CR02888-2017

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, 2016
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, Citibank Tower, Paseo de Roxas, Makati City
   Postal Code
   1227
8. Issuer's telephone number, including area code
   (+632)817-6046
9. Former name or former address, and former fiscal year, if changed since last report
   Bankard, Inc.
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)

- [x] Yes
- [ ] No

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

- [x] 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

257,145,011

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.

- [x] 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
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the fiscal year ended	Dec 31, 2016
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Year Ending	Previous Year Ending
	Dec 31, 2016	Dec 31, 2015
Current Assets	214,941,283	427,338,972
Total Assets	2,880,729,793	3,082,527,491
Current Liabilities	1,850,229,534	200,330,928
Total Liabilities	1,850,229,534	2,050,330,928
Retained Earnings/(Deficit)	187,435,808	190,151,442
Stockholders' Equity	1,030,500,259	1,032,196,563
Stockholders' Equity - Parent	-	-
Book Value per Share	0.67	0.68

Income Statement

	Year Ending	Previous Year Ending
	Dec 31, 2016	Dec 31, 2015
Operating Revenue	240,430	1,551,139
Other Revenue	-	-
Gross Revenue	240,430	1,551,139
Operating Expense	4,649,767	15,300,486
Other Expense	-1,693,703	16,207,482
Gross Expense	2,956,064	31,507,968
Net Income/(Loss) Before Tax	-2,715,634	(29,956,829)
Income Tax Expense	-	15,981
Net Income/(Loss) After Tax	-2,715,634	(29,972,810)
Net Income/(Loss) Attributable to Parent Equity Holder	-2,715,634	(29,972,810)
Earnings/(Loss) Per Share (Basic)	-0	-0.02

Earnings/(Loss) Per Share (Diluted)	-0	-0.02

Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Dec 31, 2016	Dec 31, 2015
Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	**Current Assets / Current Liabilities**	0.12	2.13
Quick Ratio	**(Current Assets - Inventory - Prepayments) / Current Liabilities**	0.11	2.12
Solvency Ratio	**Total Assets / Total Liabilities**	-0	1.5
Financial Leverage Ratios			
Debt Ratio	**Total Debt/Total Assets**	0.64	0.67
Debt-to-Equity Ratio	**Total Debt/Total Stockholders' Equity**	1.8	1.99
Interest Coverage	**Earnings Before Interest and Taxes (EBIT) / Interest Charges**	-	-
Asset to Equity Ratio	**Total Assets / Total Stockholders' Equity**	2.8	2.99
Profitability Ratios			
Gross Profit Margin	**Sales - Cost of Goods Sold or Cost of Service / Sales**	1	1
Net Profit Margin	**Net Profit / Sales**	-7.06	-19.3
Return on Assets	**Net Income / Total Assets**	-0	-0
Return on Equity	**Net Income / Total Stockholders' Equity**	-0	-0.03
Price/Earnings Ratio	**Price Per Share / Earnings Per Common Share**	750	-64.7

Other Relevant Information
None.

Filed on behalf by:

Name	Raquel Frondoso
Designation	Compliance officer

COVER SHEET

0	0	0	0	1	0	2	1	6	5

S.E.C. Registration Number

BRIGHT KINDLE RESOURCES &
INVESTMENTS INC.
(formerly Bankcard Inc.)

(Company's Full Name)

16th Floor Citibank Tower,
8741 Paseo de Roxas,
Makati City

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

ROLANDO S. SANTOS	**833-0769**
Contact Person	Company Telephone Number

12 / **31**	**SEC 17-A**	Last Thursday of May **05** / **26**
Month *Day* Fiscal Year	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

634	₱1,850,000,000.00	₱–
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

Electronic Records Management Division
APR 20 2017
RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

1. For the fiscal year ended December 31, 2016

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 Citibank Tower, 8741 Paseo de Roxas, Makati City — 1227
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 257,145,011 shares representing 16.82% of the outstanding common shares is ₱318,859,814 computed on the basis of the closing price as of March 31, 2017 of ₱1.24 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 76.56% 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, Citibank Tower 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 2015 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 provides business process outsourcing to interested clients given its expertise in credit card payment processing.

At present, the Company holds 600 million shares or 32.94% of Marcventures Holdings Inc. (MARC). 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

Inasmuch 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.

(vii) 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.

(viii) Transactions with and/or dependence on related parties

Refer to note 14 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 UnionPay 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 2016.

(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 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 default on its obligation. The Company's exposure to credit risk arises primarily from cash (excluding cash on hand), loans and receivables, and AFS financial assets.

Exposure to Credit Risk. The carrying amount of cash in banks, receivables, and AFS Investments represent the Company's maximum exposure to credit risk in relation to financial assets.

Credit Quality. The credit quality of the Company's financial assets that are neither past due nor impaired are considered to be of high grade and expected to be collectible without incurring any credit losses.

High grade financial assets are those financial assets from counterparties with good financial condition and with relatively low defaults.

Item 2. DESCRIPTION OF PROPERTY

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

The unit is currently under construction as of December 31, 2016, the unit's the book value amounted to ₱32.25 million (see note 7 of the AFS)

Item 3. LEGAL PROCEEDINGS

Please refer to note 16 of the Audited Financial Statements. The case referred to in the note 16 was filed in the Los Angeles Superior Court, California, USA.

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

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

In 2016, 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, 2015
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
2016					
	First Quarter	₱	1.62	₱	1.11
	Second Quarter		2.05		1.30
	Third Quarter		1.93		1.30
	Fourth Quarter		1.75		1.25
2015					

	First Quarter	₱	3.40	₱	2.15
	Second Quarter		2.28		1.68
	Third Quarter		1.74		1.20
	Fourth Quarter		2.40		1.20

2014					
	First Quarter	₱	2.46	₱	1.90
	Second Quarter		3.50		2.03
	Third Quarter		4.25		2.45
	Fourth Quarter		3.85		2.85

2. **Holders**

The number of stockholders of record as of December 31, 2016 is 634. Common shares outstanding as of this date is 1,528,474,000. The percentage of shares of stocks owned by the public is 16.82% of the total outstanding shares.

Top twenty (20) stockholders as December 31, 2016

1	PCD Nominee Corporation (Filipino)	1,513,384,253	99.01%
2	PCD Nominee Corporation (Non-Filipino)	11,296,335	0.74%
3	Jardine CMG Life	146,000	.01%
4	Baello, Virgilio B.	120,000	.01%
5	AMA Rural Bank of Mandaluyong, Inc.	100,000	.01%
6	Ric Castaneda &/or Hector Uy	100,000	.01%
7	Salazar, Ernesto B.	100,000	.01%
8	Borres, Jun M.	90,000	.01%
9	Roldan, Marian D.	83,000	.01%
10	Jardine CMG Value	80,000	.01%
11	Chua, Catherine Angsionga S.	75,000	.01%
12	Jun M. Borres &/or Buenaventura Casenas	60,000	.00%
13	Gili Jr., Guillermo F.	50,000	.00%
14	Lopez, Oscar M.	50,000	.00%
15	Vilar, Antonio T.	50,000	.00%
16	Torres, Roberto Belarmino S.	50,000	.00%
17	Punzalan, Larry A.	43,500	.00%
18	Sy, Victor Gan	40,000	.00%
19	Kairuz, Peter M	40,000	.00%
20	Tan Bin Yam &/OR Carina Titterington	33,000	.00%

3. **Dividends**

No dividends has been declared and paid for the year ended December 31, 2016.

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, 2016 and 2015 prepared in conformity with PFRS hereto attached in the Exhibits.

The financial information for the three years ended December 31, 2016, 2015 and 2013 are as follows:

2016 vs. 2015

Results of operations

	Audited		Increase(Decrease)	
	2016	2015	Amount	%
	(in PhP Millions)			
Revenues	**₱0.24**	₱1.55	₱ (1.31)	(84.52)
Operating Expenses	**(4.65)**	(15.30)	(10.65)	(69.61)
Realized loss on AFS Investment	**-**	(28.41)	28.41	100.00
Share in net income of an associate	**1.69**	12.20	(10.51)	(86.15)
Net loss	**(₱2.72)**	(₱29.96)	(₱27.24)	(90.92)

Revenues

The Company incurred a net loss of ₱2.72 million for the year ended December 31, 2016 as compared to 2015 net loss of ₱29.96 million.

