CR03482-2021

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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
   Dec 31, 2020
2. SEC Identification Number
   102165
3. BIR Tax Identification No.
   000-803-498-000
4. Exact name of issuer as specified in its charter
   Bright Kindle Resources & Investments, Inc.
5. Province, country or other jurisdiction of incorporation or organization
   Manila, Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   16th floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City
   Postal Code
   1227
8. Issuer's telephone number, including area code
   (02) 88330769
9. Former name or former address, and former fiscal year, if changed since last report
   -
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON	1,528,474,000

11. Are any or all of registrant's securities listed on a Stock Exchange?
    (●) Yes ( ) No
    If yes, state the name of such stock exchange and the classes of securities listed therein:
    Philippine Stock Exchange
12. Check whether the issuer:

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

◉ Yes ◯ No

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

◉ Yes ◯ No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the 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 and 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

260751161

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING 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.

◉ 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

-

Bright Kindle Resources & Investments Inc.
BKR

PSE Disclosure Form 17-1 - Annual Report
References: SRC Rule 17 and
Section 17.2 and 17.8 of the Revised Disclosure Rules

For the fiscal year ended	Dec 31, 2020
Currency	PHP

Balance Sheet

	Year Ending	Previous Year Ending
	Dec 31, 2020	Dec 31, 2019
Current Assets	19,136,684	23,505,274
Total Assets	2,695,427,619	2,634,827,849
Current Liabilities	1,673,658,726	1,673,673,206
Total Liabilities	1,673,658,726	1,673,673,206
Retained Earnings/(Deficit)	175,004,476	114,002,900
Stockholders' Equity	1,021,768,893	961,154,643
Stockholders' Equity - Parent	-	-
Book Value Per Share	0.67	0.63

Income Statement

	Year Ending	Previous Year Ending
	Dec 31, 2020	Dec 31, 2019
Gross Revenue	1,990	694
Gross Expense	6,284,288	5,169,525
Non-Operating Income	67,283,874	7,530,639
Non-Operating Expense	-	-
Income/(Loss) Before Tax	61,001,576	2,361,808
Income Tax Expense	-	-
Net Income/(Loss) After Tax	61,001,576	2,361,808
Net Income/(Loss) Attributable to Parent Equity Holder	-	-
Earnings/(Loss) Per Share (Basic)	0.04	0
Earnings/(Loss) Per Share (Diluted)	0.04	0

Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Dec 31, 2020	Dec 31, 2019
Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	**Current Assets / Current Liabilities**	0.01	0.01
Quick Ratio	**(Current Assets - Inventory - Prepayments) / Current Liabilities**	0.01	0.01
Solvency Ratio	**Total Assets / Total Liabilities**	1.61	1.57
Financial Leverage Ratios			
Debt Ratio	**Total Debt/Total Assets**	0.62	0.64
Debt-to-Equity Ratio	**Total Debt/Total Stockholders' Equity**	1.64	1.74
Interest Coverage	**Earnings Before Interest and Taxes (EBIT) / Interest Charges**	-	-
Asset to Equity Ratio	**Total Assets / Total Stockholders' Equity**	2.64	2.74
Profitability Ratios			
Gross Profit Margin	**Sales - Cost of Goods Sold or Cost of Service / Sales**	-	-
Net Profit Margin	**Net Profit / Sales**	-	-
Return on Assets	**Net Income / Total Assets**	0.06	0
Return on Equity	**Net Income / Total Stockholders' Equity**	0.02	0
Price/Earnings Ratio	**Price Per Share / Earnings Per Common Share**	34.58	857.01

Other Relevant Information
NONE

Filed on behalf by:

Name	Maila Lourdes De Castro
Designation	Corporate Secretary, Compliance Officer and Data Privacy Officer

COVER SHEET

0	0	0	0	1	0	2	1	6	5

S.E.C. Registration Number

BRIGHT KINDLE RESOURCES & INVESTMENTS INC. (A Subsidiary of RYM Business Management Corp.)

(Company's Full Name)

16th Floor BDO TOWERS VALERO, 8741 PASEO DE ROXAS, MAKATI CITY

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

ROLANDO S. SANTOS
Contact Person

8833-0769
Company Telephone Number

12 31
Month *Day*
Fiscal Year

SEC 17-A
FORM TYPE

Month *Day*
Annual Meeting

N/A
Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

630
Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2020

2. SEC Identification Number 102165 3. BIR Tax Identification No. 000-803-498

4. Exact name of issuer as specified in its charter **BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. (formerly Bankard, Inc.)**

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

6. [ ] (SEC Use Only)
Industry Classification Code:

7. 16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City 1209
Address of principal office Postal Code

8. (632) 833-0769
Issuer's telephone number, including area code

9. Not applicable
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 Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱0.55 par value	1,528,474,000

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

Yes [X] No [ ]
Common stock
Philippine Stock Exchange

12. Check whether the issuer:

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

Yes [X] No [ ]

(b) Has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No [ ]

13. The aggregate market value of the voting stock held by non-affiliates is ₱260,751,161 computed on the basis of 263,385,011 representing 17.2% of the outstanding common shares at the closing price as of January 12, 2021 of Pesos 0.99 per share.

Table of Contents

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

A. Description of Business

1. Business Development

(a) Form and year of organization

Bright Kindle Resources & Investments, Inc. (formerly Bankard, Inc.) (the Company) was incorporated in the Philippines on December 4, 1981 as a credit card corporation. On March 21, 1995, the Company listed its shares with the Philippine Stock Exchange, Inc. Prior to December 27, 2013, the Company is a subsidiary of Rizal Commercial Banking Corporation (RCBC).

On October 18, 2013, the Board of Directors (BOD) of RCBC approved the sale of its 89.98% collective stake in the Company. In order to consummate the sale, a block sale was made between RCBC and RYM Business Management Corp. (the Parent) together with other investors. As a result, RYM acquired 81.77% interest in the Company.

In view of the change in its ownership and management, the Company has changed the nature of its principal business. Effective December 16, 2013, the Company has ceased acting as the administrator of RCBC's credit card business.

In November 2013, the Company's BOD approved the amendment in the Company's Articles of Incorporation to change its corporate name to Bright Kindle Resources & Investments, Inc. and primary business purpose to a holding Company. This matter was submitted and approved by the shareholders during the Special Stockholders' meeting held on December 9, 2013. The Philippine Securities and Exchange Commission (SEC) approved the Company's Amended Articles of Incorporation on January 30, 2014. Assets and liabilities related to the Company's credit card servicing operation were transferred to RCBC Bankard Services Corporation (RBSC) and RCBC on December 12, 2013. Effective December 16, 2013, the Company ceased acting as the administrator of RCBC's credit card business.

Consequently, the Company is now engaged in the purchase, exchange, assignment, and hold investments and all properties, including, but not limited to, bonds, debentures, promissory notes, shares of stocks, or other securities without however engaging in the business of an investment Company under the Investment Company Act or a finance company or a broker or dealer in securities.

The Company's registered office is located at 16th Floor, BDO Towers Valero, 8741 Paseo de Roxas, Makati City.

(b) Any bankruptcy, receivership or similar proceeding?

There were no bankruptcy, receivership or similar proceedings for the Company.

(c) Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business?

In 2014, RCBC sold its collective stake of 89.98% in the Company in favor of RYM Business Management Corp. (RYM) and other investors. As a result, it transferred all or substantially all of its assets and certain liabilities to RCBC and RCBC Bankard Service Corporation (RBSC) (refer to Note 1 of the 2020 Audited Financial Statements).

2. Business of Issuer

(a) Description of Registrant

(i) Principal Products or Services

From 2007 to December 2013, the Company was a credit card servicing company whose primary customer was RCBC and indirectly the RCBC Bankard cardholders, to whom the cards are issued, and its accredited merchants. As a servicing entity, the Corporation provided RCBC marketing, selling and distribution assistance, technical, collection services and all transaction processing requirements arising from its credit cardholder and merchant transactions.

On October 18, 2013, the Board of Directors of RCBC approved the sale of its 89.98% collective ownership in Bankard, Inc. to RYM and other investors through Philippine Business Bank, Inc. – Trust and Investment Center (PBB). The sale of shares was consummated on December 27, 2013.In view of the foregoing, RCBC's credit card operations were transferred to a related party, RBSC, and the Company ceased to operate any credit card related business as of December 16, 2013.

Considering the sale, the Company changed its primary purpose and now engages in the purchase, exchange, assignment, gift or otherwise, and hold, own and use for investment or otherwise, and sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, deal in and with and otherwise operate, use and dispose of, any and all properties of every kind and description and wherever situated, as and to the extent permitted by law, including, but not limited to, bonds, debentures, promissory notes, shares of capital stock, or other securities and obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic and while the owner, holder, or possessor thereof, to exercise all the rights and powers, and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all dividends, interests and income, derived therefrom, and the right to vote on any proprietary or other interest, on any shares of capital stock, and upon any bonds, debentures, or other securities, having voting power, so owned or held, without however engaging in the business of an investment company under the Investment Company Act or a finance company or a broker or dealer in securities of stocks.

Target Market/Segments of Business

The Company was previously engaged in providing services to credit cardholders of RCBC and targeted cardable customers across all segments. The Company tapped merchants in different geographical locations in the country in order to acquire transactions of both credit and debit card transactions. As a service entity, Bankard provided business process outsourcing to interested clients given its expertise in credit card payment processing.

At present, the Company has no operating segment other than being a holding company. It holds 540,778,604 shares of Marcventures Holdings Inc. (MARC) representing 17.94% equity interest as at December 31, 2020. The Company is continuously looking for other viable investments which will provide attractive returns to its shareholders.

Accredited Establishments

None.

(ii) Foreign Sales

None.

(iii) Distribution methods of the products or services

None.

(iv) Status of any publicly announced new product or service

None.

(v) Competition

None.

(vi) Disclose dependencies on single or limited number of suppliers for essential raw materials, energy or other items

In as much as the Company ceased to provide credit card services and considering the current business of the Company as a holding company, it will have very limited need for raw materials. The Company is not dependent on single or limited number of suppliers and it sources materials from various suppliers as necessary.

(0) ***Disclose dependencies on single customer***

Prior to the block sale last December 27, 2013, the Company only provided services to RCBC. The service fee derived from servicing the principal client, RCBC, was the main revenue source of the Company.

Now, as a holding company, the Company is no longer dependent on a single customer/client.

(0) ***Transactions with and/or dependence on related parties***

Refer to note 13 of the Audited Financial Statements.

(ix) Summarize principal terms & expiration dates of all patents, trademarks, copyrights, licenses, franchises, concessions & royalty agreements

Prior to the sale last December 27, 2013, the Company has licenses from MasterCard International, Visa International, JCB International Co. and Union Pay International which allows the company to issue credit cards and acquire transactions of merchants carrying said brands.

In view of the block sale and change in ownership and management, the Company has terminated its licenses from MasterCard, Visa, JCB and UPI.

(x) Need for any government approval of principal products or services

The Company has no principal products or services that needs government approval.

(xi) Effect of existing or probable government regulations on the business

The Company's business is not affected by existing or probable government regulations.

(xii) Indicate amount spent on research & development

The Company did not incur any research and development costs from 2012 to 2020.

(xiii) Cost & effects of compliance with environmental laws

The Company intends to continue the implementation of cost-efficient methods to save paper and encourage recycling within the organization.

(xiv) State the number of the registrant's present employees

Employees

Starting 2014, aside from the key management officers, all of the Company's personnel performing the daily operations are being outsourced or seconded.

(xv) Discuss the major risk/s involved in each of the businesses of the company. Include a disclosure of the procedures being undertaken to identify, assess & manage such risks

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the values of individual stocks. The Company is not exposed to price risk.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligation. The Company's exposure to credit risk arises primarily from cash in banks and due from related parties.

The Company's maximum exposure to credit risk on the financial assets as at amortized cost is the carrying amount of those assets as at the reporting date.

Item 2. DESCRIPTION OF PROPERTY

The Company acquired a Condominium Unit at Unit 16 B BDO Towers Valero, 8741 Paseo de Roxas, Makati City last August 2014 to be utilized as the Company's office space.

The unit's book value amounted to ₱38.86 million (see note 6 of the AFS).

Item 3. LEGAL PROCEEDINGS

Please refer to note 15 of the Audited Financial Statements. The case referred to in the note 15 was filed in the Los Angeles Superior Court, California, USA.

Except for the above, all legal proceedings involving the Company were transferred to RBSC.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

In 2020, the following matters were submitted for approval of Shareholders:

1. Approval of Minutes of the previous meeting
2. Approval of Management Report and Audited Financial Statements ending December 31, 2019
3. Ratification of Management's Acts
4. Election of Directors
5. Appointment of External Auditor

PART II –OPERATIONAL AND FINANCIAL INFORMATION

Item 5. MARKET PRICE FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

1. **Market Information**

The Company's shares of stock are being traded at the Philippine Stock Exchange under Banks and Financial Institutions and classified as Financials.

Stock Prices

			High		Low
2020					
	First Quarter	₱	1.07		0.51
	Second Quarter		0.90		0.52
	Third Quarter		0.92		0.66
	Fourth Quarter		1.15		0.72
2019					
	First Quarter	₱	1.68		1.31
	Second Quarter		1.38		1.14
	Third Quarter		1.43		1.11
	Fourth Quarter		1.33		0.84
2018					
	First Quarter	₱	2.08	₱	1.55
	Second Quarter		1.83		1.27
	Third Quarter		2.22		1.46
	Fourth Quarter		1.86		1.28

2. **Holders**

The number of stockholders of record as of December 31, 2020 is 630. Common shares outstanding as of this date is 1,528,474,000. The percentage of shares of stocks owned by the public is 17.2% of the total outstanding shares

Top twenty (20) stockholders as December 31, 2020:

1	PCD Nominee Corporation (Filipino)	1,517,231,785	99.26%
2	PCD Nominee Corporation (Non-Filipino)	7,333,803	00.48%
3	William R. Cu-Unjieng &/or Cynthia C.U.Bunag	200,000	00.01%

4	Jardine CMG Life	146,000	00.01%
5	Ric Castaneda &/or Hector Uy	100,000	00.01%
6	Salazar, Ernesto B.	100,000	00.01%
7	AMA Rural Bank of Mandaluyong, Inc.	100,000	00.01%
8	William R. Cu Unjieng	100,000	00.01%
9	Borres, Jun M.	90,000	00.01%
10	Roldan, Marian D.	83,000	00.01%
11	Jardine CMG Value	80,000	00.01%
12	Chua, Catherine Angsionga S.	75,000	00.00%
13	Jun M. Borres &/or Buenaventura Casenas	60,000	00.00%
14	Gili Jr., Guillermo F.	50,000	00.00%
15	Lopez, Oscar M.	50,000	00.00%
16	Vilar, Antonio T.	50,000	00.00%
17	Torres, Roberto Belarmino S.	50,000	00.00%
18	Punzalan, Larry A.	43,500	00.00%
19	Sy, Victor Gan	40,000	00.00%
20	Kairuz, Peter M	40,000	00.00%

3. **Dividends**

   No dividends have been declared and paid for the year ended December 31, 2020.

