing activity-related for the year ended December 31, 2023.

The Group had no non-cash investing or financing activity-related transactions for the year ended December 31, 2022.

## NOTE 34 – 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.

**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, 2023**
**SCHEDULE A. Financial Assets**

| Financial asset for the year ended December 31, 2022 | 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 11) | Not applicable | Not applicable | ₱ 9,930,817 | ₱ 9,930,817 | Not applicable | Not applicable | ₱ 63,543 | ₱ - |
| Receivables (Note 12) | Not applicable | Not applicable | - | - | Not applicable | Not applicable | - | - |
| Security deposit (Note 13) | Not applicable | Not applicable | 61,372 | 61,372 | Not applicable | Not applicable | - | - |
| Construction bond (Note 13) | Not applicable | Not applicable | - | - | Not applicable | Not applicable | - | - |
| Restricted fund (Note 14) | Not applicable | Not applicable | 5,040,001 | 5,040,001 | Not applicable | Not applicable | - | - |
| Advances to contractors (Note 15) | Not applicable | Not applicable | - | - | Not applicable | Not applicable | - | - |
| Advances to related parties (Note 26) | Not applicable | Not applicable | 13,000,000 | 13,000,000 | Not applicable | Not applicable | - | - |
| **TOTAL** | | | **₱ 28,032,190** | **₱ 28,032,190** | | | **₱ 63,543** | **₱ -** |

**APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES**
***(Formerly Yehey! Corporation and its Subsidiary)***
**For the Year Ended December 31, 2023**

## INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

**APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES**
***(Formerly Yehey! Corporation and its Subsidiary)***
**For the Year Ended December 31, 2023**

## 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 | Additions | Amounts collected | Amounts written-off | Current | Non-current | Balance at end of period |
|---|---|---|---|---|---|---|---|
| Advances to stock holders of Apollo Global Capital, Inc. | 278,400 | 13,000,000 | 278,400 | - | 13,000,000 | - | 13,000,000 |

## 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 | Additional allowance | Current | Non-current | Balance at end of period |
|---|---|---|---|---|---|---|---|
| Advances to JDVC Resources Corporation (Subsidiary) | 49,419,694 | 2,350,583 | - | 1,011,503 | 52,781,780 | - | 52,781,780 |
| Advances from Apollo Global Capital, Inc. (Parent Company) | 49,419,694 | 2,350,583 | - | 1,011,503 | 52,781,780 | - | 52,781,780 |

## 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 |
|---|---|---|---|---|---|---|

**NOT APPLICABLE**

## 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 | ₱ - | ₱ 120,899,901 | ₱ 13,655,000 |

## 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**

**APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES**
***(Formerly Yehey! Corporation and its Subsidiary)***
**For the Year Ended December 31, 2023**

## 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 | 46,641,114,301 | 246,045,234,996 |

**APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARIES**
***(Formerly Yehey! Corporation and its Subsidiary)***
**As at Year Ended December 31, 2023**

**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, 2023 did not exceed its 100% of paid-in capital stock since it is in deficit position.

**III. MAP OF GROUP OF COMPANIES**

**APOLLO GLOBAL CAPITAL, INC.**
(Parent Company)

**JDVC RESOURCES CORPORATION**
(90.47% owned Subsidiary)

**APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY**
***(Formerly Yehey! Corporation and its Subsidiary)***
**For the Year Ended December 31, 2023**

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

| Ratio | Formula | | December 31, 2023 | | 2022 |
|---|---|---|---|---|---|
| Current Ratio | Total current assets | ₱ | **25,456,152** | ₱ | 115,018,257 |
| | Divided by: Total current liabilities | | **154,325,955** | | 202,912,451 |
| | Current ratio | | **0.16** | | 0.57 |
| Acid test ratio | Total current assets | ₱ | **25,456,152** | ₱ | 115,018,257 |
| | Less: Other current assets | | **2,459,177** | | 7,917,567 |
| | Quick assets | ₱ | **22,996,975** | ₱ | 122,935,824 |
| | Divide by: Total current liabilities | | **154,325,955** | | 202,912,451 |
| | Acid test ratio | | **0.15** | | 0.53 |
| Solvency Ratio | Net income(loss) | ₱ | **(119,046,444)** | ₱ | (82,997,100) |
| | Add: Depreciation | | **5,027,646** | | 4,358,015 |
| | | ₱ | **(114,018,798)** | ₱ | (78,639,085) |
| | Divide by: Total liabilities | | **415,964,178** | | 480,795,674 |
| | Solvency ratio | | **(0.27)** | | (0.16) |
| Debt-to-Equity Ratio | Total liabilities | ₱ | **415,964,178** | ₱ | 480,795,674 |
| | Divided by: Total Equity | | **4,020,142,407** | | 4,158,612,423 |
| | Debt-to-equity ratio | | **0.10** | | 0.12 |
| Asset-to-equity ratio | Total assets | ₱ | **4,436,106,585** | ₱ | 4,639,408,097 |
| | Divided by: Total equity | | **4,020,142,407** | | 4,158,612,423 |
| | Asset-to-equity ratio | | **1.10** | | 1.12 |
| Interest rate coverage ratio | Income (Loss) before income tax | ₱ | **(89,009,590)** | ₱ | (96,871,263) |
| | Add: Interest expense | | **6,250,360** | | 8,272,685 |
| | | ₱ | **(82,759,230)** | ₱ | (88,598,578) |
| | Divided by: Interest expense | | **6,250,360** | | 8,272,685 |
| | Interest rate coverage ratio | | **(13.24)** | | (10.71) |
| Return on equity | Net income (loss) | ₱ | **(119,046,444)** | ₱ | (82,997,100) |
| | Divided by: Total equity | | **4,020,142,407** | | 4,158,612,423 |
| | Return on equity | | **(0.030)** | | (0.020) |
| Return on assets | Net income(loss) | ₱ | **(119,046,444)** | ₱ | (82,997,100) |
| | Divided by: Total assets | | **4,436,106,585** | | 4,639,408,097 |
| | Return on assets | | **(0.0268)** | | (0.0179) |
| Net profit margin | Net loss | ₱ | **(119,046,444)** | ₱ | (82,997,100) |
| | Net sales | | **N/A** | | N/A |
| | Net profit margin | | **N/A** | | N/A |

**APOLLO GLOBAL CAPITAL, INC. AND ITS SUBSIDIARY**
***(Formerly Yehey! Corporation and its Subsidiary)***
**For the Year Ended December 31, 2023**

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

| Ratio | Formula | | December 31, 2023 | | 2022 |
|---|---|---|---|---|---|
| *Other ratios* | | | | | |
| Basic earnings (loss) per share ratio | Net loss attributable to the equity holders of the Parent Company | ₱ | **(115,846,576)** | ₱ | **(80,190,465)** |
| | Divided by: Weighted average number of shares outstanding | | **284,453,015,964** | | **284,453,015,964** |
| | Basic earnings (loss) per share ratio | | **(0.00041)** | | **(0.00028)** |
| Diluted earnings (loss) per share ratio | Net loss attributable to the equity holders of the Parent Company | ₱ | **(115,846,576)** | ₱ | **(80,190,465)** |
| | Divided by: Weighted average number of diluted shares outstanding | | **284,453,015,964** | | **284,453,015,964** |
| | Diluted earnings (loss) per share ratio | | **(0.00041)** | | **(0.00028)** |