Significant changes in the income accounts for the year ended December 31, 2016 versus the same period last year are as follows:

- **General and administrative expenses** decreased by ₱10.65 million or 69.61% due to the following accounts:

  - Taxes and licenses decreased by ₱10.28 million or equivalent to 99.29% mainly due to ₱10.25 million payment of Documentary Stamp Tax in relation to the Notes payable entered into by the Company with Philippine Business Bank.

  - Director's Fees decreased by ₱0.14 million or equivalent to 52.83% due to lesser directors meetings.

  - Depreciation increased by ₱0.09 million or 5.54% due to the Condominium.

- Professional fees decreased by ₱0.13 million or equivalent to 19.19% due low cost on PSE listing fee as compared to 2015.

- Communication, light and water decreased by ₱0.24 million or equivalent to 12.83% because the office space was vacant due to termination of lease contract to Prime Media Holdings Inc.

- Other expenses decreased by ₱0.14 million or equivalent to 40.79% the decrease pertains to shorter period on fees payment made to Philippine Central Depository fee.

➢ **Realized loss on AFS investments** decreased amounting ₱28.4 due to reclassification of AFS to Investment in an Associate in 2015.

➢ **Share in net income of an Associates** decreased by ₱10.51 million due to decrease in net income of Marcventures Holdings Inc. in 2016

Financial Position

	Audited		Increase(Decrease)	
	2016	2015	Amount	%
	(in PhP Millions)			
Assets	**₱2,880.73**	₱3,082.53	(201.80)	(6.55%)
Liabilities	**1,850.23**	2,050.33	(200.10)	(9.76%)
Stockholders' Equity	**1,030.50**	1,032.20	1.70	0.16%

<u>Financial Position</u>

The significant changes in the Statement of Financial Position accounts during the calendar year ended December 31, 2016 versus 2015 are as follows:

➢ Total assets decreased by ₱201.80 million or equivalent to 6.55% from ₱3,082.53 million in 2015 to ₱2,880.73 million in 2016.

Significant changes were mainly due to the following:

Cash decreased by ₱247.82 million or equivalent to 69.53% mainly due to payment of notes payable amounting to ₱200 million and advances to related parties.

- **Receivables** increased by ₱32.85 million or equivalent to 48.84% are advances made by related parties.

- **Other current assets** increased by ₱2.57 million or equivalent to 70.60% primarily from accumulated Input VAT and construction deposit on office improvement.

- **Investment in an associate** increased by ₱2.71 million or equivalent to 0.10% the increase is attributable to the share in equity of MARC.

➢ **Current liabilities** increased by ₱1,649.90 million or equivalent to 823.59% comprise solely of ₱1,650.00 million noncurrent-portion of Loans with maturity date December 31, 2017. On August 4, 2016, Philippine Business Bank assigned the note payable to Trans Middle East Philippine Equities Inc.

➢ The stockholders' equity decreased by ₱1.70 million or equivalent to 0.16% from ₱1.03 Billion in 2015 to ₱1.03 billion in 2016. The decrease due to the Company's comprehensive loss of ₱1.70 million.

Consolidated Cash Flow

	Audited		Increase(Decrease)	
	2016	2015	**Amount**	**%**
	(in PhP Millions)			
Cash used in operating activities	**₱37.40**	₱1.57	35.83	2,282.17
Cash used in investing activities	**10.43**	1.57	8.86	564.33
Cash used in financing activities	**200.00**	–	200	100%

The cash provided by operating activities decreased from ₱1.57 million in 2015 to ₱37.40 million in 2016. The company incurred a net loss before income tax in 2016 of ₱2.72 million as compared to 2015 of ₱29.96 million. In addition, accounts receivable increased by ₱32.85 million.

In 2016, the company's net cash used in investing activities are the acquisition of property and equipment worth ₱10.43 million.

In 2016, the Company paid ₱200 million of its notes payable.

2015 vs. 2014

Results of Operations

The Company incurred a net loss of ₱30.00 million for the year ended December 31, 2015 as compared to 2014 net loss of ₱0.14 million.

Significant changes in the income accounts for the year ended December 31, 2015 versus the same period last year are as follows:

➢ **General and administrative expenses** increased by ₱11.54 million or 306.52% due to the following accounts:
- Taxes and licenses increased by ₱9.39 million or equivalent to 982.16% mainly due to P10.25 million payment of Documentary Stamp Tax in relation to the Notes payable entered into by the Company in favour of PBB for the remaining unpaid portion of purchase price of shares of MARC.
- Depreciation increased by ₱1.10 million or 232.74% due to acquisition of the Condominium unit that will serve as office of the Company.
- Memberships and other fees increased by ₱0.57 million or equivalent to 66.75% due to the Condominium unit association dues.

- Professional fees increased by ₱0.13 million or equivalent to 23.78% due to the increase in the annual listing fees paid to the Philippine Stock Exchange.
- Outside services increased by ₱0.16 million or equivalent to 49.80% due to the increase pertains to architectural design for the office improvement.
- Others increased by ₱0.12 million or equivalent to 550.94% the increase pertains to Philippine Central Depository fee.

➢ **Realized loss on AFS investments** amounting ₱28.4 due to reclassification of AFS to Investment in an Associate.

Financial Position

The significant changes in the Statement of Financial Position accounts during the calendar year ended December 31, 2015 versus 2014 are as follows:

➢ Total assets decreased by ₱1,427.73 million or equivalent to 31.66% from ₱4.510.26 million in 2014 to ₱3.08 Billion in 2015.

Significant changes were mainly due to the following:

- **Receivables** decreased by ₱22.74 million or equivalent to 25.27% due to the collection of the dividend embedded in the purchase price of 600 million shares of MARC. Receivables as of December 31, 2015 pertains ₱66.41 million noninterest bearing advances to related parties.

- **Other current assets** increased by ₱0.56 million or equivalent to 18.18% million mainly due to the recognition of creditable withholding taxes from its office space rental income and from accumulated Input VAT on association dues.

- **Available-for-sale (AFS) investments** was reclassified under **Investment in an associate** amounting to ₱2,604.00 million in May 8, 2015. The reclassification of AFS investments was measured using the closing share price in May 8, 2015 amounting ₱4.34 recognizing a realized loss of ₱28.41 million. As at year end, the carrying value of the Investment in an Associate amounted to ₱2,617.59 million from ₱2,604.00 million in May 8, 2015. The increase is attributable to the share in equity of MARC.

➢ Current liabilities of ₱200.33 million comprises mainly of ₱200.00 Million current-portion of Loans to PBB with maturity date of January 31, 2016.

Non-current liabilities as of December 31, 2015 comprised solely of ₱1,850.00 Million noncurrent-portion of Loans to PBB with maturity date December 31, 2017.

➢ The stockholders' equity decreased by ₱1.416.17 million or equivalent to 57.84% from ₱2,448.37 million in 2014 to ₱3.03 billion in 2015. The decrease pertains to the Company's net loss of ₱30.00 million and unrealized fair value loss on AFS Investments of ₱1.42 Billion.

2014

Results of Operations

The Company incurred net loss of ₱0.14 million for the year ended December 31, 2014 principally due to the taxes and licenses paid to the local government, listing fees paid to the Philippine Stock Exchange and the monthly association dues paid for its Condominium unit, partly offset by interest income on its cash in deposits and rent collected on its leased condominium unit which ended in December 31, 2014. This is in contrast to the income of ₱151.5 million registered in the same period in 2013 which the Company generated from its credit card servicing operations mainly derived from recoveries of previously written-off Credit Card Receivables, income from investible funds and service fees.

Operating costs of the Company was minimal compared to the same period of the previous year due to cessation of its credit card servicing business and the transfer of bulk of its assets and employees to RCBC and RBSC.

Financial Position

The significant changes in the Statement of Financial Position accounts during the calendar year ended December 31, 2015 versus the same level of the previous year are as follows:

1. Total assets stood at ₱4.5 billion which is ₱3.44 billion higher than the previous year. Significant changes were mainly due to the following:

   - Cash & cash equivalents decreased significantly by 63% compared to the same period of the previous year. The decrease was mainly due to the ₱650 million upfront payment upon cross sale for the acquisition of 600 million shares in MARC during the last quarter of 2014 and the ₱38 million payment for the Condominium Unit acquired intended to be utilized as future office space.

   - Receivables decreased by 14% due to the collection of the receivables from RBSC and RCBC related to the transfer of the assets and liabilities connected with its credit card servicing operations and to the collection of service fees. Receivables as of December 31, 2014 pertain to the dividend embedded in the purchase price of 600 million shares of MARC equivalent to 32.94% acquired on December 15, 2014.