4. **Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction**

   None.

ITEM 6. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes as of December 31, 2020 and 2019 prepared in conformity with PFRS hereto attached in the Exhibits.

The financial information for the three years ended December 31, 2020, 2019 and 2018 are as follows:

<u>2020 vs. 2019</u>

Results of operations

	Audited		Increase (Decrease)	
	2020	2019	Amount	%
	(in millions)			
Income	**₱0.00**	₱0.00	₱0.00	0.00%
Operating expenses	**6.28**	5.17	(1.11)	21.47%
Share in net income (loss) of an associate	**67.28**	7.53	59.75	793.49%
Net income (loss)	**61.00**	2.36	58.64	2,484.75%

During the year, the Company was able to generate a net income of ₱61.00 million, an increase of ₱58.64 million compared with same period last year. Significant changes in the income statement accounts for the year ended December 31, 2020 versus the same period last year are as follows:

➢ Given that the Company has no active operations yet, income is derived mainly from interest on bank deposits and share of net income of an associate. The balance of the Company's income is minimal due to low level of its cash in banks.

➢ **General and administrative expenses** escalated by ₱1.11 million or 21.47% compared with same period last year. The movement is attributable to the following:

- More outsourced services were incurred in the current year than last year, resulting to an increase in Outside services account by ₱0.61 million or 89.47%. Expenses were incurred this year for the publication of notice of annual stockholders meeting for the year 2020.

- Comparing with same period last year, taxes and licenses during the year of ₱0.06 million is higher by ₱0.02 million or 43.83%. Payments for penalties due to the failure to register the books of accounts were the major contributors for the higher expenses this year than last year.

- Professional fee is increased by ₱0.50 million of 102.11% mainly due to the payment of the Company's sustainability report.

- Higher Director's Fees were incurred for annual stockholders meeting resulting to an increase of 120.00%

➢ **Share in net income (loss) of an associate** – An associate's improved operating performance during the year posted a share in net income of ₱67.28 million to the Company, an increase of ₱59.75 million compared with the same period last year.

Financial Position

	Audited **2020** *(in millions)*	2019	Increase (Decrease) Amount	%
Assets	**₱2,695.43**	₱2,634.83	₱60.60	2.30%
Liabilities	**1,673.66**	1,673.67	0.00	0.00%
Stockholders' Equity	**1,021.77**	961.15	60.62	6.31%

➢ The Company's total **Assets** of ₱2,695.43 million is slightly higher by ₱60.60 million or 2.30% compared with same period last year. Although the increase may seem not significant, looking into its details, this increase is the net effect of the following major transactions:

- The Company collected ₱4.63million as receivables from MMDC, a related party. Those collections were consequently used by the Company to pay for its general and administrative expenses.

- Property and equipment declined by ₱1.93 million compared with same period last year, mainly due to depreciation recognized during the year.

- The increase in Investment in an associate by ₱66.90 million compared with same period last year is primarily due to recognition of the share in net income and other comprehensive loss of an associate during the year.

➢ **Liabilities** of ₱1,673.66 million decreased by ₱0.00 million comparing with same period last year. The movement is due to partial settlement of advances from Prime Media Holdings Inc., another related party, which was also used by the Company for its working capital requirements. On the other hand, recognition of the current years accrual has slightly offset the decrease in liability.

➢ Increase in **Stockholder's Equity** is the net result of the net income recognized during the year, and of the share in other comprehensive loss of an associate.

Cash Flow

	Audited		**Increase(Decrease)**	
	2020	2019	**Amount**	%
	(in millions)			
Cash provided by (used in) operating activities	**(₱4.58)**	(₱3.57)	(₱1.00)	28.03%
Cash provided by investing activities	**4.63**	3.00	1.62	53.94%
Cash provided by (used in) financing activities	**(0.10)**	0.87	0.97	(111.60%)

Cash used in operating activities during the year amounted to ₱4.58 million, while cash used in operating activities in same period last year amounted to ₱3.57 million. During the year, the Company collected ₱4.63 million of its receivables from MMDC. Cash outflows made pertain to payments for general and administrative expenses.

No additions and/or acquisitions of equipment were made during the year.

<u>2019 vs. 2018</u>

Results of operations

	Audited		Increase (Decrease)	
	2019	2018	Amount	%
	(in millions)			
Income	**₱0.00**	₱0.00	₱0.00	(36.79%)
Operating expenses	**5.17**	7.27	(2.10)	(28.85%)
Share in net income (loss) of an associate	**7.53**	(77.37)	84.90	(109.73%)
Net income (loss)	**2.36**	(84.64)	87.00	(102.79%)

During the year, the Company has able to generate a net income of ₱2.36 million, an increase of ₱87.00 million compared with same period last year. Significant changes in the income statement accounts for the year ended December 31, 2019 versus the same period last year are as follows:

➢ Given that the Company has no active operations yet, income is derived mainly from interest on bank deposits. The balance of the Company's income is minimal due to low level of its cash in banks.

➢ **General and administrative expenses** declined by ₱2.10 million or 28.85% compared with same period last year. The movement is attributable to the following:

- More outsourced services were incurred last year than this year, resulting to a drop in Outside services account by ₱1.35 million or 66.48%.

- Comparing with same period last year, taxes and licenses during the year of ₱0.04 million is lower by ₱0.26 million or 86.64%. Last year, the Company paid for the real property tax relating to its condominium unit, resulting to higher balance than the current year.

- Other expenses this year is lower by ₱0.32 million or 54.66% compared with same period last year. Payments for penalties due to late filing and/or non-compliance with regulatory requirements were major contributors for the higher expenses last year than this year.

➢ **Share in net income (loss) of an associate** – An associate's improved operating performance during the year posted a share in net income of ₱7.53 million to the Company, an increase of ₱84.90 million compared with the same period last year.

Financial Position

	Audited **2019**	2018	Increase (Decrease) Amount	%
	(in millions)			
Assets	**₱2,634.83**	₱2,632.61	₱2.22	0.08%
Liabilities	**1,673.67**	1,672.96	0.71	0.04%
Stockholders' Equity	**961.15**	959.65	1.51	0.16%

➢ The Company's total **Assets** of ₱2,634.83 million is slightly higher by ₱2.22 million or 0.08% compared with same period last year. Although the increase may seem not significant, looking into its details, this increase is the net effect of the following major transactions:

- The Company collected ₱3.0 million as receivables from MMDC, a related party. Those collections were consequently used by the Company to pay for its general and administrative expenses.

- Property and equipment declined by ₱1.94 million compared with same period last year, mainly due to depreciation recognized during the year.

- The increase in Investment in an associate by ₱6.22 million compared with same period last year is primarily due to recognition of the share in net income and other comprehensive loss of an associate during the year.

➢ **Liabilities** of ₱1,673.67 million increased by ₱0.71 million comparing with same period last year. The movement is due to additional advances from Prime Media Holdings Inc., another related party, which was also used by the Company for its working capital requirements. On the other hand, payments for previous year's accrual has slightly offset the increase in liability.

➢ Increase in **Stockholder's Equity** is the net result of the net income recognized during the year, and of the share in other comprehensive loss of an associate.

Cash Flow

	Audited		Increase(Decrease)	
	2019	2018	**Amount**	%
	(in millions)			
Cash used in operating activities	**(₱3.57)**	(₱5.05)	₱1.48	(29.30%)
Cash provided investing activities	**3.00**	3.70	0.70	(18.79%)
Cash provided by financing activities	**0.87**	1.00	0.13	(13.40%)

Cash used operating activities during the year amounted to ₱3.57 million, while cash used in operating activities in same period last year amounted to ₱5.05 million. During the year, the Company collected ₱3.0 million of its receivables from MMDC. Cash outflows made pertain to payments for general and administrative expenses.

No additions and/or acquisitions of equipment were made during the year.

2018 vs. 2017

Results of operations

	Audited		Increase(Decrease)	
	2018	2017	Amount	%
	(in millions)			
Income	**₱0.00**	₱0.15	(₱0.15)	(99.26%)
Operating expenses	**7.27**	6.88	0.39	5.60%
Share in net income (loss) of an associate	**(77.37)**	15.57	(92.95)	(596.79%)
Net income (loss)	**(₱84.64)**	₱8.84	(₱93.48)	(1,057.18%)

The Company incurred a net loss of ₱84.64 million during the year, a decrease of ₱93.48 million compared with last year's net income of ₱8.84 million. Significant changes in the income statement accounts for the year ended December 31, 2018 versus the same period last year are as follows:

- **Income** is derived mainly from interest on bank deposits. Revenues declined by ₱0.15 million compared with same period last year, due to lower level of cash this year than that of prior year.

- **General and administrative expenses** increased by ₱0.39 million or 5.60% compared with same period last year. The increase is attributable to movements of the following accounts:

    - More outsourced services were incurred this year than last year, resulting to increase in Outside services account by ₱0.87 million or 75.72%.

    - The Company's service vehicle has been fully depreciated last February 2018 (the same vehicle has been disposed in April 2018). Consequently, depreciation expenses dropped by ₱0.28 million or 12.03% compared with same period last year.

    - Professional fees increased by ₱0.07 million or 11.14% compared with same period last year, mainly due to increase in annual listing fee and RSA token fee paid to PSE from ₱0.26 million last year to ₱0.31 million this year.

- Communication, light and water of ₱0.29 million, increased by ₱0.08 million as compared with last year of same period.

- Other expenses this year is lower by ₱0.25 million or 29.50%, mainly due to payment for PCD maintenance fee made last year.

➢ **Share in net income (loss) of an associate** – The Company's share in net loss of an associate this year amounted to ₱77.37 million – a decline of ₱92.95 million from last year's share in net income amounting to ₱15.57 million.

Financial Position

	Audited		Increase(Decrease)	
	2018 *(in millions)*	2017	Amount	%
Assets	**₱2,632.61**	₱2,753.94	(121.34)	(4.41%)
Liabilities	**1,672.96**	1,710.23	(37.27)	(2.18%)
Stockholders' Equity	**959.65**	1,043.71	(84.06)	(8.05%)

➢ **Assets** during the year of ₱2,632.61 million is lower by ₱121.34 million or 4.41% compared with same period last year. Significant movements in the following accounts caused the decline in assets:

- Due from related parties dropped by ₱42.26 million compared with same period last year (from ₱58.72 million last year to ₱16.46 million this year). The Company collected ₱2.0 million from MMDC, an entity under common control. MMDC also advanced the Company's operating expenses totaling ₱1.34 million, which was offset from the Company's outstanding receivable. Lastly, the Company assigned the receivable from the Parent Company to TMEE, to offset with the note payable amounting to ₱38.5 million.

- Property and equipment decreased by ₱1.96 million or 4.34% compared with same period last year, primarily due to depreciation recognized during the year.

- Investment in an associate is lower by ₱76.80 million compared with same period last year. The decline in this account is mainly due to recognition of the share in net loss of an associate during the year (*see Share in net income (loss) of an associate above*).

➢ **Liabilities** of ₱1,672.96 million is lower by ₱37.27 million comparing with same period last year, mainly due to assignment of receivable amounting to ₱38.5 million from Parent Company to TMEE, which was offset with the note payable.

➢ The movement in **Stockholder's Equity** is attributable to the net loss during the year amounting to ₱84.64 million. This was slightly offset by the share in other comprehensive income of an associate recognized this year, amounting to ₱0.57 million.

Cash Flow

	Audited		Increase(Decrease)	
	2018	2017	**Amount**	**%**
	(in millions)			
Cash provided by (used in) operating activities	**(₱5.05)**	₱13.93	(₱18.98)	(136.25%)
Cash provided by investing activities	**3.70**	4.07	(0.37)	(9.09%)
Cash provided by financing activities	**1.00**	90.00	(89.00)	(98.89%)

The cash used in operating activities this year is lower by ₱18.98 million or 136.25% versus same period last year. No major disbursements were made during the year, except for the Company's operating expenses.

There was a minimal addition in property and equipment this year, compared with last year, resulting to decrease in cash used in investing activities by ₱0.37 million or 9.09%.

In 2017, the Company paid ₱90.0 million of its notes payable. Payment of ₱1.0 million has been made this year to a related party, hence, a decrease in cash used in financing activities by 98.89%.

Key Performance Indicators

	2020	***2019***	***2018***
Return on Asset (%)	2.29%	0.09%	(0.03%)
Return on Equity (%)	6.15%	0.25%	(0.08%)

1/Return on assets (ROA) was computed based on the ratio of net income/ (net loss) to average assets.
2/ Return on equity (ROE) was computed based on the ratio of net income/ (net loss) to average equity.

Item 7. FINANCIAL STATEMENTS

The financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A (see attached 2020 Audited Financial Statements).

Item 8. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

External Auditors

The Company re-appointed Reyes Tacandong & Co. (RTC) as its independent external auditor for the calendar year ended December 31, 2020. RTC is a leading professional services firm with a proven track record of high-quality work. They provide value-added services to clients through their client caring team of outstanding audit, tax and business professionals who utilize leading-edge systems and technology and are guided by the highest standards of quality, integrity and competence.

For the audit of the Company's Annual financial statements and services provided in connection with statutory and regulatory filings or engagements, the aggregate amounts to be billed or already billed excluding VAT and out of pocket expenses (OPE) by RTC amounts/amounted to ₱0.30 million for 2020 and 2019.

The Audit Committee recommends to the Board the selection of external auditors considering independence and effectiveness.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has no disagreements with its accountants.

Changes and adoption of new Accounting Standards are fully summarized under Note 2 to Financial Statements.

PART III–CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

1. Current Directors and key executive officers of the Company:

Board of Directors and Executive Officers

Cesar C. Zalamea	91	Chairman of the Board/Director	Filipino
Isidro C. Alcantara, Jr.	66	President/Director	Filipino
Macario U. Te	90	Director	Filipino
Augusto C. Serafica. Jr.	58	Director	Filipino
Carlos Alfonso T. Ocampo	55	Independent Director	Filipino
Felix Cesar L. Zerrudo	60	Independent Director	Filipino
Remegio C. Dayandayan Jr.	40	Director	Filipino
Minda P. de Paz	80	Director	Filipino
Hermogene H. Real	65	Director/Assistant Corporate Secretary	Filipino
Rolando S. Santos	70	Director/SVP Treasurer	Filipino
Jesse H. T. Andres	56	Director	Filipino
Leddie D. Gutierrez (resigned effective June 30, 2020)	58	VP Internal Audit	Filipino
Reuben F. Alcantara	37	VP Marketing	Filipino
Maila G. De Castro	45	SVP Corporate Secretary, Compliance Officer and Data Privacy Officer	Filipino
Kenneth Peter D. Molave	31	Co-Asst. Corporate Secretary	Filipino
Dale A. Tongco	56	Vice-President Risk Management/ Chief Risk Officer	Filipino

Incumbent Directors

Cesar C. Zalamea
Chairman of the Board
January 03, 2014 to present
91 years old/Filipino

Mr. Cesar C. Zalamea was elected Chairman of the Company in January 2014. He serves as Chairman of Marcventures Holdings Inc. and Chairman of Marcventures Mining and Development Corp. Currently, he is an Independent Director of Araneta Properties Inc., a company he joined as Director in December 2008. He is also a member of the Advisory Board of Campbell Lutyens & Co. Ltd., an investment advisory company based in the U.K.In 1945, Mr. Zalamea joined AIG where he started as an Investment Analyst at the Philippine American

Life Insurance Company (PHILAMLIFE). He went up the corporate ladder of Philamlife and he became President of the Company in May 1969. While he was with Philamlife, he was loaned to the Program Implementation Agency (PIA) in 1964 as Deputy Director General. PIA was an economic group that reported directly to the President of the Philippines. He returned to Philamlife in 1965. In 1969, Mr. Zalamea was appointed Member of the Monetary Board of the Central Bank of the Philippines representing the private sector. In 1981, he left Philamlife to become Chairman of the Development Bank of the Philippines. He also had to resign from being a member of the Monetary Board when he went to the DBP. In 1986, he left the DBP to go back to AIG. He was then stationed in Hong Kong to be the first President of the AIG Investment Corporation (Asia) Ltd. At this time, he was elected to serve as Director in many AIG affiliated companies in Asia, like the AIA Insurance Co., Nan Shan Life Insurance Co. and Philamlife. In 2005, he left AIG to work directly with Mr. Maurice R. Greenberg at the C.V.STARR Companies. He was appointed President and CEO of the Starr Investment Co. {Asia} Ltd. In 2008, he became Chairman of this Company until he retired in 2010. He obtained his B.S. in Accounting and Banking from the Colegio de San Juan de Letran where he graduated as validectorian. Mr. Zalamea received his MBA from New York University.

Isidro C. Alcantara, Jr.
Director and President
January 03, 2014 to present
66 years old/Filipino

Mr. Isidro C. Alcantara, Jr. was elected as President and Director of the Company in January 2014. Mr. Alcantara is the President of Financial Risk Resolution Advisory, Inc. He also serves as Director and President of Marcventures Holdings Inc. and Vice Chairman and Director of Marcventures Mining and Development Corporation. He has been a Director of Benguet Corp. since November 2008. He served as Senior Vice President & Head of Corporate & Institutional Banking at Hongkong and Shanghai Corporation (HSBC). He was elected President and Chief Executive Officer of Philippine Bank of Communications (PBCom), Manila, Philippines from 2000 to 2004. In addition, he served as Executive Vice President of Corporate Banking Group of Equitable PCI Bank (EPCIB) from 1981 to 2000. He served as Director of Bankers Association of the Philippines from 2000 to 2003. Mr. Alcantara also served at Bancom Finance Corporation, PCI Bank & Insular Bank of Asia & America (a Bank of America Affiliate) from 1975 to 1981. He is a Certified Public Accountant. He obtained his BSC Accounting and BS Economics degrees from De la Salle University graduating Magna cum Laude. He also attended the Special Studies in International Banking at the Wharton School, University of Pennsylvania.

Macario U. Te
Director
January 03, 2014 to present
90 years old/Filipino

Mr. Macario U. Te was elected as Director of the Company in January 2014. He is the current Director of Marcventures Holdings Inc. He was the previous President of Macte International Corp. and Linkwealth Construction Corp, Chairman of Autobus Industries Corporation and CEO of M.T. Holdings Inc. He previously sat as Director in the following companies: Bulawan Mining Corp., PAL Holdings Inc,, Philippine National Bank, Oriental Petroleum and Minerals Corp., Gotesco Land Inc., PNB Capital and Investment Corp., PNB General Insurers Co. Inc., PNB Holdings Corp., PNB Remittance Center, PNB Securities Inc., PNB-IFL, PNB Italy SPA, Balabac Resources and Holdings, Nissan North EDSA, Beneficial- PNB Life and Insurance Co., Inc., Waterfront Phils., Fontana Golf Club, Inc., Baguio Gold Holding Corp., Traders Royal Bank, Traders Hotel, Pacific Rim Oil Resources Corporation, Link World Construction Development Corporation, Suricon Resources Corporation, Alcorn Petroleum & Minerals

Corp., Associated Devt Corp., and Palawan Consolidated Mining Corporation. Mr. Te obtained his Bachelor of Science in Commerce from Far Eastern University.

Augusto C. Serafica, Jr.
Director
January 03, 2014 to present
58 years old/Filipino

Mr. Augusto C. Serafica, Jr. was elected as Independent Director of the Companyin January 2014. He sits as Chairman of Board in the following companies: Premiere Horizon Alliance Corporation, Digiwave Solutions Inc., AOB Management Corporation, TLC Manna Consulting Inc., Global Idealogy Corporation. He is also the Managing Director of Asian Alliance Investment Corporation and Asian Alliance Holdings and Development Corp. He is currently the Treasurer of Sinag Energy Philippines Inc., Ardent Property Development Corporation. He serves as Director of Marcventures Holdings Inc. and Investment House Association of the Philippines. He is the Chairman of the AIM Alumni Association, Treasurer of the AIM Leadership Foundation Inc., and Chapter Head of the Brotherhood of Christian Businessmen and Professionals- Makati Chapter. He was previously connected with Sycip, Gorres, Velayo & Co. from 1985-1989. He obtained his Bachelor of Commerce in Accountancy from San Beda College and Master in Business Management from Asian Institute of Management. Mr. Serafica is a Certified Public Accountant.

Carlos Alfonso T. Ocampo
Director
January 03, 2014 to present
55 years old/Filipino

Atty. Carlos Alfonso T. Ocampo was elected as Independent Director of the Company in January 2014. He is also an Independent Director of Marcventures Holdings, Inc. He is the founder of Ocampo & Manalo law firm. Atty. Ocampo is a member of the Board in various corporations, including MAA General Assurance Phils Inc., Columbian Autocar Corporation, Asian Carmakers Corp., Jam Transit Inc., Prestige Cars Inc., Autohaus Quezon City Inc., Timebound Trading Corp., and Subic Air, Inc. He is the Corporate Secretary of PSI Healthcare Development Services Corp., PSI Prescription Solutions Corp., Adrianse Phils. Inc., Bluelion Motors Corp., First Charters and Tours Transport Corp., Brycl Resorts and International Inc., AVK Philippines Inc., Jam Liner Inc., and Manila Golf and Country Club. He previously served as Vice President and General Counsel of Air Philippines Corporation. Atty. Ocampo obtained his Bachelor of Laws from the University of the Philippines. Upon graduation from college, he was admitted into the honor societies of Phi Kappa Phi and Pi Gamma Mu. He completed an Executive Management Program at the Asian Institute of Management in 1997, and previously taught business law at the College of St. Benilde at De La Salle University. In 2013, he was named as a leading adviser as well as a commercial law expert by Acquisition International and Global Law Experts, respectively. In 2014, AsiaLaw named him as one of the leading lawyers in the Philippines primarily for his contributions in commercial law. He was awarded a certificate of completion for the Mastering Negotiation:Building Agreements Across Boundaries Program, April 2016, from the John F. Kennedy School of Government at Harvard University, Executive Education.

Felix Cesar L. Zerrudo
Independent Director
December 10, 2019 to present
60 years old/ Filipino

Mr. Felix Cesar L. Zerrudo was elected Independent Director in 10 December 2019. He currently serves as President and Chief Operating Officer of Asian Appraisal Company Inc. He is also the President of Asian Asset Insurance Brokerage Corporation, Amalgamated Project Management Services Inc. and the Professional Funding Services Inc. He is a General Manager and Treasurer of AE Proteina Industries Inc. He is a Director of Top Team Dynamics Incorporated. He previously served as Vice President of Phoenix Petroleum Philippines, Inc. –Treasury Group from Jan 2009 to June 2009 and the Philippine National Bank from November 2002 to December 2008. He obtained his Bachelor of Arts, Major in Economics from Ateneo De Manila University in April 1980. He passed the Real Estate Appraisers' Licensure Examination last 2015.

Remegio C. Dayandayan, Jr.
Director
March 26, 2014 to present
40 years old/Filipino

Atty. Remegio C. Dayandayan, Jr. was elected as Director of the Company in March 2014. He currently sits as Director and President of RYM Business Management Corporation and the Philippine Manila Standard Publishing Inc. He was previously an associate of Dum lao Moraleda Antonano and Tuvera Law Offices from February 2008 to March 2009. He was also a Subjective Discovery Reviewer of Escaler and Company Inc.-LPO from May 2008 to March 2009. Atty. Dayandayan obtained his degrees in Bachelor of Arts major in Political Science from the University of San Carlos in 2001 and Bachelor of Laws from San Beda College-Mendiola in 2007. He was admitted to the Philippine Bar in 2008.

Minda P. de Paz
Director
March 26, 2014 to present
80 years old/Filipino

Ms. Minda P. De Paz was elected as Director in March 2014. She serves as Director of the Company and President of Philippine Collective Media Corporation and Universal Re Condominium Corporation as well as Director and Treasurer of RYM Business Management Corporation and Lubenico Inc. She is also a Director of Sequioa Business Management Corp. And a project coordinator of CPG Joint Venture. Ms. De Paz previously worked at the Philippine National Bank (PNB)- Ormoc City from 1963 to 1977. She then became a Supervising Commission on Audit (COA) Auditor of PNB-Escolta from 1977 to 1979. She served as COA Corporate Auditor of the National Home Mortgage Finance Corporation from 1979 to 1984 and Home Mutual Development Fund from 1981 to 1982. She also became an accountant of Nieva Realty and Development Corporation, D.S. Tantuico and Associates Law Office, Almega Management and Investments Inc. from 1984 to 2005. Ms. De Paz obtained her Bachelor of Commerce in Accountancy from St. Paul's College, Tacloban City. She is a Certified Public Accountant.

Rolando S. Santos
Director/Vice President and Treasurer
January 03, 2014 to present
70 years old/Filipino

Mr. Rolando S. Santos was elected Director in May 2014. He has been the Treasurer of the Company since January 2014 and he became Vice President from 2014 until 2016. He serves as Treasurer of Marcventures Holdings Inc., Marcventures Mining and Development Corp. and Prime Media Holdings Inc. He was previously the Branch Head/ Cluster Head for Makati Branches of Equitable PCI Bank which was eventually acquired by BDO from 2001 to 2013. He served as Branch Head in Diliman, Quezon City to Area Head for Metro and Provincial branches of the Bank of Commerce from 1984 to 2001. He also served as Branch head in

West Avenue, Quezon City and Marikina branches of the Producers Bank of the Philippines from 1981 to 1984. He worked at the Far East Bank and Trust Co. From 1972 to 1981. He was also employed as a liaison officer of the Malacanang Information and Assistance Unit from 1970 to 1972. He obtained his degree in Bachelor of Science in Business Administration from the University of the East.

Jesse H. T. Andres
Director
October 23, 2020 to present
56 years old/Filipino

Atty. Jesse H. T. Andres was elected Director in October 2020. He currently sits on the board of BDO Leasing & Finance, Inc., Benguet Corp., One Network Bank, Inc. and Banco De Oro Savings Bank, Inc. He co-found Andres Padernal & Paras Law Offices in 2004 and currently serves as its managing partner. He likewise served as Trustee and Chairman of the GSIS Corporate Governance Committee from 2004 to 2010. He previously occupied the position of Partner at Ponce Enrile Reyes & Manalastas Law Offices from 1996 to 2003 where he became Co-Head of the Litigation Department in 2001. Atty. Andres obtained his Bachelor of Laws in 1990 and his Bachelor of Arts in Economics (Dean's List) in 1984, both at the University of the Philippines-Diliman. While a law student, he served as Board Secretary of the Department of Trade and Industry's Garment and Textile Export Board (GTEB). He also served as Senior Manager in the Philippine Exporter's Foundation (PEF). Mr. Andres was elected as President of GTEB Employees' Association and spokesman of the Department of Trade and Industry's Confederation of Employees' Association.