   - Prepayments and other current assets increased by ₱6.1 million mainly due to the recognition of creditable withholding taxes and input VAT connected from its credit card operations and deferred input VAT recognized from the acquisition of Condominium unit.

   - Property and equipment increased by ₱34.6 million mainly due to the purchase of a condominium unit to be utilized as future office space.

   - Available for sale investment increased by ₱4.020 million due to the acquisition of 600 million shares of MARC (refer to Note 10 of the attached 2014 Audited Financial Statements).

2. Current liabilities stood at ₱2,061 million, ₱2,0447 million higher than the year-end 2013 level of ₱14.0 million mainly due to the remaining unpaid portion of

purchase price of shares of MARC amounting to ₱2,050 million. The remaining outstanding liabilities as of December 31, 2014 comprised of accrued expenses pertain to commissions to PSE and professional fees which are expected to be settled in the rest reporting period.

Non-current liabilities as of December 31, 2014 comprised solely of ₱1.4 million advances from related parties.

Equity account increased to ₱2.44 billion as of December 31, 2014 from ₱1.06 billion as of December 31, 2013 due to the recognition of ₱1.39 billion re-measurement gain from fair value of the Available for sale Investments.

Key Performance Indicators

	2014	***2015***	***2016***
Return on Asset (%)	0	0.66%	0.09%
Return on Equity (%)	0	1.22%	0.26%

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 2016 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, 2016. 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₱280.0 thousand and ₱250.0 thousand for 2016 and 2015 respectively..

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 3 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	88	Chairman of the Board/Director	Filipino
Isidro C. Alcantara, Jr.	63	President/Director	Filipino
Macario U. Te	87	Director	Filipino
Augusto C. Serafica. Jr.	55	Director	Filipino
Carlos Alfonso T. Ocampo	52	Independent Director	Filipino
Manuel M. Lazaro	81	Independent Director	Filipino
Remegio C. Dayandayan Jr.	36	Director	Filipino
Minda P. de Paz	76	Director	Filipino
Hermogene H. Real	62	Director/Assistant Corporate Secretary	Filipino
Rolando S. Santos	66	Director/Vice President and Treasurer	Filipino
Leddie D. Gutierrez	55	Vice President Audit	Filipino
Reuben F. Alcantara	34	VP Marketing	
*Ramon N. Santos		VP Project Development (Resigned in August 2016)	Filipino
Diane Madelyn C. Ching	34	Corporate Secretary	Filipino

All Directors shall hold office until May 27, 2016 when a new BOD are elected during the Company's annual stockholders' meeting.

Incumbent Directors

Cesar C. Zalamea
Chairman of the Board
January 03, 2014 to present
88 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
63 years old/Filipino

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 serves as Director and Executive Vice 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
87 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
55 years old/Filipino

Mr. Augusto Antonio C. Serafica Jr. was elected as Regular Director in January 2014. Mr. Serafica is currently the President & CEO of Premiere Horizon Alliance Corporation and the Managing Director of Asian Alliance Investment Corporation and Asian Alliance Holdings & Development Corporation. He is the Chairman of the Board for Goshen Land Capital, Inc., West Palawan Premiere Development Corporation, Redstone Construction and Development Construction and TLC Manna Consulting, Inc. He sits as a Regular Director of Marcventures Holdings, Inc., Concepts Unplugged Business Environment Solutions, Inc. and Premiere Horizon Alliance Corporation. He is also the Treasurer of Sinag Energy Philippines, Inc. Mr. Serafica is also a member of the Board of Trustees of the AIM Scientific Research Foundation, Inc., President of the AIM Alumni Leadership Foundation, Inc., Treasurer of the Federation of AIM Alumni Associations, Inc. and Director of the Alumni Association of AIM – Philippines, Inc. He is also the National Treasurer of the Brotherhood of Christian Businessmen and Professionals (BCBP). Mr. Serafica obtained a Bachelor of Commerce in Accountancy degree from San Beda College and Masters in Business Management from the Asian Institute of Management. Mr. Serafica is a Certified Public Accountant.

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

Atty. Carlos Alfonso T. Ocampo was elected as Independent Director of the Company in January 2014. He is the founder of Ocampo & Manalo law firm. Atty. Ocampo is a member of the Board in various corporations including Panalpina Transport Phils Inc., MAA General Assurance Phils Inc., South Forbes City College Corporation, Columbian Autocar Corporation, Asian Carmakers Corp., Jam Transit Inc., Prestige Cars Inc., Autohaus Quezon City Inc., Timebound Trading Corp., and Monpierre Foods Corporation. He is the Corporate Secretary of PSI Healthcare Development Services Corp., PSI Prescription Solutions Corp., Adrianse Phils. Inc., Bluelion Motors Corp., Autohaus Quezon City Inc., First Charters and Tours Transport Corp., Brycl Resorts and International Inc., AVK Philippines Inc., Jam Liner Inc., and Manila Golf and Country Club. He sits as Independent Director of Marcventures Holdings Inc. He previously served as Vice President and General Counsel of Air Philippines Corporation. Atty. Ocampo obtained his Bachelor of Arts in Economics, *cum laude*, and 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 also completed an Executive Management Program at the Asian Institute of Management, and previously taught business law at the College of St. Benilde, 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.

Manuel M. Lazaro
Director
May 26, 2016 to present
81 years old/Filipino

Atty. Manuel M. Lazaro was elected director in Many 2016. He is a lawyer by profession and has been engaged in active practice for more than fifty (50) years. Currently sits as Director for Philippine Airlines, Inc. (PAL) (since October 2014), The Manila Hotel Corporation (since 2006), Tiger Resort, Leisure & Entertainment, Inc. / Okada Manila (since 2015) and independent director of AG Finance Inc. He is presently the CEO and Chairman of Philippine

Constitution Association (PHILCONSA) (since 2010). From 1976 to 1986, he was the Government Corporate Counsel (GCC) with the rank and privileges of Presiding Justice of the Court of Appeals, serving as Legal Counsel of at least seventy (70) government-owned and controlled corporations then, which included, among others, the Government Service Insurance System (GSIS), Metropolitan Sewerage System (MWSS), National Power Corporation (NPC), Philippine Airlines (PAL), Philippine National Bank (PNB), Development Bank of the Philippines (DBP), Manila Hotel, Manila International Airport and EVP & General Counsel of GSIS and Manila Hotel Corporation and director of numerous corporations. After retiring from government service in 1987, he founded and established M. M. Lazaro & Associates. The law firm specializes in corporate and litigation matters either as counselors or court advocates. It is the retained counsel of reputable companies and business engaged in various fields, i.e. banking, real estate, insurance, etc.

Remegio C. Dayandayan, Jr.
Director
March 26, 2014 to present
36 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
76 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 Managment 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
66 years old/Filipino

Mr. Rolando S. Santos was elected Director in May 2016. He has been Vice President and Treasurer of the Company since January 2014. 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.

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

Atty. Hermogene H. Real was elected Director in May 2016. She has been Assistant Corporate Secretary of the Company since January 2014. She serves as Director of Philippine Collectivemedia Corporation (2008 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).

<u>Executive Officers:</u>

Diane Madelyn C. Ching
Corporate Secretary
January 03, 2014 to present
34 years old/Filipino

Atty. Diane Madelyn C. Ching was elected as Corporate Secretary of the Company in January 2014. She serves as General Counsel and Assistant Corporate Secretary of Marcventures Holdings Inc. and its subsidiary, Marcventures Mining and Development Corp. She sits as director of Prime Media Holdings Inc. where she was previously appointed as Corporate Secretary in 2013. She provides legal consultancy services to PLDT Global (Philippines) Corp. Atty. Ching was an associate of Ocampo & Manalo Law Firm from March 2010 to June 2013. She obtained her degrees in Bachelor of Secondary Education major in Economics and Bachelor of Arts major in Psychology from De La Salle University-Manila graduating Honorable Mention. She passed the Licensure Examination for Teachers in 2004. She worked as a Research Analyst of the Mergers and Acquisitions, Asia Pacific Region Division of Thomson (Philippines) Inc. (now Thomson Reuters). She obtained her Bachelor of Laws from San Beda College-Mendiola in 2009 and was admitted to the Philippine bar in 2010.