Hermogene H. Real
Director/ Assistant Corporate Secretary
January 03, 2014 to present
65 years old/Filipino

Atty. Hermogene H. Real was elected Director in May 2014 and Assistant Corporate Secretary in January 2014. She serves as Director of Philippine Collectivemedia Corporation (2008 to present), Brightgreen Resources Corporation (2014 to present), Brightgreen Nickel, Inc. (2016 to present), Southern Alluvial Minerals and Alumina Resources Inc. (2017 to present), Mairete Asset Holdings Inc. (2017 to present), Sure Mighty Steel, Inc. (2018 to present), Crimson Bauxite Mining Development Corp. (2018 to present), Southeast Fields Bauxite Inc. (2018 to present), as Corporate Secretary of Benguet Corporation (2000 to present) and Universal Re Condominium Corporation (1997 to 2009, 2010 to present), as Assistant Corporate Secretary of Doña Remedios Trinidad Romualdez Medical Foundation, Inc. (1996 to present), Benguet Corp Nickel Mines, Inc. (2009 to present). She is a lawyer in D.S. Tantuico and Associates (1998 to present). She previously held the following positions: Chairman of the Board and President of Philippine Collectivemedia Corporation (2008 to 2010); Corporate Secretary of Trans Middle East Phils. Equities, Inc. (1996 to 2006); and Assistant Corporate Secretary of Equitable PCI Bank, Inc. (2005-2006).

Executive Officers:

Maila G. De Castro
Corporate Secretary/ Compliance Officer and Data Privacy Officer
September 3, 2019 to present
45 years old/ Filipino

Atty. Maila G. De Castro was elected September 2019 as Corporate Secretary, Compliance Officer and Data Privacy Officer. She is currently the Co-Assistant Corporate Secretary of Marcventures Holdings, Inc. and Corporate Secretary of Marcventures Mining & Development

Corp. She is likewise the Corporate Secretary, Compliance Officer and Data Privacy Officer of Prime Media Holdings, Inc. She worked with the Belo Gozon Elma Parel Law as Legal Associate and Special Projects Counsel from 2000-2006. She was also the Corporate Counsel and Vice President/ Head of Legal and Corporate Planning of UNITEL from 2006-2013, subsequently went to private practice in the last six (6) years and concurrently the Chairman of the Philippine Electricity City Market Corporation.

Kenneth Peter D. Molave
Co-Assistant Corporate Secretary
October 16, 2019 to present
32 years old/ Filipino

Mr. Kenneth Peter Molave is a practicing lawyer with experience in civil and criminal litigation, corporate law, corporate secretarial services, and business taxation. In January of 2017, he worked as an underbar associate assigned to the Business Tax Services division at the accounting firm, Sycip Gorres Velayo & Co. Upon obtaining his license to practice law, he worked as part of the Legal Services Group of the Department of Finance. In 2018, he transferred to Libra Law Firm as a Junior Associate assigned to the litigation department. After almost two years, or in August of 2019, he accepted a job offer at Marcventures Mining and Development Corporation (MMDC) as in-house legal associate. He has a Legal Management degree from the Ateneo de Naga University and obtained his Juris Doctor from the University of the Philippines.

Reuben F. Alcantara
Vice President for Marketing
May 26, 2016 to present
37 years old/Filipino

Mr. Reuben F. Alcantara was appointed Vice President for Marketing in May 2016. He currently serves as Vice President for Marketing, Business Development, and Strategic Planning of Marcventures Holdings, Inc. He is also the Company's Investor Relations Officer. He previously served as the Vice President for Marketing of AG Finance, Inc., as Relationship and Credit Officer for Security Bank and has had stints in Corporate Banking in Bank of Commerce and Maybank Philippines. Mr. Alcantara obtained his Executive Masters in Business Administration Degree from the Asian Institute of Management in the year 2016.

Dale A. Tongco
Vice-President Risk Management/
Chief Risk Officer
October 23, 2020 to present
56 years old/Filipino

Mr. Dale A. Tongco was appointed Vice-President for Risk Management / Chief Risk Officer in October 2020. He concurrently serves as Vice President for Controllership of Marcventures Holdings, Inc. He is a Certified Public Accountant with extensive experience in Public Accounting Firms as External Auditor and with Corporations as an Internal Auditor and Risk Management Officer specifically in the areas of Fraud Management; ISO 9001 and 14001 Audit and Management; Process and Control Review; Policies and Procedures Documentation; Corporate Governance; and Finance and Treasury. His professional experience over 13 years includes stints in KPMG, Deloitte, Phil-Am-AIA, CP de Guzman & Co.-CPAs and Benguet Corporation.

Leddie D. Gutierrez
Vice President for Internal Audit
(resigned effective June 30, 2020)

58 years old/Filipino

Mr. Leddie Gutierrez was appointed as Vice President for Internal Audit in May 2016. He is a Certified Public Accountant and has held key positions in internal audit, corporate services and compliance and control since 1995. Mr. Gutierrez is currently the Vice President for Audit and Risk Management of Marcventures Mining and Development Corp. (MMDC). He previously served as Vice President for Internal Audit of AG Finance, Inc., as Division Head (Assistant Vice President) of Strategic Support Division under Institutional Banking Sector of Metropolitan Bank and Trust Company, where, since joining in November 2011 as Compliance and Control Officer (Senior Manager), he oversaw IBS's compliance to policies, procedures and regulations set by the Bank, BSP and regulatory agencies and led in systems and process improvements for the Group. From April 2005 to October 2011, Mr. Gutierrez served as Head of Internal Audit of PLDT Global Corporation (PGC), a subsidiary and international marketing firm of PLDT Co. In this role, he carried out operational, information technology, financial, network and compliance audits of PGC. Mr. Gutierrez is a graduate of the University of the East.

2. Significant Employees

The company is not highly dependent on any individual who is not an executive officer.

3. Family Relationships

Isidro C. Alcantara, Jr., President, is the father of Reuben F. Alcantara, VP for Marketing

4. Involvement in Certain Legal Proceedings

None of the directors, officers or members of the Company's senior management have, presently or during the last five (5) years, been subject to any of the following:

a) any bankruptcy, petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to the time;
b) any conviction by final judgment of any offense in any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
c) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities, or banking activities; and
d) found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Item 10. EXECUTIVE COMPENSATION

Summary of Compensation Table

Information as to aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Company's Chief Executive Officer and four other most highly compensated executive officers follows:

SUMMARY OF COMPENSATION TABLE

NAMES	POSITION	SALARY	BONUS	PER DIEM

Cesar C. Zalamea Isidro C. Alcantara, Jr. Rolando S. Santos Diane Madelyn Ching Hermogene H. Real Reuben F. Alcantara Leddie D. Gutierrez	Chairman President Treasurer Corporate Secretary Asst. Corporate Secretary VP Marketing VP Internal Audit			
All above named officers as a group	2019			₱40,000.00
	2020			₱75,000.00
	2021 Estimated			₱80,000.00
All other officers and directors as group unnamed	2019			₱60,000.00
	2020			₱145,000.00
	2021 Estimated			₱150,000.00

The 2021 estimated compensation for directors and executive officers is subject to changes as the BOD through the Compensation Committee is continuously reviewing the directors' and executive officers' compensation which shall be in accordance with the parameters set by the Company's by-laws and other industry standards.

Compensation of Directors

(0) ***Standard Arrangements***

Except for nominal per diem for attending board & committee meetings, there are no standard arrangements by which Directors are compensated directly or indirectly.

(b) Other Arrangements

None.

Employment Contract and Termination of Employment and Change-in-Control Arrangements

For the year ended December 31, 2020, the Company engaged consultants and employees from outsourcing agencies to perform its day to day transactions.

Warrants and Options Outstanding: Repricing

The above-named executive officers and directors, and all officers and directors as a group, do not hold equity warrants or options as the company does not have any outstanding equity warrants or options.

Item 11. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

(1) Owners of more than 5% of voting securities as of 31 December 2020

Title of Class	Name, Address of Record and Relationship with Issuer	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class

Common	-PCD Nominee Corporation[1] -Tower 1 – Ayala Triangle Makati Avenue cor. Paseo de Roxas Makati City -Registered owner in the books of stock transfer agent	RYM Business Management Corp./ Client	Filipino	1,170,159,989	76.56%
				1,170,159,989	76.56%

(2) **Security Ownership of Management as of 31 December 2020**

Title of Class	Name Beneficial Owner	Amount and Nature of beneficial ownership	Citizenship	Percent of Class
Common	Cesar C. Zalamea	1,000/ Direct	Filipino	0.00%
Common	Isidro C. Alcantara, Jr.	1,000/ Direct 43,919,000/Indirect	Filipino	2.87%
Common	Macario U. Te	16,001,000/Direct; 35,000,000/Indirect	Filipino	3.33%
Common	Remegio C. Dayandayan, Jr.	1,000/ Direct	Filipino	0.00%
Common	Augusto C. Serafica, Jr.	1,000/ Direct	Filipino	0.00%
Common	Hermogene H. Real	900/ Direct	Filipino	0.00%
Common	Rolando S. Santos	1,000/ Direct	Filipino	0.00%
Common	Minda P. de Paz	1,000/Direct	Filipino	0.00%
Common	Carlos Alfonso T. Ocampo	1,000/Direct	Filipino	0.00%
Common	Felix Cesar L. Zerrudo	1,000/Direct	Filipino	0.00%
Common	Jesse H. T. Andres	100/ Direct	Filipino	0.00%
Common	Maila G. De Castro	0	Filipino	0.00%
Common	Kenneth Peter D. Molave	0	Filipino	0.00%
Common	Leddie D. Gutierrez	0	Filipino	0.00%
Common	Reuben F. Alcantara	0	Filipino	0.00%
Common	Dale A. Tongco	0	Filipino	0.00%
	Total – Directors as a group	94,929,000	Filipino	6.2%
	Total – Officers as a group	0	Filipino	0%

Item 12. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

There are no significant transactions entered into by the Company in the normal course of business with related parties except as discussed in note 13 to the Audited Financial Statements.

PART IV – CORPORATE GOVERNANCE

Item 13. CORPORATE GOVERNANCE

This portion has been deleted pursuant to SEC Memorandum Circular No. 5, Series of 2013.

PART V - EXHIBITS AND SCHEDULES

Item 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

(a) Exhibits

Please see attached Audited Financial Statements of the Company for the years ended December 31, 2020, 2019 and 2018, and its 2020 Sustainability Report.

(b) Reports on SEC Form 17-C

Items reported under SEC Form 17-C during the last six months covered by this report:

	Date of Report	Event Reported
(1)	July 1, 2020	Resignation of Mr. Leddie D. Gutierrez as VP Internal Audit
(2)	August 14, 2020	Postponement of Annual Stockholders' Meeting
(3)	August 17, 2020	Notice of Annual Stockholders' Meeting
(4)	September 18, 2020	Postponement of Annual Stockholders' Meeting -Postponement of October 2, 2020 meeting
(5)	September 18, 2020	Amended Notice of Annual Stockholders' Meeting -Change the date of Annual Stockholders' Meeting to October 23, 2020
(6)	September 18, 2020	Amended Postponement of Annual Stockholders' Meeting -to correct the date of board approval
(7)	September 24, 2020	Amended Notice of Annual Stockholders' Meeting -to provide the venue and agenda of ASM
(8)	October 26, 2020	Results of 2020 Annual Stockholders' Meeting
(9)	October 26, 2020	Results of 2020 Organizational Meeting of the Board of Directors
(10)	October 26, 2020	Promotion of Mr. Rolando S. Santos and Atty. Maila Lourdes G. De Castro and Appointment of Mr. Dale A. Tongco.
(11)	November 19, 2020	Amended Results of Organizational Meeting held on 23 October 2020 - Amended to correct the Name of Committees for "Audit, Risk Oversight and Related Party Transactions Committee" and "Nominations and Corporate Governance Committee"

SIGNATURES

Pursuant to the requirements of the Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on MAY 17 2021, 2021.

By:

ISIDRO C. ALCANTARA, JR.
President

ROLANDO S. SANTOS
Treasurer

CESAR C. ZALAMEA
Chairman

BEFORE ME, Notary Public for and in the above-named locality, personally appeared the following, with their respective residence certificates and competent evidence of identity, to wit:

Name	Competent Evidence of Identity	Place Issued/Valid Until
Isidro C. Alcantara Jr.	TIN 123-371-185	
Rolando S. Santos	TIN 127-551-084	
Cesar C. Zalamea	TIN 137-712-551	

known to me and to me known as the same persons who executed the foregoing **2020 SEC Form 17-A Annual Report**, and they acknowledge to me that the same is their free and voluntary act and deed as well as of the corporations they respectively represent.

WITNESS MY HAND AND SEAL on the date and in the place above written.

Doc. No. 487
Page No. 99
Book No. 1
Series of 2021.

REUBEN CARLO O. GENERAL
Notary Public for Makati City
Appt. No. M-136 Until 31 Dec. 2021
Roll of Attorneys No. 59087
IBP Membership No. 143757; 02/02/2021
PTR No. MKT-8547469ME; 01/15/2021
MCLE Compliance No. VI -0021476; 3/26/2019
4F BDO Towers, 8741 Paseo de Roxas, Makati City

---------- Forwarded message ---------
From: <eafs@bir.gov.ph>
Date: Mon, May 17, 2021 at 3:59 PM
Subject: Your BIR AFS eSubmission uploads were received
To: <JERMAINE.EJAN@marcventures.com.ph>
Cc: <VALENZUELAJACKYLYN@yahoo.com>

Hi BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.,

Valid files

- EAFS000803498OTHTY122020.pdf
- EAFS000803498RPTTY122020.pdf
- EAFS000803498ITRTY122020.pdf
- EAFS000803498AFSTY122020.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-NYMWN1Q0NXM3VTXQQW1YVYRW0PW411Y4N**
Submission Date/Time: **May 17, 2021 03:45 PM**
Company TIN: **000-803-498**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

errors or omissions in the contents of this message which arise as a result
of e-mail transmission.

Reply Reply all Forward

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 0 2 1 6 5

COMPANY NAME

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. (A Subsidiary of RYM Business Management Corp.)

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

16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
maila.decastro@marcventures.com.ph	(02) 8856-7976	0919-993-7231

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
630	Last Thursday of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Maila Lourdes G. De Castro	maila.decastro@marcventures.com.ph	(02) 8856-7976	0919-993-7231

CONTACT PERSON'S ADDRESS

16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City

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

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

Bright Kindle Resources
& Investments, Inc.
BKR

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Bright Kindle Resources & Investments, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2020 and 2019**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible in 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.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the years ended **December 31, 2020 and 2019**, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

CESAR C. ZALAMEA
Chairman of the Board

ISIDRO C. ALCANTARA, JR.
President

ROLANDO S. SANTOS
SVP Treasurer

MAY 1 1 2021

Signed this _____ day of ___________

Bright Kindle Resources & Investments, Inc.

SUBSCRIBED AND SWORN to before me this [illegible] day of [illegible] 2021 affiant(s) exhibiting to their evidence of identity, as follows:

NAMES	**Competent Evidence of Identity (TIN)**	**DATE OF ISSUE**	**PLACE OF ISSUE**
Cesar C. Zalamea	137-712-551		
Isidro C. Alcantara, Jr.	123-371-185		
Rolando S. Santos	127-551-054		

Notary Public

Doc. No. 484;
Page No. 98;
Book No. 1;
Series of 2021.

REUBEN CARLO O. GENERAL
Notary Public for Makati City
Appt. No. M-136 Until 31 Dec. 2021
Roll of Attorneys No. 59087
IBP Membership No. 143757; 02/02/2021
PTR No. MKT-8547469ME; 01/15/2021
MCLE Compliance No. VI -0021476; 3/26/2019
4F BDO Towers, 8741 Paseo de Roxas, Makati City

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

BDO Towers Valero (formerly Citibank Tower)
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone +632 8 982 9100
Fax +632 8 982 9111
Website www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Bright Kindle Resources & Investments, Inc.
16th Floor BDO Towers Valero (formerly Citibank Tower)
8741 Paseo de Roxas, Makati City

Opinion

We have audited the financial statements of Bright Kindle Resources & Investments, Inc. (the Company), a subsidiary of RYM Business Management Corp., which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2020, 2019, and 2018, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years ended December 31, 2020, 2019, and 2018, in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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 the audit of the 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 financial statements of the current period. These matters were addressed in the context of our audits of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment for Impairment of Investment in an Associate
The investment in an associate is accounted for using the equity method in accordance with PAS 28, *Investment in Associates and Joint Ventures*. The Company is required to assess at each reporting date whether there is any indication that the investment is impaired. If any such indication exists, the Company is required to estimate the recoverable amount of the investment. This matter is significant to our audit because the investment in associate represents 98% of the Company's total assets.

We performed the necessary procedures by reviewing the assumptions used by the management in the impairment assessment, in particular, those involving the forecasted cash flows and discount rate, and evaluated whether a reasonably possible change in these assumptions could cause the carrying amounts to exceed the estimated recoverable amounts.

Further disclosures are included in Note 3, *Significant Judgments, Accounting Estimates and Assumptions*, and Note 7, *Investment in an Associate*.

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 (Annual Report) and Annual Report distributed to stockholders for the year ended December 31, 2020, but does not include the financial statements and our Auditors' report thereon. The SEC Form 20-IS , SEC Form 17-A and Annual Report distributed to stockholders for the year ended December 31, 2020 are expected to be made available to us after the date of this Auditors' report.

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

In connection with our audits of the 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 financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 PSA 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.

- 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 Company's internal control.

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

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

REYES TACANDONG & CO.

Carolina A. Angeles
CAROLINA P. ANGELES
Partner
CPA Certificate No. 86981
Tax Identification No. 205-067-976-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 86981-SEC Group A
Issued March 24, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-007-2019
Valid until October 16, 2022
PTR No. 8534277
Issued January 5, 2021, Makati City

May 11, 2021
Makati City, Metro Manila

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2020	2019
ASSETS			
Current Assets			
Cash	4	**₱512,720**	₱558,722
Due from related parties	13	**8,818,398**	13,448,152
Other current assets	5	**9,805,566**	9,498,400
Total Current Assets		**19,136,684**	23,505,274
Noncurrent Assets			
Investment in an associate	7	**2,637,016,266**	2,570,119,718
Property and equipment	6	**39,274,669**	41,202,857
Total Noncurrent Assets		**2,676,290,935**	2,611,322,575
		₱2,695,427,619	₱2,634,827,849
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other current liabilities	8	**₱391,469**	₱305,452
Due to a related party	13	**1,765,534**	1,866,031
Note payable	9	**1,671,501,723**	1,671,501,723
Total Current Liabilities		**1,673,658,726**	1,673,673,206
Equity			
Capital stock	10	**840,660,700**	840,660,700
Retained earnings		**175,004,476**	114,002,900
Other comprehensive income		**6,103,717**	6,491,043
Total Equity		**1,021,768,893**	961,154,643
		₱2,695,427,619	₱2,634,827,849

See accompanying Notes to Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2020**	2019	2018
GENERAL AND ADMINISTRATIVE EXPENSES	11	**(₱6,284,288)**	(₱5,169,525)	(₱7,265,480)
SHARE IN NET INCOME (LOSS) OF AN ASSOCIATE	7	**67,283,874**	7,530,639	(77,372,617)
INTEREST INCOME	4	**1,990**	694	1,098
NET INCOME (LOSS)		**61,001,576**	2,361,808	(84,636,999)
OTHER COMPREHENSIVE INCOME (LOSS)				
Not to be reclassified to profit or loss -				
Share in other comprehensive income (loss) of an associate	7	**(387,326)**	(855,327)	572,841
TOTAL COMPREHENSIVE INCOME (LOSS)		**₱60,614,250**	₱1,506,481	(₱84,064,158)
EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED	14	**₱0.040**	₱0.002	(₱0.055)

See accompanying Notes to Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF CHANGES IN EQUITY

			Years Ended December 31	
	Note	**2020**	2019	2018
CAPITAL STOCK - ₱0.55 par value	10			
Authorized - 2,000,000,000 shares				
Issued and outstanding -				
1,528,474,000 shares		**₱840,660,700**	₱840,660,700	₱840,660,700
RETAINED EARNINGS				
Balance at beginning of year		**114,002,900**	111,641,092	196,278,091
Net income (loss)		**61,001,576**	2,361,808	(84,636,999)
Balance at end of year		**175,004,476**	114,002,900	111,641,092
OTHER COMPREHENSIVE INCOME				
Not to be reclassified to profit or loss				
Accumulated share in other comprehensive income of an associate				
Balance at beginning of year		**6,491,043**	7,346,370	6,773,529
Share in other comprehensive income (loss) of an associate	7	**(387,326)**	(855,327)	572,841
Balance at end of year		**6,103,717**	6,491,043	7,346,370
		₱1,021,768,893	₱961,154,643	₱959,648,162

See accompanying Notes to Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	**2020**	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)		**₱61,001,576**	₱2,361,808	(₱84,636,999)
Adjustments for:				
Share in net loss (income) of an associate	7	**(67,283,874)**	(7,530,639)	77,372,617
Depreciation	6	**1,928,188**	1,935,345	2,015,422
Interest income	4	**(1,990)**	(694)	(1,098)
Operating loss before working capital changes		**(4,356,100)**	(3,234,180)	(5,250,058)
Increase in other current assets		**(307,166)**	(187,643)	(31,912)
Increase (decrease) in accrued expenses and other current liabilities		**86,017**	(152,454)	226,339
Net cash used for operations		**(4,577,249)**	(3,574,277)	(5,055,631)
Interest received		**1,990**	694	1,098
Net cash used in operating activities		**(4,575,259)**	(3,573,583)	(5,054,533)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in due from related parties		**4,629,754**	3,007,429	3,763,619
Acquisitions of property and equipment	6	**–**	–	(60,300)
Net cash provided by investing activities		**4,629,754**	3,007,429	3,703,319
CASH FLOWS FROM A FINANCING ACTIVITY				
Increase (decrease) in due to a related party		**(100,497)**	866,031	1,000,000
NET INCREASE (DECREASE) IN CASH		**(46,002)**	299,877	(351,214)
CASH AT BEGINNING OF YEAR		**558,722**	258,845	610,059
CASH AT END OF YEAR		**₱512,720**	₱558,722	₱258,845
NONCASH FINANCIAL INFORMATION				
Assignment of receivables to offset with note payable	9	**₱–**	₱–	₱38,498,277

See accompanying Notes to Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
(A Subsidiary of RYM Business Management Corp.)

NOTES TO FINANCIAL STATEMENTS

1. **Corporate Information**

General Information

Bright Kindle Resources & Investments, Inc. (the "Company") is a holding company, incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 4, 1981. On March 21, 1995, the Company listed its shares with Philippine Stock Exchange, Inc. (PSE).

The Company is a subsidiary of RYM Business Management Corp. (the "Parent Company"), a company registered and domiciled in the Philippines.

The Company's principal office address is at 16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City.

Approval of Financial Statements

The accompanying financial statements of the Company as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 were approved and authorized for issuance by the BOD of the Company on May 11, 2021, as reviewed and recommended for approval by the Audit Committee on the same date.

Investment in Marcventures Holdings, Inc. (MARC)

As at December 31, 2020 and 2019, the Company has 540,778,604 shares in MARC representing 17.94% equity interest (see Note 7). MARC has investment in mining companies located in Surigao del Sur and in the Province of Samar.

On February 13, 2017, Marcventures Mining and Development Corp. (MMDC), a subsidiary of MARC, received an order from the Department of Environment and Natural Resources (DENR) cancelling its Mineral Production Sharing Agreement (MPSA) due to alleged violations of environment-related laws and regulations. The Technical Committee Report on MMDC shows only a recommendation for fine and suspension. MMDC's management and its legal counsel have assessed that the order is without basis in fact and in law. Foremost, MMDC is engaged in clean and responsible mining.

On February 17, 2017, MMDC filed a Notice of Appeal to the Office of the President. Subsequently, on March 17, 2017, MMDC filed its Appeal Memorandum. MMDC asserted that the grounds for cancellation cited by the DENR: (a) operations is allowed by law since said MPSA dated 01 July 1993 is granted with prior rights and is allowed by law as indicated specifically in Proclamation 1747 issued in 2009 by former President Gloria Macapagal Arroyo; (b) despite operations in a watershed, MMDC has not impaired farmlands, rivers or coastal areas within the MPSA area. As to the alleged non-compliance to the planting of three million seedlings, MMDC was prevented from implementing the same due to circumstances beyond its control.

As at December 31, 2020, MMDC has not received any decision nor update from the Office of the President. MMDC's Legal Counsel is of a good faith position that it may continue its operations because the execution of the Order of the DENR Secretary is deemed automatically stayed as a matter of law on account of the pendency of MMDC's appeal.

MMDC has continuously been granted the necessary regulatory permits and licenses to operate, including but not limited to Discharge Permits, Ore Transport Permits (OTP) and Mineral Ore Export Permits. As proof its compliance, MMDC has also secured a certification from the MGB as of January 22, 2020, attesting to the validity and existence of its MPSA and that MMDC has an approved Declaration of Mining Project Feasibility covering its entire contract mining area as of October 15, 2014.

MMDC has continued mining operations in areas covered by the MPSA.

2. Summary of Significant Accounting Policies

Basis of Preparation and Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council (FRSC) and adopted by the SEC. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) and SEC provisions.

Measurement Bases

The financial statements are presented in Philippine Peso, which is also the Company's functional currency. All amounts represent absolute values except otherwise indicated.

The financial statements have been prepared using the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability.

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

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

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Further information about the assumptions made in measuring fair value is included in Note 16, *Financial Risk Management Objectives and Policies*.

Adoption of Amended PFRS

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

Effective for annual periods beginning on or after January 1, 2020:

- Amendments to References to the Conceptual Framework in PFRS – The amendments include new concepts affecting measurement, presentation and disclosure and derecognition; improved definitions and guidance-in particular the definition of an asset and a liability; and clarifications in important areas, such as the roles of stewardship, prudence, measurement uncertainty and substance over form in financial reporting.

- Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material* – The amendments clarify the definition of "material" and how it should be applied by companies in making materiality judgments. The amendments ensure that the new definition is consistent across all PFRS. Based on the new definition, an information is "material" if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The adoption of the foregoing amended PFRS did not have any material effect on the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at December 31, 2020 and have not been applied in preparing the financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity. Accordingly, the comparatives are not restated. Earlier application is permitted.

- Annual Improvements to PFRS 2018 to 2020 Cycle -

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

Effective for annual periods beginning on or after January 1, 2023 -

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

Financial Assets and Liabilities

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

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

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

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

As at December 31, 2020 and 2019, the Company does not have financial assets and liabilities at FVPL, and financial assets at FVOCI.

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 any allowance for expected credit loss (ECL). 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 at December 31, 2020 and 2019, the Company's cash and due from related parties are classified under this category.

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

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

As at December 31, 2020 and 2019, the Company's accrued expenses, due to a related party and note payable are classified under this category.

Reclassification

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

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

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

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.

Impairment Policy on Financial Assets at Amortized Cost

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

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

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

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

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

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

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

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.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is 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 statements of financial position.

Classification of Financial Instrument between Liability and Equity

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

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

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

Other Current Assets

Other current assets include input value-added tax (VAT), creditable withholding taxes (CWT), and prepayments.

VAT. Expenses and assets are recognized net of the amount of VAT, except for payables that are stated with the amount of VAT included. The net amount of input VAT recoverable from the taxation authority is included as part of "Other current assets" account in the statements of financial position.

CWT. CWTs are amounts withheld from income subject to expanded withholding taxes. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation.

Prepayments. Prepayments represent expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and charged to profit or loss when incurred. Prepayments that are expected to be realized for no more than 12 months after the reporting period are classified as other current assets. Otherwise, these are classified as other noncurrent assets.

Investment in an Associate

Investment in an associate is recognized initially at cost and subsequently accounted for using the equity method.