Mr. Reuben F. Alcantara
Vice President for Marketing
May 26, 2016 to present
34 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 is also the Vice President for Marketing of AG Finance Inc. He previously served as Relationship and Credit Officer for Security Bank and has had stints in Corporate Banking in Bank of Commerce and Maybank Philippines.

Ramon N. Santos
Vice President for Project Development
May 26, 2016 to August 31, 2016
57 years old/Filipino

Mr. Ramon N. Santos was appointed Vice President for Project Development in May 2016. He previously served as Vice President for Project Development of Marcventures Holdings, Inc. Mr. Santos is a mining engineer and geologist. He also obtained a Master Degree in Mining and Mineral Technology from the Western Australian School of Mines – Curtin University of Technology at Kalgoorlie, Western Australia and Master in Business Administration degree from the University of the Philippines in Diliman, Quezon City. He has 32 years of experience in the mining industry – mostly in the Philippines and in Indonesia with limited work experiences in Australia, Malaysia, Japan and Papua New Guinea. Mr. Santos resigned on August 31, 2016.

Mr. Leddie D. Gutierrez
Vice President for Audit
May 26, 2016 to present
55 years old/Filipino

Mr. Leddie Gutierrez was appointed as Vice President for 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) and the Vice President for Internal Audit of AG Finance, Inc. He served 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 Zalamea Isidro C. Alcantara, Jr. Rolando S. Santos Reuben F. Alcantara Leddie D. Gutierrez Diane Madelyn Ching Hermogene H. Real Nilo Thaddeus Rodriguez	Chairman President Vice President & Treasurer VP Marketing VP Audit Corporate Secretary Asst. Corporate Secretary VP-Strategic Planning			
	2015			₱117,320.30
All above named officers as a group	2016			₱35,294.13
	2017 Estimated			₱120,000.00
All other officers and directors as group unnamed	2015		-	₱169,935.00
	2016	-		₱94,117.65
	2016 Estimated	-	-	₱170,000.00

The 2016 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

(a) 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, 2016, 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 2016

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%
Total				1,170,159,989	76.56%

Security Ownership of Management as of 31 December 2016

Title of Class	Name Beneficial Owner	Amount and Nature of beneficial ownership	Citizenship	Percent of Class
Common	Cesar C. Zalamea	1000/ Direct	Filipino	0.00%
Common	Manuel M. Lazaro	1000/ Direct	Filipino	0.00%
Common	Macario U. Te	16,001,000/Direct; 35,000,000/Indirect	Filipino	3.33%

Common	Augusto C. Serafica, Jr.	1000/ Direct	Filipino	0.00%
Common	Carlos Alfonso T. Ocampo	1000/ Direct	Filipino	0.00%
Common	Remegio C. Dayandayan Jr.	1000/ Direct	Filipino	0.00%
Common	Minda de Paz	1000/ Direct	Filipino	0.00%
Common	Isidro C. Alcantara, Jr.	1000/ Direct; 50,000,000/ Indirect	Filipino	3.41%
Common	Rolando S. Santos	1000/ Direct	Filipino	0.00%
Common	Hermogene H. Real	1000/ Direct	Filipino	0.00%
Common	Diane Madelyn C. Ching	159,000/ Indirect	Filipino	0.00%
Common	Leddie D. Gutierrez	0	Filipino	0.00%
Common	Reuben F. Alcantara	0	Filipino	0.00%
	Total – Directors as a group	101,010,000	Filipino	6.6%
	Total – Officers as a group	159,000	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 17 to the Audited Financial Statements.

PART IV - EXHIBITS AND SCHEDULES

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

(a) **Exhibits**
See accompanying Index to Exhibits.

The following exhibits are filed as a separate section of this report:

(9) Material Contracts

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

(b) **Reports on SEC Form 17-C**

Items reported under SEC Form 17-C for the year 2016:

	Date of Report	Event Reported
(1)	*January 05, 2016*	Cessation of term of Mr. Antonio H. Ozaeta as Director/ Vice Chairman
(2)	*January 05, 2016*	Board Attendance for the year 2015
(3)	*April 14, 2016*	Results of Board Meeting last April 13, 2016 Notice of Annual Stockholders' Meeting
(4)	*May 27, 2016*	Results of Annual Stockholders' Meeting and Organizational Meeting
(5)	*August 31, 2016*	Resignation of Mr. Ramon N. Santos as VP for Project Development

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 20 APR 2017, 2017.

By:

ISIDRO C. ALCANTARA, JR.
President

ROLANDO S. SANTOS
Treasurer

ATTY. DIANE MADELYN C. CHING
Corporate Secretary

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	Passport Number	Date/Place Issued
Isidro C. Alcantara, Jr.	Passport # EB8303097	06/04/13 / DFA MANILA
Rolando S. Santos	Senior Citizen card # 1003235	March 2010 /Antipolo
Atty. Diane Madelyn C. Ching	Driver's license #N04-99-451455	Valid until-12/06/17

known to me and to me known as the same persons who executed the foregoing **2016 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.

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Series of 2017

ATTY. DAVID S. EÑANO, JR.
NOTARY PUBLIC
UNTIL DEC 31, 2017
PTR NO. 2'02933, 1-3-17, Q.C.
IBP NO. 500285, 2-16-03, Q.C.
ROLL NO. 35613/MCLE NO. V-001026

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
LARGE TAXPAYERS ASSISTANCE DIVISION
Date APR 20 2017 TSIS
RECEIVED
MELINA PRISCA S. RANJO

Bright Kindle Resources & Investments, Inc.

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, 2016 and 2015**, 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, 2016 and 2015**, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature ____________________
CESAR C. ZALAMEA
Chairman of the Board

Signature ____________________
ISIDRO C. ALCANTARA, JR.
President

Signature ____________________
ROLANDO S. SANTOS
Treasurer

Signed this _____ day of ___________

SUBSCRIBED AND SWORN to before me this 20 APR 2017 day of ____________, 2017 at QUEZON CITY, affiant(s) exhibiting to me their Passport as follows:

Name	Passport Number	Date/Place Issued
Isidro C. Alcantara, Jr.	Passport#EB8303097	06/04/13
Rolando S. Santos	Senior Citizen#1003235	March 2010/Antipolo
Cesar Zalamea	TIN # 137-712-551	

Notary Public

ATTY. DAVID S. EÑANO, JR.
NOTARY PUBLIC
UNTIL DEC. 31, 2017
PTR NO. 2102963, 1-3-17, Q. C.
IBP NO. 500265, 2-16-03, Q. C.
ROLL NO. 33613/MCLE NO. V-001026

Doc. No. 112
Page No. 43
Book No. XIII
Series of 2017.

Bright Kindle Resources & Investments, Inc.
(A Subsidiary of RYM Business Management Corp.)

Financial Statements
December 31, 2016, 2015 and 2014

With independent auditor's report provided by

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

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 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
service@brightkindle.com	(02) 817 6046	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
634	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
Mr. Rolando S. Santos	rolly.santos@marcventures.com.ph	826-8609/856-7976	09989850229

CONTACT PERSON'S ADDRESS

16th Floor 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.*

RIAN CEASAR P. SOLIMAN
• CERTIFIED PUBLIC ACCOUNTANT •

Rian Ceasar P. Soliman, CPA, MBA
Unit 4155 Tower 2, Sun Residences, España Blvd cor. Mayon St., Quezon City, Philippines 1114
Mobile: (+63) 917 815 8094
E-mail: rcps@rcsolimancpa.com
Web: www.rcsolimancpa.com
PRC CPA Reg. No. 0141071, Valid Until Dec 2017
BOA Accreditation No. 5925, Valid Until Dec 2017

Practitioner's Compilation Report

The Stockholders and the Board of Directors
BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
(A Subsidiary of RYM Business Management Corp.)
16th Floor Citibank Tower, 8741
Paseo de Roxas, Makati City

I have compiled the accompanying financial statements of Bright Kindle Resources & Investments, Inc. (A Subsidiary of RYM Business Management Corp.) (or the Company) based on information you have provided. These financial statements comprise the statement of financial position of the Company as at December 31, 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with Philippine Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with Philippine Financial Reporting Standards (PFRS). I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with PFRS.