An associate is an entity in which the Company has significant influence but not control, over the financial and operating policies of such entity. The Company's share of its associate's post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in reserves is recognized in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

The reporting date of the associate and that of the Company are identical and the associate's accounting policies conform to those used by the Company for like transactions and events in similar circumstances. When necessary, adjustments are made to conform the associate's accounting policies in line with those of the Company.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealized gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Company determines at the end of each reporting period whether there is any evidence that the investment is impaired. If this is the case, the amount of impairment is calculated as the difference between the carrying amount of the investment and recoverable amount.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises its purchase price, including non-refundable purchase taxes after deducting trade discounts and rebates 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 operations in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation is calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	Number of Years
Condominium unit	31
Office furniture and fixtures	3-5

The estimated useful lives and method of depreciation are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those property and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is credited to or charged against current operations.

Impairment of Nonfinancial Assets
Nonfinancial 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 amount of an asset exceeds its recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over remaining useful life.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued. Incremental costs directly attributable to the issuance of new shares are treated as deduction from equity, net of tax.

Retained Earnings. Retained earnings represent the cumulative balance of net income or loss net of any dividend declaration.

OCI. OCI comprises of items of income and expense that are not recognized in profit or loss for the year in accordance with PFRS. OCI of the Company pertains to accumulated share in OCI of an associate.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company perform its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The following specific recognition criteria must be met before revenue is recognized:

Interest Income. Interest income is recognized in profit or loss as it accrues, taking into account the effective yield on the asset, net of final tax.

Expenses Recognition
Expenses are recognized in profit or loss when there is a decrease in future economic benefit related to a decrease in an asset or an increase in a liability that can be measured reliably.

General and Administrative Expenses. General and administrative expenses constitute cost of administering the business. These are expensed as incurred.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate used to compute the amount is the one that has been enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward benefits of any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused NOLCO can be utilized. Deferred tax, however, is not recognized when it 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.

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 rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that has been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as OCI.

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

Basic and Diluted Earnings (Loss) Per Share
Basic earnings (loss) per share is computed by dividing net income (loss) for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year, with retroactive adjustments for any stock dividends declared and stock split and excluding common shares purchased by the Company and held as treasury shares.

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential dilutive common shares.

Where the earnings (loss) per share effect of potential dilutive common shares would be anti-dilutive, basic and diluted earnings (loss) per share are stated at the same amount.

Operating Segment
An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components.

The Company has no operating segment other than being a holding company.

Related Party Relationship and Transactions
Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

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

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingencies
Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements unless the 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.

Events after the Reporting Period
Events after the reporting period that provide additional information about the Company's financial position at the end of reporting period (adjusting events) are reflected in the financial statements. Events after the reporting period that are non-adjusting are disclosed in the notes to financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Company's financial statements in compliance with PFRS requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the financial statements. The judgment, accounting estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The following are the significant judgments, accounting estimates and assumptions made by the Company:

Determining Significant Influence over MARC. When an entity holds 20% or more of the voting power (directly or through subsidiaries) on an investee, it will be presumed that the investor has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the entity will be presumed not to have significant influence unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence.

The existence of significant influence by the Company is evidenced by the following:

- representation on the BOD or equivalent governing body of the investee;
- participation in the policy-making process, including participation in decisions about dividends or other distributions; or
- material transactions between the entity and the investee; interchange of managerial personnel.

The Company has determined that the decrease in ownership interest in MARC in 2017 resulting to a less than 20% ownership interest would not affect its significant influence by virtue of the existence of the above indicators in the Company's dealings with MARC.

Assessing the Modification on the Terms of the Note Payable. The Company considers its note payable to be substantially modified 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. Such modification will result to derecognition of original liability and the recognition of a new liability.

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.

The Company assessed that there is no substantial modification on the terms of the note payable.

Determining Operating Segments. The Company determines and presents operating segments based on the information that is internally provided to the BOD. As at December 31, 2020 and 2019, the Company has determined that it has no operating segment other than being a holding company.

Assessing the Impairment of Financial Assets at Amortized Cost. The Company determines the allowance for ECL based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL are provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL are provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Company's financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12-month ECL. The Company has assessed that the ECL for other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and related parties with good credit standing and relatively low risk of defaults. The Company also considered the available liquid assets of the related parties. Accordingly, no impairment loss was recognized in 2020, 2019 and 2018.

The carrying amounts of the Company's financial assets at amortized cost are as follows:

	Note	**2020**	2019
Cash in banks	4	**₱507,720**	₱553,722
Due from related parties	13	**8,818,398**	13,448,152

Assessing the Impairment of Investment in an Associate. The Company assesses the impairment of investment in an associate whenever events or changes in circumstances indicate that the carrying amount of investment in an associate may not be recoverable. The Company considered the downturn in business environment as an indicator of impairment, and therefore performed an impairment review.

Based on management assessment, the estimated recoverable amount of the Company's investment in an associate is higher than its carrying amount. Accordingly, no impairment loss was recognized in 2020, 2019 and 2018. The carrying amount of investment in an associate amounted to ₱2,637.0 million and ₱2,570.1 million as at December 31, 2020 and 2019, respectively (see Note 7).

Assessing the Impairment of Other Nonfinancial Assets. The Company assesses impairment on other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

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

The Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the value-in-use approach. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Determining such amount requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets.

No impairment loss was recognized in 2020, 2019 and 2018.

The carrying amount of the Company's other nonfinancial assets are as follows:

	Note	**2020**	2019
Other current assets	5	**₱9,805,566**	₱9,498,400
Property and equipment	6	**39,274,669**	41,202,857

Estimating the Useful Lives of Property and Equipment. The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The Company annually reviews the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes and anticipated use of the assets.

There were no changes in the estimated useful lives of the Company's property and equipment in 2020, 2019 and 2018. The carrying amount of property and equipment amounted to ₱39.3 million and ₱41.2 million as at December 31, 2020 and 2019, respectively (see Note 6).

Assessing the Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying 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.

Deferred tax asset on NOLCO was not recognized as at December 31, 2020 and 2019 because the management assessed that there will be no sufficient taxable profits against which the deferred tax asset can be utilized.

The Company's unrecognized deferred tax asset amounted to ₱5.6 million and ₱5.8 million as at December 31, 2020 and 2019, respectively (see Note 12).

Estimating Contingencies. The Company is currently involved in a legal case which the Company believes to have no material adverse effect on its financial position. It is possible however, that changes in estimates relating to this case may materially affect the results of operations of the Company (see Note 15).

4. Cash

This account consists of:

	2020	2019
Cash on hand	**₱5,000**	₱5,000
Cash in banks	**507,720**	553,722
	₱512,720	₱558,722

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned amounted to ₱1,990, ₱694 and ₱1,098 in 2020, 2019 and 2018, respectively.

5. Other Current Assets

This account consists of:

	2020	2019
Input VAT	**₱9,126,161**	₱8,818,016
CWT	**600,685**	600,685
Prepayments	**62,584**	62,563
Others	**16,136**	17,136
	₱9,805,566	₱9,498,400

6. Property and Equipment

Balances and movements in this account are as follows:

		2020		
	Note	**Condominium Unit**	**Office Furniture and Fixtures**	**Total**
Cost				
Balances at beginning and end of year		**₱47,788,569**	**₱1,795,919**	**₱49,584,488**
Accumulated Depreciation				
Balances at beginning of year		**7,351,294**	**1,030,337**	**8,381,631**
Depreciation	11	**1,579,142**	**349,046**	**1,928,188**
Balances at end of year		**8,930,436**	**1,379,383**	**10,309,819**
Carrying Amount		**₱38,858,133**	**₱416,536**	**₱39,274,669**

		2019		
	Note	Condominium Unit	Office Furniture and Fixtures	Total
Cost				
Balances at beginning and end of year		₱47,788,569	₱1,795,919	₱49,584,488
Accumulated Depreciation				
Balances at beginning of year		5,772,153	674,133	6,446,286
Depreciation	11	1,579,141	356,204	1,935,345
Balances at end of year		7,351,294	1,030,337	8,381,631
Carrying Amount		₱40,437,275	₱765,582	₱41,202,857

The condominium unit is being used as an office space. As at December 31, 2020, the cost of fully-depreciated office furniture and fixtures still in use amounted to ₱0.05 million.

7. Investment in an Associate

Movements in this account are as follows:

	2020	2019
Acquisition Cost	**₱2,604,000,000**	₱2,604,000,000
Accumulated Share in Equity		
Balance at beginning of year	**(33,880,282)**	(40,555,594)
Share in:		
Net income	**67,283,874**	7,530,639
Other comprehensive loss	**(387,326)**	(855,327)
Balance at end of year	**33,016,266**	(33,880,282)
Carrying Amount	**₱2,637,016,266**	₱2,570,119,718

The Company has 540,778,604 shares of MARC representing 17.94% equity interest as at December 31, 2020 and 2019 (see Note 1). MARC's principal office address is at Unit 4-3 BDO Towers Paseo (formerly Citi Center), Paseo de Roxas, Makati City.

Summarized financial information of MARC follows:

	2020	2019
Total current assets	**₱1,084,222,184**	₱779,290,957
Total noncurrent assets	**5,079,473,444**	5,312,059,498
Total current liabilities	**1,026,488,783**	1,403,367,545
Total noncurrent liabilities	**840,627,933**	764,292,456
Revenue	**2,876,676,296**	1,432,534,095
Net income	**375,047,465**	37,842,406
Other comprehensive loss	**(2,159,007)**	(4,298,125)
Total comprehensive income	**372,888,458**	33,544,281

The reconciliation of the share in the net assets of MARC and the carrying amount of the investment in an associate as at December 31, 2020 and 2019 are as follows:

	2020	2019
Goodwill on acquisition	**₱1,789,305,318**	₱1,789,305,318
Share in net assets of associate	**847,710,948**	780,814,400
	₱2,637,016,266	₱2,570,119,718

8. Accrued Expenses and Other Current Liabilities

This account consists of:

	2020	2019
Accrued expenses	**₱375,379**	₱292,180
Statutory payables	**16,090**	13,272
	₱391,469	₱305,452

Accrued expenses pertain to accrual of outside services, professional fees, and electricity, among others, which are expected to be settled in the next reporting period.

Statutory payables pertain to withholding taxes that are to be remitted to the government within the next reporting period.

9. Note Payable

Note payable is a noninterest-bearing note with Trans Middle East Philippine Equities, Inc. (TMEE), a related party, which represents the unpaid portion of the purchase price of the investment in an associate amounting to ₱1,671.5 million as at December 31, 2020 and 2019 (see Note 13).

The note's maturity date was December 31, 2020 but was then extended by both parties until December 31, 2021.

10. Equity

On March 21, 1995, the SEC approved the listing of the Company's 118,000,000 shares at an offer price of ₱1 per share. As at December 31, 2020 and 2019, 1,528,474,000 shares are listed in the PSE.

The following summarizes the information on the Company's issued and subscribed shares as at December 31, 2020:

	Number of Shares Issued and Subscribed	Percentage of Shares
Non-public shareholdings		
a. Related parties	1,170,159,989	76.56%
b. Affiliates, directors and officers	94,929,000	6.21%
Public shareholdings	263,385,011	17.23%
	1,528,474,000	100.00%

The total number of shareholders of the Company is 629 as at December 31, 2020 and 2019.

11. General and Administrative Expenses

This account consists of:

	Note	**2020**	2019	2018
Depreciation	6	**₱1,928,188**	₱1,935,345	₱2,015,422
Membership dues and other fees		**1,333,345**	1,402,315	1,285,456
Outside services		**1,288,921**	680,283	2,029,603
Professional fees		**996,000**	492,800	649,129
Director's fees		**220,000**	100,000	110,000
Communication, light and water		**187,694**	251,780	290,668
Taxes and licenses		**56,706**	39,426	295,017
Others		**273,434**	267,576	590,185
		₱6,284,288	₱5,169,525	₱7,265,480

12. **Income Tax**

There is no provision for current income tax in 2020, 2019 and 2018 due to the Company's gross and taxable loss position.

The reconciliation of provision for (benefit from) income tax at the statutory income tax to the provision for income tax shown in the statements of comprehensive income follows:

	2020	2019	2018
Provision for (benefit from) income tax computed at statutory tax rate	**₱18,300,473**	₱708,542	(₱25,391,100)
Change in unrecognized deferred tax assets	**(178,450)**	155,927	(2,209,263)
Add (deduct) tax effects of:			
Share in net loss (income) of an associate, not subject to income tax	**(20,185,162)**	(2,259,192)	23,211,785
Expired NOLCO	**2,063,736**	1,394,930	4,366,407
Interest income already subjected to final tax	**(597)**	(207)	(329)
Nondeductible expense	**–**	–	22,500
	₱–	₱–	₱–

Unrecognized deferred tax asset on NOLCO amounted to ₱5.6 million and ₱5.8 million as at December 31, 2020 and 2019, respectively.

Deferred tax asset on NOLCO was not recognized as at December 31, 2020 and 2019 because management has assessed that there may be no sufficient future taxable profits against which deferred tax asset can be utilized.

As at December 31, 2020, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Year of Expiry
2020	₱–	₱6,284,288	₱–	₱6,284,288	2025
2019	5,169,525	–	–	5,169,525	2022
2018	7,190,480	–	–	7,190,480	2021
2017	6,879,122	–	6,879,122	–	2020
	₱19,239,127	₱6,284,288	₱6,879,122	₱18,644,293	

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 to implement Section 4 (bbbb) of the Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act". This RR provides that net operating loss of a business or enterprise for taxable years 2020 and 2021 are to be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On March 26, 2021, Republic Act No. 11354, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE" was approved and signed into law by the Philippine President. Under the CREATE, the regular corporate income tax (RCIT) of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the minimum corporate income tax (MCIT) was changed from 2% to 1% of gross income for a period of three years. The changes in the income tax rates shall retrospectively become effective beginning July 1, 2020.

The enactment of the CREATE Act is considered a non-adjusting subsequent event. Accordingly, the income tax rate used in preparing the financial statements as at and for the year ended December 31, 2020 is 30% for RCIT. The change in income tax rates does not have financial impact to the Company due to its net loss position.