RIAN CEASAR P. SOLIMAN
CPA Certificate No. 0141071
BOA A.N.: 5925
Valid Until December 31, 2017
BIR Accreditation No.: 06-006384-001-2016
Valid Until March 7, 2019
TIN No. 309-973-133-000
PTR No. 6016643 issued January 10, 2017
City of Manila

April 07, 2017

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
December 29, 2015, valid until December 31, 2018
SEC Accreditation No. 0207-FR-2 (Group A)
September 27, 2016, valid until September 27, 2019

Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 982 9100
Fax : +632 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying 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, 2016 and 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2016, 2015 and 2014, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016 and 2015, and its financial performance and its cash flows for the years ended December 31, 2016, 2015 and 2014 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 *Auditor's 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 our 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.

Emphasis of Matter

We draw attention to Note 1 to the financial statements which discusses that Marcventures Mining and Development Corporation, the subsidiary of the Company's associate, Marcventures Holdings, Inc., received an order from the Department of Environment and Natural Resources on February 13, 2017 dated February 8, 2017 cancelling its Mineral Production Sharing Agreement No. 016-93-X. The management of the Company believes that the order has no basis and the outcome of legal actions taken will not have a material adverse effect on the Company's operations and will continue on a going concern basis, as described in Note 1 to the financial statements.

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 audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessing Investment in an Associate for Impairment

The Company's investment in an associate is accounted for using the equity method. It is required to assess at each reporting date and whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. This matter is significant to our audit because investment in an associate represents 90% of the Company's total assets.

We have reviewed management's assessment based on historical results of operations of the associate and significant developments that may affect its operations. Further disclosures are included in Note 3, Significant Accounting Judgments, Estimates and Assumption and Note 8, 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, 2016, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS , SEC Form 17-A and Annual Report distributed to stockholders for the year ended December 31, 2016 are expected to be made available to us after the date of this auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with 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 auditor's 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 auditor's 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 audit.

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Belinda B. Fernando.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1022-AR-1 Group A
Valid until March 15, 2020
BIR Accreditation No. 08-005144-4-2017
Valid until January 13, 2020
PTR No. 5908526
Issued January 3, 2017, Makati City

April 7, 2017
Makati City, Metro Manila

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
LARGE TAXPAYERS ASSISTANCE DIVISION
Date APR 20 2017 TSIS
RECEIVED
MELINA PRISCA S. RANJO

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

STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2016**	2015
ASSETS			
Current Assets			
Cash	4	**₱108,615,791**	₱356,439,709
Receivables	5	**100,110,840**	67,261,777
Other current assets	6	**6,214,652**	3,637,486
Total Current Assets		**214,941,283**	427,338,972
Noncurrent Assets			
Property and equipment	7	**43,311,763**	34,547,773
Investment in an associate	8	**2,620,299,972**	2,617,586,939
Deferred input VAT		**2,176,775**	3,053,807
Total Noncurrent Assets		**2,665,788,510**	2,655,188,519
		₱2,880,729,793	₱3,082,527,491
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	9	**₱229,534**	₱330,928
Current portion of note payable	10	**1,850,000,000**	200,000,000
Total Current Liabilities		**1,850,229,534**	200,330,928
Noncurrent Liability			
Note payable - net of current portion	10	**–**	1,850,000,000
Equity			
Capital stock	11	**840,660,700**	840,660,700
Retained earnings		**187,435,808**	190,151,442
Other comprehensive income	8	**2,403,751**	1,384,421
Total Equity		**1,030,500,259**	1,032,196,563
		₱2,880,729,793	₱3,082,527,491

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	**2016**	2015	2014
REVENUE				
Interest income	4	**₱240,430**	₱752,074	₱3,258,071
Rent income	16	**–**	799,065	365,689
		240,430	1,551,139	3,623,760
GENERAL AND ADMINISTRATIVE EXPENSES	12	**(4,649,767)**	(15,300,486)	(3,763,769)
SHARE IN NET INCOME OF AN ASSOCIATE	8	**1,693,703**	12,202,518	–
REALIZED LOSS ON AVAILABLE-FOR-SALE (AFS) FINANCIAL ASSETS	8	**–**	(28,410,000)	–
OTHER INCOME - Net		**–**	–	9,028
LOSS BEFORE TAX		**(2,715,634)**	(29,956,829)	(130,981)
PROVISION FOR INCOME TAX	13	**–**	15,981	7,494
NET LOSS		**(2,715,634)**	(29,972,810)	(138,475)
OTHER COMPREHENSIVE INCOME (LOSS)				
To be reclassified to profit or loss:				
Unrealized fair value gain (loss) on AFS financial assets	8	**–**	(1,416,000,000)	1,387,590,000
Transfer of realized fair value loss on AFS financial assets to profit or loss	8	**–**	28,410,000	–
Not to be reclassified to profit or loss:				
Share in other comprehensive income of an associate	8	**1,019,330**	1,384,421	–
TOTAL COMPREHENSIVE INCOME (LOSS)		**(₱1,696,304)**	(₱1,416,178,389)	₱1,387,451,525
BASIC AND DILUTED LOSS PER SHARE	15	**(₱0.00)**	(₱0.02)	(₱0.00)

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	**2016**	2015	2014
CAPITAL STOCK - ₱0.55 par value	11			
Authorized - 2,000,000,000 shares				
Issued, subscribed and outstanding -				
1,528,474,000 shares		**₱840,660,700**	₱840,660,700	₱840,660,700
RETAINED EARNINGS				
Balance at beginning of year		**190,151,442**	220,124,252	220,262,727
Net loss		**(2,715,634)**	(29,972,810)	(138,475)
Balance at end of year		**187,435,808**	190,151,442	220,124,252
OTHER COMPREHENSIVE INCOME	8			
To be reclassified to profit or loss				
Cumulative fair value gain on AFS financial assets				
Balance at beginning of year		–	1,387,590,000	–
Unrealized fair value gain (loss) on AFS financial assets		–	(1,416,000,000)	1,387,590,000
Transfer of realized fair value loss on AFS financial assets to profit or loss		–	28,410,000	–
Balance at end of year		–	–	1,387,590,000
Not to be reclassified to profit or loss				
Share in other comprehensive income of an associate:				
Balance at beginning of year		**1,384,421**	–	–
Remeasurement gain		**1,019,330**	1,384,421	–
Balance at end of year		**2,403,751**	1,384,421	–
		2,403,751	1,384,421	1,387,590,000
TOTAL EQUITY		**₱1,030,500,259**	₱1,032,196,563	₱2,448,374,952

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	**2016**	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		**(₱2,715,634)**	(₱29,956,829)	(₱130,981)
Adjustments for:				
Share in net income of an associate	8	**(1,693,703)**	(12,202,518)	–
Depreciation	7	**1,661,267**	1,574,120	473,084
Interest income	4	**(240,430)**	(752,074)	(3,258,071)
Realized loss on AFS financial assets	8	**–**	28,410,000	–
Operating loss before working capital changes		**(2,819,980)**	(12,927,301)	(2,915,968)
Decrease (increase) in:				
Receivables		**(32,849,063)**	22,738,223	4,446,792
Other current assets		**(1,700,134)**	(555,587)	(6,135,706)
Increase (decrease) in:				
` Accounts and other payables		**(101,394)**	(10,183,501)	6,515,869
Due to parent company		**–**	(1,378,179)	1,378,179
Net cash used in operations		**(37,470,571)**	(2,306,345)	3,289,166
Interest received		**240,430**	752,074	3,258,071
Income tax paid		**–**	(15,981)	(7,494)
Net cash used in operating activities		**(37,398,661)**	(1,570,252)	6,539,743
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property and equipment	7	**(10,425,257)**	(1,568,650)	(35,026,327)
Acquisition of AFS financial assets	8	**–**	–	(582,410,000)
Net cash used in investing activities		**(10,425,257)**	(1,568,650)	(617,436,327)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of note payable	10	**(200,000,000)**	–	–
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(247,823,918)**	(3,138,902)	(610,896,584)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**356,439,709**	359,578,611	970,475,195
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱108,615,791**	₱356,439,709	₱359,578,611
NONCASH FINANCING ACTIVITY				
Unpaid portion of acquisition cost of AFS financial assets	8	**₱–**	₱–	₱2,050,000,000

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. **Corporate Information**

General Information

Bright Kindle Resources & Investments, Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 4, 1981 as a credit card corporation. On March 21, 1995, the Company listed its shares with The Philippine Stock Exchange, Inc. (PSE). Prior to December 27, 2013, the Company was 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 to RYM Business Management Corp. (the Parent Company) and other investors. The Parent Company acquired 76.56% interest in the Company.