13. Related Party Transactions

The Company has the following transactions with its Parent Company and other related parties:

		Nature of	Amount of Transactions		Outstanding Balances	
	Note	Transactions	**2020**	2019	**2020**	2019
Due from Related Parties						
Parent Company		Advances for working capital	**₱–**	₱–	**₱8,000,000**	₱8,000,000
Under common control -						
MMDC		Advances for working capital	**(4,629,754)**	–	**818,398**	5,448,152
					₱8,818,398	₱13,448,152
Due to a Related Party						
Affiliate -						
Prime Media Holdings, Inc.		Advances for working capital	**(₱100,497)**	₱866,031	**₱1,765,534**	₱1,866,031
Note Payable						
Affiliate -						
TMEE	9	Note payable	**₱–**	₱–	**₱1,671,501,723**	₱1,671,501,723

Due from related parties are noninterest-bearing, collectible on demand, not impaired and to be settled in cash. Due to a related party is noninterest-bearing, unsecured, payable on demand and to be settled in cash.

Compensation of Key Management Personnel

Compensation paid to key management personnel amounting to ₱0.2 million, ₱0.05 million and ₱0.05 million in 2020, 2019 and 2018, respectively, pertains to short-term employee benefits.

14. Basic and Diluted Earnings (Loss) Per Share

Basic and diluted earnings (loss) per share are computed as follows:

	2020	2019	2018
Net income (loss)	**₱61,001,576**	₱2,361,808	(₱84,636,999)
Weighted average number of common shares outstanding	**1,528,474,000**	1,528,474,000	1,528,474,000
Earnings (loss) per share - basic and diluted	**₱0.040**	₱0.002	(₱0.055)

There has been no transaction involving common shares or potential common shares that occurred subsequent to the reporting dates.

15. Contingencies

Legal Claims and Assignment of Litigation Cases

The Company is a co-defendant in a collection case for US$1.5 million filed in the Los Angeles Superior Court by a foreign merchant and its Philippine affiliate in 2012. The plaintiffs have alleged that they were not paid the charge cards availments that the Company processed under a Tripartite Merchants Agreements (TMA). Based on Company's records, however, payments due to the foreign merchant were wired to the latter's designated agent. The Company did not breach any regulatory or trade standards in complying with the TMA. The Company's management and its counsel believe that the collection case is legally defensible, and any ultimate liability resulting therefrom will not materially affect the Company's financial position and results of operations. Moreover, under the Share Purchase Agreement dated October 18, 2013, RCBC will indemnify the Company should the court adjudge the Company liable.

16. Financial Risk Management Objectives and Policies

The Company has risk management policies that systematically view the risks that could prevent the Company from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Company's objectives are achieved. The Company's risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Company's established business objectives.

Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash, due from related parties, accrued expenses, due to a related party and note payable. The primary purpose of these financial instruments is to finance the Company's operations. The main risks arising from the use of these financial instruments are credit risk and liquidity risk. Management reviews and approves the policies for managing each of these risks which are summarized below.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligation. The Company's exposure to credit risk arises primarily from cash in banks and due from related parties.

The Company's maximum exposure to credit risk on the financial assets as at amortized cost is the carrying amount of those assets as at the reporting date.

Financial Assets at Amortized Cost
The Company limits its credit risk from balances with banks by depositing its cash with highly reputable and pre-approved financial institutions. For due from related parties, credit risk is low since the Company only transacts with related parties with strong capacity to meet its contractual cash flow obligations in the near term.

The Company considers credit risk in measuring ECL of financial assets at amortized cost. Since the financial assets at amortized cost of the Company are considered to have low credit risk, impairment loss is limited to 12-month ECL.

Generally, financial assets at amortized cost are written-off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

The table below presents high grade credit quality of the Company's financial assets at amortized cost.

	2020	2019
Cash in banks	**₱507,720**	₱553,722
Due from related parties	**8,818,398**	13,448,152
	₱9,326,118	₱14,001,874

High grade credit quality represents settlements which are obtained from counterparty following the terms of the contracts without much collection effort.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations when they fall due. The Company aims to maintain flexibility by maintaining sufficient cash to meet all foreseeable cash needs.

The tables below summarize the maturity profile of the Company's financial liabilities at amortized cost as at December 31, 2020 and 2019 based on contractual undiscounted cash flows.

	2020			
	Less than One Month	**One Month to One Year**	**More than One Year**	**Total**
Accrued expenses	**₱375,379**	**₱–**	**₱–**	**₱375,379**
Due to a related party	**–**	**1,765,534**	**–**	**1,765,534**
Note payable	**–**	**1,671,501,723**	**–**	**1,671,501,723**
	₱375,379	**₱1,673,267,257**	**₱–**	**₱1,673,642,636**

	2019			
	Less than One Month	One Month to One Year	More than One Year	Total
Accrued expenses	₱292,180	₱–	₱–	₱292,180
Due to a related party	–	1,866,031	–	1,866,031
Note payable	–	1,671,501,723	–	1,671,501,723
	₱292,180	₱1,673,367,754	₱–	₱1,673,659,934

<u>**Fair Value of Financial Assets and Financial Liabilities**</u>

The carrying amount of the following financial instruments approximates it fair values due to the short-term nature of the financial instruments.

	2020	2019
Financial Assets at Amortized Cost		
Cash	**₱512,720**	₱558,722
Due from related parties	**8,818,398**	13,448,152
	₱9,331,118	₱14,006,874
Financial Liabilities at Amortized Cost		
Accrued expenses	**₱375,379**	₱292,180
Due to a related party	**1,765,534**	1,866,031
Note payable	**1,671,501,723**	1,671,501,723
	₱1,673,642,636	₱1,673,659,934

17. **Capital Management Objectives, Policies and Procedures**

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares.

The Company considers its total equity amounting to ₱1,021.8 million and ₱961.2 million as at December 31, 2020 and 2019, respectively, as its capital.

There has been no change in the objectives, policies and processes in 2020, 2019, and 2018.

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Bright Kindle Resources & Investments, Inc.
16th Floor BDO Towers Valero (formerly Citibank Tower)
8741 Paseo de Roxas, Makati City

We have audited the accompanying financial statements of Bright Kindle Resources & Investments, Inc. (the Company), a subsidiary of RYM Business Management Corp., as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019, and 2018 on which we have rendered our report dated May 11, 2021.

In compliance with the Revised Securities Regulations Code Rule 68, we are stating that the Company has 614 stockholders owning one hundred (100) or more shares each as at December 31, 2020.

REYES TACANDONG & CO.

Carolina A. Angeles

CAROLINA P. ANGELES
Partner
CPA Certificate No. 86981
Tax Identification No. 205-067-976-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 86981-SEC Group A
Issued March 24, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-007-2019
Valid until October 16, 2022
PTR No. 8534277
Issued January 5, 2021, Makati City

May 11, 2021
Makati City, Metro Manila

BOA/PRC Accreditation No. 4782
October 4, 2018, valid until August 15, 2021
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

BDO Towers Valero (formerly Citibank Tower)
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Bright Kindle Resources & Investments, Inc.
16th Floor BDO Towers Valero (formerly Citibank Tower)
8741 Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Bright Kindle Resources & Investments, Inc. (the Company), a subsidiary of RYM Business Management Corp., as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019, and 2018, and have issued our report thereon dated May 11, 2021. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplementary Schedules for submission to the Securities and Exchange Commission are the responsibility of the Company's management. These supplementary schedules include the following:

- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2020 and 2019
- Reconciliation of Retained Earnings Available for Dividend Declaration for the year ended December 31, 2020
- Schedules Required under Annex-J of the Revised Securities Regulation Code (SRC) Rule 68 as at and for the year ended December 31, 2020
- Conglomerate Map as at December 31, 2020

The 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. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019, and 2018 and no material exceptions were noted.

The supplementary schedules are presented for the purpose of complying with the Revised SRC Rule 68, and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

Carolina P. Angeles

CAROLINA P. ANGELES
Partner
CPA Certificate No. 86981
Tax Identification No. 205-067-976-000
BOA Accreditation No. 4782; Valid until August 15, 2021
SEC Accreditation No. 86981-SEC Group A
Issued March 24, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-007-2019
Valid until October 16, 2022
PTR No. 8534277
Issued January 5, 2021, Makati City

May 11, 2021
Makati City, Metro Manila

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.

(A Subsidiary of RYM Business Management Corp.)

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2020

Below is a schedule showing financial soundness indicators in 2020 and 2019.

Ratio	Formula	2020	2019
Current/Liquidity Ratio			
	Total Current Assets	**₱19,136,684**	₱23,505,274
	Divided by: Total Current Liabilities	**1,673,658,726**	1,673,673,206
	Current/Liquidity Ratio	**0.01**	0.01
Solvency Ratio			
	Net Income	**₱61,001,576**	₱2,361,808
	Add: Depreciation and Amortization	**1,928,188**	1,935,345
	Income Tax Expense	**–**	–
		62,929,764	4,297,153
	Divided by: Total Liabilities	**1,673,658,726**	1,673,673,206
	Solvency Ratio	**0.04**	0.00
Debt-to-equity Ratio			
	Total Liabilities	**₱1,673,658,726**	₱1,673,673,206
	Divided by: Total Equity	**1,021,768,893**	961,154,643
	Debt-to-equity Ratio	**1.64**	1.74
Asset-to-equity Ratio			
	Total Assets	**₱2,695,427,619**	₱2,634,827,849
	Divided by: Total Equity	**1,021,768,893**	961,154,643
	Asset-to-equity Ratio	**2.64**	2.74
Interest rate coverage Ratio	Net income	**₱61,001,576**	₱2,361,808
	Add: Interest Expense	**–**	–
	Income Tax Expense	**–**	–
		61,001,576	2,361,808
	Divided by: Interest Expense	**–**	–
	Interest Rate Coverage Ratio	**–**	–
Profitability Ratio			
	Net Income	**₱61,001,576**	₱2,361,808
	Divided by: Total Equity	**1,021,768,893**	961,154,643
	Profitability Ratio	**0.060**	0.002

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.

(A Subsidiary of RYM Business Management Corp.)

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2020

		Amount
Retained earnings as shown in the financial statements at beginning of year		₱114,002,900
Accumulated share in net loss of an associate at beginning of year		40,371,325
Retained earnings available for dividend declaration, beginning		154,374,225
Net income	₱61,001,576	
Share in net income of an associate	(67,283,874)	(6,282,298)
Total retained earnings available for dividend declaration at end of year		₱148,091,927

Reconciliation:

	Amount
Retained earnings as shown in the financial statements at end of year	₱175,004,476
Accumulated share in net income of an associate	(26,912,549)
Total retained earnings available for dividend declaration at end of year	₱148,091,927

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
(A Subsidiary of RYM Business Management Corp.)

SCHEDULES REQUIRED UNDER ANNEX 68-J OF REVISED SECURITIES REGULATION CODE RULE 68

DECEMBER 31, 2020

Table of Contents

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Amounts collected	Amounts Written Off	Current	Not Current	Balance at End of Year
Parent Company - RYM Business Management Corp.	₱8,000,000	₱–	₱–	₱–	₱8,000,000	₱–	₱8,000,000
Under common control - Marcventures Mining and Development Corp.	5,448,152	–	(4,629,754)	–	818,398	–	818,398
	₱13,448,152						₱8,818,398

Schedule G. Capital Stock

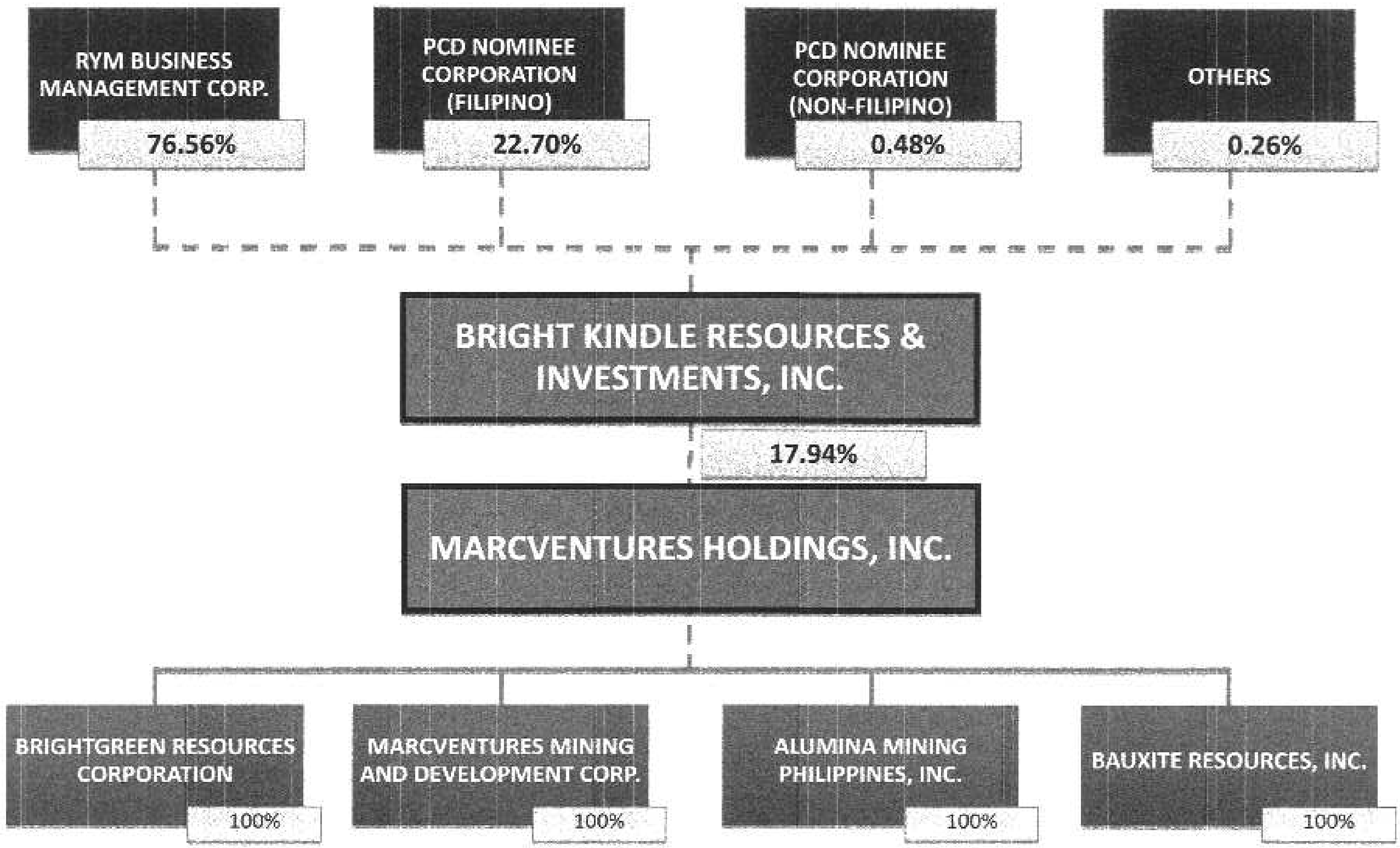
Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding at shown under related Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Conversion and other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common Stock	2,000,000,000	1,528,474,000	–	1,170,159,989	94,929,000	263,385,011

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.