In November 2013, in view of the change in ownership and management, 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 its primary business purpose to a holding company. 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 dealing with all kinds of properties, including investment in bonds and shares of capital stock, without engaging in the business of an investment company under the Investment Company Act or a finance company or a broker or dealer in securities.

On June 10, 2015, the SEC approved the change of the Company's principal office address from 31/F, Robinsons-Equitable Tower, ADB Avenue, Ortigas Center, Pasig City to 16th Floor Citibank Tower, 8741 Paseo de Roxas, Makati City.

The financial statements of the Company as at and for the years ended December 31, 2016 and 2014 were approved and authorized for issuance by the BOD on April 7, 2017.

Investment in Marcventures Holdings, Inc. (MARC)

On December 15, 2014, the Company acquired 600,000,000 shares of MARC representing 33% equity interest for ₱2,700.0 million from Philippine Business Bank - Trust and Investment Center (PBB).

In May 2015, the Company has assessed that it has gained significant influence over MARC. Consequently, the BOD approved the reclassification of investment from AFS financial assets to investment in an associate.

On February 13, 2017, Marcventures Mining and Development Corporation (MMDC), a wholly owned subsidiary of MARC, received an order dated February 8, 2017 from the Department of Environment and Natural Resources cancelling its Mineral Production Sharing Agreement. The management and its legal counsel believe that the order has no basis and the outcome of legal actions taken will not have a material adverse effect on the MMDC's operations. MMDC's management has assessed that the Company will continue on a going concern basis.

MMDC's management will take all the necessary legal actions and exhaust all remedies available to prevent the implementation of the order.

On February 22, 2017, MMDC has filed Notice of Appeal to Office of the President.

2. Summary of Significant Accounting Policies

Basis of Preparation

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

Measurement Bases

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

The financial statements have been prepared using the historical cost basis, except for AFS financial assets which is stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for an asset.

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 markets 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 17, Financial Risk Management Objectives and Policies.

Adoption of New and Amended PFRS
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2016:

- Amendments to PAS 1, *Presentation of Financial Statements: Disclosure Initiative* – The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

- Amendments to PAS 16, *Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation,* and PAS 38*, Intangible Assets - Clarification of Acceptable Methods of Amortization* – The amendments add guidance and clarify that (i) the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset, and (ii) revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset; however, this presumption can be rebutted in certain limited circumstances.

The adoption of the foregoing new and amended PFRS did not have any material effect on the financial statements. Additional disclosures have been included in the notes to financial statements, as applicable.

New and Amended PFRS Not Yet Adopted
Relevant new and amended PFRS which are not yet effective for the year ended December 31, 2016 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2017:

- Amendments to PAS 7, *Statement of Cash Flows - Disclosure Initiative* – The amendments require entities to provide information that enable the users of financial statements to evaluate changes in liabilities arising from their financing activities.

- Amendments to PAS 12, *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses* – The amendments clarify the accounting for deferred tax assets related to unrealized losses on debt instruments measured at fair value, to address diversity in practice.

Effective for annual periods beginning on or after January 1, 2018 –

- PFRS 9, *Financial Instruments* – This standard will replace PAS 39, *Financial Instruments: Recognition and Measurement* (and all the previous versions of PFRS 9). It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition.

PFRS 9 requires all recognized financial assets to be subsequently measured at amortized cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics.

For financial liabilities, the most significant effect of PFRS 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.

For the impairment of financial assets, PFRS 9 introduces an "expected credit loss" model based on the concept of providing for expected losses at inception of a contract; it will no longer be necessary for there to be objective evidence of impairment before a credit loss is recognized.

For hedge accounting, PFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures.

The derecognition provisions are carried over almost unchanged from PAS 39.

Effective for annual periods beginning on or after January 1, 2019 –

- PFRS 16, *Leases* – Significant change introduced by the new standard is that almost all leases will be brought onto lessees' statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance lease is retained.

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

Financial Assets and Liabilities

Date of Recognition. Financial assets and liabilities are recognized in the statements of financial position when the Company becomes a party to the contractual provision of a financial instrument. Financial instruments are initially recognized at fair value. In the case of regular way purchase or sale of financial asset, recognition and derecognition, as applicable, is done using trade date accounting.

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

Classification of Financial Instruments. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) held-to-maturity (HTM) investments, (c) loans and receivables and (d) AFS financial assets. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities at amortized cost. The classification depends on the purpose for which the financial instruments were acquired or incurred and whether or not the instruments are quoted in an active market.

As at December 31, 2016 and 2015, the Company does not have financial assets and liabilities at FVPL, AFS and HTM investments.

"Day 1" Differences. 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 the statement of comprehensive income. In cases where there is no observable data on inception, the Company deemed the transactions 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.

AFS Financial Assets. AFS financial assets are nonderivative financial assets that are either designated in this category or not classified in any of the other categories. These are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions. These include equity investments, money market papers and other debt instruments. The unrealized gains and losses arising from the fair valuation of AFS financial assets, except for the foreign exchange fluctuations on AFS debt securities and the related effective interest, are excluded, net of tax, from reported earnings, and are reported in the statements of comprehensive income and in the equity section of the statements of financial position. These changes in fair values are recognized in equity until the investment is sold, collected, or otherwise disposed of or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity are included in profit or loss.

In 2015, the Company reclassified its AFS financial assets to investment in an associate (see Note 11).

Loans and Receivables. Loans and receivables are financial assets with fixed or determinable payments and fixed maturities and that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not classified or designated as AFS financial assets or financial asset at FVPL. Loans and receivables are included in current assets if maturity is within twelve months from reporting date. Otherwise, these are classified as noncurrent assets.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and any transaction cost which are directly attributable in the acquisition of the financial instrument. The amortization is included in profit or loss.

This category includes cash in banks and receivables.

Other Financial Liabilities. Financial liabilities are classified in this category if these are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or through borrowing.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any related issue costs, discount or premium. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as when there is amortization process.

This category includes accounts and other payables (excluding statutory liabilities) and note payable.

Derecognition of Financial Assets and Liabilites

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 by the Company when:

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

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

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

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

Offsetting of Financial Assets and Liabilities
Financial assets and 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 an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements where the related assets and liabilities are presented gross in the statements of financial position.

Impairment of Financial Assets
The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The carrying value of the impaired account is reduced to the extent that it exceeds the asset's net realizable value. Impairment losses are recognized in full in profit or loss. If in a subsequent period, the amount of accumulated impairment losses has decreased because of an event occurring after impairment was recognized, the decline is allowed to be reversed to profit or loss to the extent that the resulting carrying value will not exceed the amortized cost determined had no impairment been recognized.

Assets Carried at Amortized Cost. For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtor's ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the assets' original effective interest rate. Time value is generally not considered when the effect of discounting is not material. The carrying value of the asset shall be reduced directly or through the use of an allowance account. The amount of loss shall be recognized in profit or loss.

If, in a subsequent period, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in the profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

AFS Financial Assets. For equity investments classified as AFS financial assets, impairment would include a significant and prolonged decline in the fair value of the investments below their cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss, is removed from equity and recognized in profit or loss. Impairment losses on equity investments are not reversed through income. Increases in fair value after impairment are recognized directly in the other comprehensive income and presented in the statements of changes in equity.

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

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

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from the taxation authority is included as part of "Other current assets".

CWT. CWT 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 twelve months after the reporting date 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 has determined that it exercises significant influence over MARC. When the Company holds 20% or more of the voting power (directly or through subsidiaries) on an investee, it will be presumed the Company has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the Company 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 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 value of the investment.

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 year 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 value 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 import duties, 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. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, 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. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying value of the replaced component is derecognized.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

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

Asset Type	Years
Condominium unit	31
Office furniture and fixtures	3 to 5
Service vehicle	3

The estimated useful lives and method for 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.

Construction in-progress (CIP) pertains to properties under construction and is stated at cost. Costs include costs of construction, labor and other direct costs. CIP is not depreciated until such time that the relevant assets are completed and available for operational use.

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 consisting of property and equipment and other nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If any such indication exists and where the carrying value 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 the statements of comprehensive income.

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 value of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying value 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 value, 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.

Other Comprehensive Income (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 cumulative fair value gain on AFS financial assets and share in OCI of an associate.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is recognized as follows:

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

Rent income. Rent income is recognized using the straight line method over the term of the lease.

Other income. Income from other sources is recognized when earned.

Costs and Expenses Recognition

Costs and 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 and costs incurred to sell and market goods and services. These are expensed as incurred.