(A Subsidiary of RYM Business Management Corp.)

CONGLOMERATE MAP

DECEMBER 31, 2020



BKR

Bright Kindle Resources & Investments, Inc.

SUSTAINABILITY REPORT

2020

CONTENTS

WWW.BRIGHTKINDLE.COM

BKR further supports the United Nations (UN) sustainable goal on promoting economic growth as it lays the groundwork for future investment prospects.

It is currently actively looking for potential investments via partnerships, acquisitions, joint ventures and other opportunities, keeping in mind that all investments shall be made with a view to enhancing sustainable business practices.

CONTEXTUAL INFORMATION

Name of Organization	Bright Kindle Resources and Investments, Inc. (BKR)
Principal Office	16th Floor BDO Towers (formerly Citibank Center), 8741 Paseo de Roxas, Makati City
Report Boundary	Parent Company: RYM Business Management Corporation
	Subsidiary: Marcventures Holdings, Inc.
Business Model	Holding company listed in the Philippine Stock Exchange
Activity	Engaged in the purchase, exchange, assignment, and hold investments and all properties
Reporting Period	January 1 to December 31, 2020

OUR MISSION

BKR seeks to maximize shareholder value by participating in sustainable investments and by observing good corporate practices particularly through the responsible stewardship of the Company's various investments revolving around the value of integrity and transparency in all shareholder dealings.

OUR VISION

BKR envisions to become a leading and trusted holding company with particular focus on building a portfolio of sustainable investments.

CORPORATE HISTORY

BKR was originally called Bankard, Inc., a credit card corporation which was incorporated on 4 December 1981. Roughly fourteen (14) years from its incorporation, or on 21 March 1995, Bankard, Inc. listed its shares of stock with the Philippine Stock Exchange (PSE) and became a publicly listed company.

Prior to December 27, 2013, Bankard, Inc. is a subsidiary of Rizal Commercial Banking Corporation (RCBC or former parent company). Bankard, Inc.'s main business later on shifted to providing RCBC with marketing, distribution, technical, collection and selling assistance, and processing services in connection with the operation of RCBC's credit card business.

In 2013, RCBC sold its collective stake to investors led by RYM Business Management Corporation. With the new ownership and management, the Company changed its corporate name to Bright Kindle Resources and Investments Inc. and realigned its primary business purpose to a holding company engaged in the purchase, exchange, assignment, and holding of investments.

SUSTAINABILITY IN Y2020

The year 2020 was marked by a global pandemic that disrupted billions of lives and greatly endangered the global economy.

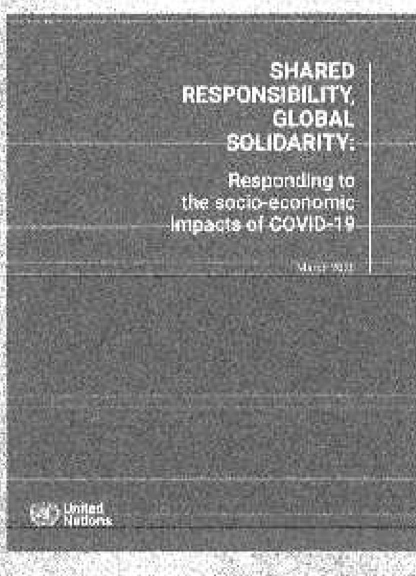
In the same year, the United Nations released "Shared Responsibility, Global Solidarity: Responding to the socio-economic impacts of Covid-19", a report that called for the immediate health response required to end the pandemic and to tackle the many social and economic dimensions of the crisis.

In the report, the International Monetary Fund (IMF) reassessed the growth prospect for 2020 and 2021. It described the current recession to be "as bad as or worse than in 2009." IMF projects recovery in 2021 "only if the world succeeds in containing the virus and take the necessary economic measures."

As the global community continues to rely on the private sector to solve the world's most urgent problems, the United Nation's (UN's) response to the pandemic further emphasized the important implementation of the 17 Sustainable Development Goals in order to better respond to the crisis.

Through its subsidiary, Marcventures Holdings Inc. (MHI), Bright Kindle Resources (BKR) is focused on promoting economic growth as well as full and productive employment for all.

BKR's primary investment in MHI, also a publicly-listed company and the parent company of Macventures Mining and Development Corporation (MMDC), with the latter operating a nickel mining tenement across the municipalities of Cantilan, Carrascal and Madrid in Surigao del Sur, provides an indicative measure of its indirect economic impact.
MHI produces its own Sustainability Report in line with its practice of good corporate governance.



Responsible Investment Management and Corporate Governance Confirmation Statement

BKR has no substantial operations at present but it anchors its investment activities on holding investments and properties. It, however, contributes to sustainable development by supporting economic growth and observing good corporate practices anchored on the principles of accountability, transparency, honesty, integrity, fairness, and responsible stewardship of the Company's various investments.

Being a publicly-listed corporation, BKR ensures continuous adherence to corporate governance rules, regulations, and requirements imposed by the Philippine Securities and Exchange Commission (SEC) and the PSE.

Corporate Governance Stewardship

The Board is primarily responsible for the governance of the Corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it provides an independent check on Management.

BKR, and its subsidiary MHI, maintain an independent and autonomous Board of Directors. Only a minority of the seats in the companies' respective Boards are occupied by the same officers, including independent directors (IDs), who possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board and ensure proper checks and balances.

The Company IDs include Atty. Carlos Alfonso T. Ocampo, a founder of Ocampo & Manalo Law Firm and Mr. Felix Cesar L. Zerrudo, who currently serves as President and Chief Operating Officer of Asian Appraisal Company, Inc. and President of Asian Asset Insurance Brokerage Corporation, Amalgamated Project Management Services, Inc. and Professional Funding Services Inc.

BKR's IDs are actively involved in the companies' key committees and their independence and expertise ensure added value to crafting corporate strategies and policies.

By keeping an autonomous and independent Board of Directors, BKR ensures that checks and balances are in place and that it promotes self-determination for both companies.

Moreover, BKR maintains the right mix of competent and qualified directors thereby ensuring that its primary purpose, which is that of a holding company, is best catered.

The Company exercises oversight functions over MHI in line with its commitment to good corporate governance. BKR sets the tone at the top as it substantively challenges MHI's management to develop its revenue sources beyond its primary nickel mining operations.

Transparency

As a publicly-listed company, BKR continues to be accountable to the public and its institutional stakeholders.

BKR holds regular stockholders' meetings to keep its stockholders informed of the current condition and future standing of the Company. The Company's audited financial performance was presented to shareholders during the virtual annual stockholders' meeting held on 23 October 2020. The meeting via remote communication format aims to further safeguard everyone's safety and health due to the on-going threat of the Corona Virus 2019 (COVID-19) pandemic.

Company information is freely accessible via the Company website, which also includes, among others, the current Annual Report and Sustainability Reports.

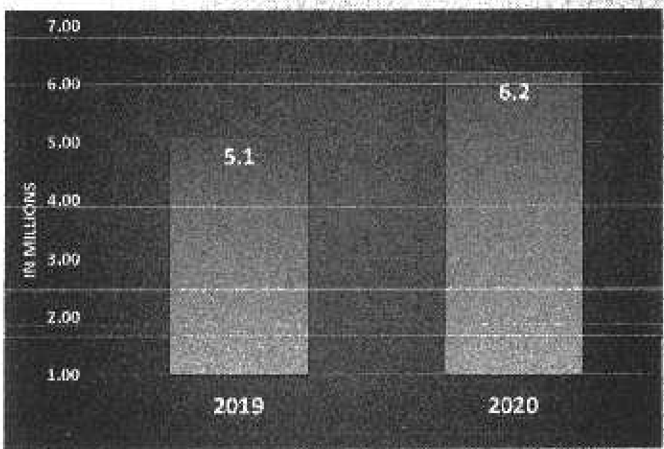
Current Economic Value Generated

Currently, BKR's revenue is derived mainly from interests on bank deposits. As a non-operating company, there were no recorded employees' wages and benefits, nor dividends given to stockholders and interest payments or in investments to the community for FY2020.

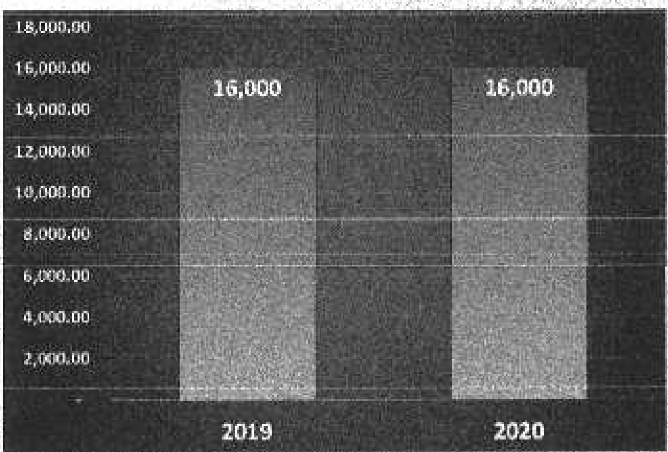
While BKR is a holding company and has no business activities that substantially impact society outside its investment management functions, the Company's economic activities do generate some economic value.

In Y2020, expenditures for suppliers and other related operating costs amounted to ₱6.2 Million. On the basis of the results for the year in review, the Company has also translated over ₱16 Thousand in government benefits in the form of royalties and taxes.

The comparative table below (2019 vs. 2020) presents that despite the slowdown in global and national economy, BKR contribution remains constant or not negatively affected by the pandemic.



EXPENDITURES FOR SUPPLIERS AND OTHER RELATED OPERATING COSTS



ROYALTIES AND TAXES

BKR believes that such economic value created is indeed material even if the impact on the economy, environment, or society is not that substantial.

Capability-building for Future Business Growth

BKR further supports the UN sustainable goal on promoting economic growth as it lays the groundwork for future investment prospects.

It is currently actively looking for potential investments via partnerships, acquisitions, joint ventures and other opportunities, keeping in mind that all investments shall be made with a view to enhancing sustainable business practices.

Data Privacy and Security

Responsible stewardship is also demonstrated as it engages in responsible data security, a vital material topic as the Company continues to search for other investment opportunities that could diversify its sources of revenue and add to shareholder value.

All assets are secure and kept confidential, with data security measures being properly enforced.

Corporate services is handled by MHI, and BKR has assigned a Data Privacy Officer in charge of implementing confidentiality measures to comply with Philippine Data Privacy Laws. MHI itself, BKR's subsidiary follows a strict policy on Protection of Confidential Information.

For Y2020, there were no reported incidents of data breaches, leaks, or losses in the Company.

Materiality Assessment and Sustainability Reporting Process

For this Sustainability Report, BKR identified the most material topics to its stakeholders based on the Global Reporting Initiative (GRI) Standards which defines "materiality" as topics and indicators that reflect the organization's significant economic, environmental, and social impacts or that would substantively influence the assessments and decisions of stakeholders."

BKR expects to further refine its sustainability reporting matrix going forward particularly should it increase the pace of its investment activities.

For its first Sustainability Report in Y2019, the Company, engaged the services of Atty. Teodoro Kalaw IV, who is certified both as a sustainability trainer by the Global Reporting Initiative and a sustainability report assurer by the Institute of Certified Sustainable Practitioners. Atty. Kalaw facilitated an extensive sustainability orientation and materiality assessment workshop for key officers and staff. In Y2020, the same team prepared the Sustainability Report of the Company.

As BKR is currently not operating, most of the prospective material topics in the economic, environmental and social domains discussed in SEC Memorandum Circular No. 4 s. of Y2019 are presently not significant.

As the Company further develops its sustainability reporting processes in the next two or three years, BKR hopes to collect information that will more specifically demonstrate its contributions to the Sustainable Development Goals promoted by the United Nations through the Company's investment activities. BKR aims to perform annual assessment of topics and tracking of performance to determine impacts and risks, and other factors that may affect the Company's ability to create long-term sustainable value.

To further demonstrate the Company's consideration of prospective material topics highlighted in SEC Memorandum Circular No. 4 s. of 2019, BKR itself does not foresee being substantially affected by climate change because of the minimal nature of its current business activities.

Climate risk is also not material at present primarily because there is no direct operations significantly affected by climate concerns. Likewise, BKR is not engaged in any business operation that impacts Procurement and Anti-Corruption. Resource management is minimal as it has nominal resources because of its limited operations within and from the offices of an operating subsidiary. There are no products in production and so there are no environmental issues. It does not have a union, hence topics on Employee Management, Training and Development, Diversity and Equal Opportunity and Supply Chain are not considered material.

Index of Material Topics

Pursuant to Annexes A (Reporting Template) and B (Topic Guide) of the SEC Memorandum Circular No. 4 (Sustainability Reporting Guidelines for Publicly-listed Companies), the following are the topics BKR has identified as material for the reporting period and which were addressed in this report:

TOPIC	PAGE NUMBER IN ANNEX A OF THE SEC GUIDELINES	PAGE NUMBER IN THIS REPORT
Data Privacy and Security Protection	41	
Economic Performance	19	
UN SDG 8: Decent Work and Economic Growth	14	