Operating Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception date whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;

b. a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or

d. there is a substantial change to the asset.

Where reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and at the date of renewal or extension period for scenario (b).

Operating Lease - Company as a Lessor. Leases where the Company retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognized on a straight line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

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 tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and 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 carry-forward benefits of unused MCIT 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 value 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 other comprehensive income.

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.

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.

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

The Company has no dilutive potential common shares.

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 Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, 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. They 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
Post year-end events that provide additional information about the Company's financial position at the end of reporting period (adjusting events) are reflected in the financial statements when material. Post year-end events that are non-adjusting are disclosed in the notes to financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements. The judgments, 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.

Judgments
In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant effect on the amounts recognized in the financial statements.

Determining Significant Influence over MARC. The Company has determined that it exercises significant influence over MARC. When the Company holds 20% or more of the voting power (directly or through subsidiaries) on an investee, it will be presumed the Company has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the Company 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 usually evidenced in one or more of the following ways:

- representation on the board of directors or equivalent governing body of the investee;

- participation in the policy-making process, including participation in decisions about dividends or other distributions;

- material transactions between the entity and the investee; interchange of managerial personnel; or

- provision of essential technical information

Assessing 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 value 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.

Accounting for Lease Commitments – Company as a Lessor. Management exercises judgment in determining whether substantially all the significant risks and benefits of ownership of the assets held for lease are retained by the Company. Lease contracts which the Company retains substantially all the risks and benefits incidental to ownership of the leased item are accounted for as operating leases. Otherwise, these are considered as finance leases.

The Company, as a lessor, has entered into property leases where it has determined that it retains all the significant risks and benefits of ownership of those properties. As such, the lease agreements are accounted for as operating leases.

Rent income amounted to ₱0.8 million and ₱0.4 million in 2015 and 2014, respectively (see Note 16).

Estimates and Assumptions

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

Estimating Allowance for Impairment of Receivables. The Company maintains allowance for receivable impairment at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectibility of the accounts. These factors include, but are not limited to, the length of the Company's relationship with the debtor, the debtor's payment behaviour and known market factors. The Company identifies and provides for specific accounts that are doubtful of collection and reviews the age and status of the remaining receivables and establishes a provision considering, among others, historical collection and write-off experience.

No allowance for impairment of receivables was recognized in 2016, 2015 and 2014. Carrying value of receivables amounted to ₱100.1 million and ₱67.3 million as at December 31, 2016 and 2015, respectively (see Note 5).

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 is no change in the estimated useful life of the Company's property and equipment in 2016, 2015 and 2014. Carrying value of property and equipment amounted to ₱43.3 million and ₱34.5 million as at December 31, 2016 and 2015, respectively (see Note 7).

Assessing Impairment of Nonfinancial Assets. The Company assesses impairment on investment in an associate and property and equipment whenever events or changes in circumstances indicate that the carrying value 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 value of an asset exceeds it 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 2016, 2015 and 2014.

The carrying value of the Company's investment in an associate and property and equipment are as follows:

	Note	**2016**	2015
Investment in an associate	8	**₱2,620,299,972**	₱2,617,586,939
Property and equipment	7	**43,311,763**	37,547,773
		₱2,663,611,735	₱2,655,134,712

Assessing Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying value 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 assets were not recognized on NOLCO and MCIT as at December 31, 2016 and 2015 because the management believes that there will be no sufficient taxable profits against which deferred tax assets can be utilized.

The Company's unrecognized deferred tax assets amounted to ₱6.7 million and ₱5.3 million as at December 31, 2016 and 2015, respectively (see Note 13).

4. Cash

This account consists of:

	2016	2015
Cash on hand	**₱5,000**	₱5,000
Cash in banks	**108,610,791**	356,434,709
	₱108,615,791	₱356,439,709

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned amounted to ₱0.2 million, ₱0.8 million and ₱3.3 million in 2016, 2015 and 2014, respectively.

5. Receivables

This account consists of:

	Note	**2016**	2015
Advances to related parties	14	**₱100,110,840**	₱66,406,777
Rent receivable	14	**–**	855,000
		₱100,110,840	₱67,261,777

6. Other Current Assets

This account consists of:

	2016	2015
Input VAT	**₱5,350,100**	₱3,025,209
CWT	**593,191**	604,783
Others	**271,361**	7,494
	₱6,214,652	₱3,637,486

7. Property and Equipment

The movements of this account follow:

	2016				
	Condominium Unit	**Office Furniture and Fixtures**	**Service Vehicle**	**Construction In Progress**	**Total**
Cost					
Balance at beginning of year	**₱34,975,635**	**₱50,692**	**₱1,568,650**	**₱–**	**₱36,594,977**
Additions	**–**	**158,520**	**–**	**10,266,737**	**10,425,257**
Balance at end of year	**34,975,635**	**209,212**	**1,568,650**	**10,266,737**	**47,020,234**
Accumulated Depreciation					
Balance at beginning of year	**1,598,349**	**13,119**	**435,736**	**–**	**2,047,204**
Depreciation	**1,128,246**	**10,138**	**522,883**	**–**	**1,661,267**
Balance at end of year	**2,726,595**	**23,257**	**958,619**	**–**	**3,708,471**
Net Carrying Value	**₱32,249,040**	**₱185,955**	**₱610,031**	**₱10,266,737**	**₱43,311,763**

	2015			
	Condominium Unit	Office Furniture and Fixtures	Service Vehicle	Total
Cost				
Balance at beginning of year	₱34,975,635	₱50,692	₱–	₱35,026,327
Additions	–	–	1,568,650	1,568,650
Balance at end of year	34,975,635	50,692	1,568,650	36,594,977
Accumulated Depreciation				
Balance at beginning of year	470,103	2,981	–	473,084
Depreciation	1,128,246	10,138	435,736	1,574,120
Balance at end of year	1,598,349	13,119	435,736	2,047,204
Net Carrying Value	₱33,377,286	₱37,573	₱1,132,914	₱34,547,773

8. Investment in an Associate

Movements on this account follows:

	2016	2015
Acquisition cost	**₱2,604,000,000**	₱2,604,000,000
Accumulated share in equity of an associate:		
Balance at beginning	**13,586,939**	–
Share in:		
Net income	**1,693,703**	12,202,518
Other comprehensive income	**1,019,330**	1,384,421
Balance at end of year	**16,299,972**	13,586,939
Carrying value	**₱2,620,299,972**	₱2,617,586,939

Summarized financial information of MARC follows:

	2016	2015
Total assets	**₱3,385,340,207**	₱3,426,868,202
Total liabilities	**412,968,147**	462,732,429
Revenue*	**1,919,188,114**	2,048,568,510
Net income (loss)*	**5,141,783**	12,202,518
Other comprehensive income (loss)*	**3,094,504**	1,384,421

**2015 figures pertain to balances from reclassification date of May 8, 2015 to December 31, 2015.*

On December 15, 2014, the Company acquired 600,000,000 shares of MARC representing 33% equity interest for ₱2,700.0 million from PBB, which includes dividends of ₱0.15 a share or ₱90.0 million. The Company incurred transaction costs amounting to ₱22.4 million. Transaction costs include incidental expenses such as professional fees and nonrefundable taxes incurred in relation to the acquisition of shares.

In May 2015, the Company has assessed that it has gained significant influence over MARC. Consequently, the BOD approved the reclassification of investment from AFS financial assets to investment in an associate.

The movement of this account prior to reclassification in 2015 follows:

	Amount
Cost	₱2,632,410,000
Unrealized fair value gain (loss)	
Balance at beginning of year	1,387,590,000
Change in fair value	(1,416,000,000)
Balance at date of reclassification	(28,410,000)
	2,604,000,000
Reclassification to investment in an associate	(2,604,000,000)
Net carrying value	₱–

Realized fair value loss as at date of reclassification amounted to ₱28.4 million.

9. Accounts and Other Payables

This account consists of:

	2016	2015
Accrued expenses	**₱227,061**	₱227,061
Statutory payable	**2,473**	103,014
Others	**–**	853
	₱229,534	₱330,928

Accrued expenses primarily pertain to professional fees which are expected to be settled in the next reporting year.

Statutory payables include withholding taxes, output VAT and other taxes that are remitted to the government within the next reporting period.

Others primarily pertain to stale checks.

10. Note Payable

This account consists of:

	Note	**2016**	2015
Note payable	11	**₱1,850,000,000**	₱2,050,000,000
Less current portion of note payable		**1,850,000,000**	200,000,000
Note payable - net of current portion		**₱–**	₱1,850,000,000

As at December 31, 2015, the unpaid portion of purchase price of investment amounting to ₱2,050.0 million was originally payable within one year. On December 14, 2015, PBB agreed to extend the maturity of the liability from December 31, 2015 to January 31, 2016 for the ₱200.0 million portion and December 31, 2017 for the remaining ₱1,850.0 million.

On August 4, 2016, PBB assigned the note payable to Trans Middle East Philippine Equities, Inc. (TMEE). On December 5, 2016, TMEE signified its intention to convert the note payable to Company's shares of stock.

11. Equity

The following summarizes the information on the Company's registration of securities under the Securities Regulation Code:

On March 21, 1995, the SEC approved the listing of the Company's 118,000,000 million shares at an offer price of ₱1.0 per share. As at December 31, 2016 and 2015, 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, 2016:

	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	101,169,000	6.62%
Public shareholdings	257,145,011	16.82%
Total	1,528,474,000	100.00%

The total number of shareholders of the Company is 634 and 650 as at December 31, 2016 and 2015, respectively.

The principal market for the Company's capital stock is the PSE. The high and low trading prices of the Company's shares are as follows:

Quarter	High	Low
January 2016 to December 2016		
First	**₱1.62**	**₱1.11**
Second	**2.05**	**1.30**
Third	**1.93**	**1.30**
Fourth	**1.75**	**1.25**
January 2015 to December 2015		
First	3.40	2.15
Second	2.28	1.68
Third	1.74	1.20
Fourth	2.40	1.20

12. General and Administrative Expenses

This account consists of:

	Note	**2016**	2015	2014
Depreciation	7	**₱1,661,267**	₱1,574,120	₱473,084
Membership dues and other fees		**1,402,315**	1,423,813	853,878
Professional fees		**550,929**	681,753	550,880
Outside services		**472,876**	476,860	318,329
Communication, light and water		**161,100**	184,683	67,000
Director's fees		**124,412**	263,726	322,222
Taxes and licenses		**73,159**	10,351,500	956,555
Others		**203,709**	344,031	221,821
		₱4,649,767	₱15,300,486	₱3,763,769

13. Income Tax

There is no provision for income tax in 2016 because the Company is in a tax loss position. Provision for income tax represents MCIT in 2015 and 2014.

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

	2016	2015	2014
Income tax benefit computed at statutory tax rate	**(₱814,690)**	(₱8,987,049)	(₱39,294)
Change in unrecognized deferred tax assets	**1,394,930**	4,366,407	981,248
Add (deduct) tax effects on:			
Share in net income of an associate	**(508,111)**	(3,660,755)	–
Interest income already subjected to final tax	**(72,129)**	(225,622)	(977,421)
Realized loss on AFS financial assets	**–**	8,523,000	–
Nondeductible expenses	**–**	–	42,961
	₱–	₱15,981	₱7,494

Details of unrecognized deferred tax assets are as follows:

	2016	2015
NOLCO	**₱6,719,110**	₱5,324,180
MCIT	**23,475**	23,475
	₱6,742,585	₱5,347,655

Deferred tax assets were not recognized on NOLCO and MCIT as at December 31, 2016 and 2015 because the management believes that there will be no sufficient taxable profits against which deferred tax assets can be utilized.

As at December 31, 2016, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year Incurred	Expiry Date	Amount	Applied	Expired	Balance
2016	2019	₱4,649,767	₱–	₱–	₱4,649,767
2015	2018	14,501,420	–	–	14,501,420
2014	2017	3,245,846	–	–	3,245,846
		₱22,397,033	₱–	₱–	₱22,397,033

As at December 31, 2016, unused MCIT that can be claimed as deduction from future tax liability are as follows:

Year Incurred	Expiry Date	Amount	Applied	Expired	Balance
2015	2018	₱15,981	₱–	₱–	₱15,981
2014	2017	7,494	–	–	7,494
		₱23,475	₱–	₱–	₱23,475

14. Related Party Transactions

The Company has the following transactions with its related parties:

Parent Company and Other Related Parties

	Nature of Transactions	Amount of Transactions 2016	Amount of Transactions 2015	Outstanding Balances 2016	Outstanding Balances 2015
Advances to related parties					
Parent Company -					
RYM	Advances for working capital	**₱–**	₱65,000,000	**₱63,621,821**	₱63,621,821
Officers	Advances	**34,800,000**	2,536,600	**29,336,799**	2,536,600
Under common control:					
Marcventures Mining and Development Corporation	Advances for working capital	**23,000,000**	–	**5,000,000**	–
AG Finance, Incorporated	Advances for working capital	**1,799,800**	244,656	**2,044,457**	244,656
Brightgreen Resources Corporation	Advances for working capital	**3,104,000**	–	**104,000**	–
Others	Advances for working capital	**63**	3,700	**3,763**	3,700
Associate -					
MARC	Advances for working capital	**–**	147,570,000	**–**	–
				₱100,110,840	₱66,406,777
Rent receivable					
Under common control-					
Prime Media Holdings, Inc.		**–**	₱855,000	**₱–**	₱855,000

Outstanding balances which are included in "Receivables" account are noninterest-bearing, payable on demand and settlement occurs in cash.

Key Management Personnel

Compensation of key management personnel amounted to ₱0.1 million in 2016 and ₱0.3 million in 2015 and 2014.

15. Loss Per Share

Basic and diluted loss per share is computed as follow:

	2016	2015	2014
Net loss	**(₱2,715,634)**	(₱29,972,810)	(₱138,475)
Weighted average number of common shares outstanding	**1,528,474,000**	1,528,474,000	1,528,474,000
Loss per share - basic and diluted	**(₱0.0)**	(₱0.02)	(₱0.00)

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

16. **Lease Commitments and Contingencies**

Lease Commitments – Company as Lessor
The Company entered into cancellable lease as a lessor. Rent income amounted to ₱0.8 million and ₱0.4 million in 2015 and 2014, respectively.

Legal Claims and Assignment of Litigation Cases
The Company is a co-defendant in a collection case filed in the Los Angeles Superior Court by a foreign Merchant and its Philippine affiliate in 2012. The matter involves a claim of $1.5 million U.S. dollars which the plaintiffs alleged was not paid to them from the charge cards availments that the Company processed under the Tripartite Merchants Agreements (TMA). The Company's records, however, reveal that all payments due to the Foreign Merchant were properly wired to the latter's designated agent. The Company did not breach any regulatory or trade standards in handling the TMAs being sued upon by the Foreign Merchant and its Philippine affiliate. 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.

The previous management of the Company, namely RCBC and RCBC Capital, undertook to indemnify the new management in the event that the court adjudged the Company liable under the Share Purchase Agreement dated October 18, 2013.

17. **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 in banks, receivables and accounts, other payables (excluding statutory liabilities) and note payable. The primary purpose of these financial instruments is to finance the Company's operations. The Company has other financial instruments such as related party receivables and note payable, which arise directly from its 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 default on its obligation. The Company's exposure to credit risk arises primarily from cash in banks and receivables.

Exposure to Credit Risk. The carrying value of cash in banks and receivables represent the Company's maximum exposure to credit risk in relation to financial assets.

Credit Quality. Credit risk arising from the inability of counterparty to meet the terms of the Company's financial instrument is generally limited to the amount, if any, by which the counterparty's obligations exceed the obligation of the Company. With respect to credit risk arising from the Company's financial assets, which comprise cash in banks and receivables, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these instruments.

High grade financial assets are those financial assets from counterparties with good financial condition and with relatively low defaults. Standard grade financial assets are those financial assets that are collected on their due dates without an effort from the Company to follow them up.

The aging analyses of financial assets as at December 31, 2016 and 2015 are as follows:

	2016				
	Neither Past Due Nor Impaired		**Past Due But Not**	**Past Due and**	
	High Grade	**Standard Grade**	**Impaired**	**Impaired**	**Total**
Cash in banks	**₱108,615,791**	**₱–**	**₱–**	**₱–**	**₱108,615,791**
Receivables	**110,110,840**	**–**	**–**	**–**	**110,110,840**
	₱218,726,631	**₱–**	**₱–**	**₱–**	**₱218,726,631**

	2015				
	Neither Past Due Nor Impaired		Past Due But Not	Past Due and	
	High Grade	Standard Grade	Impaired	Impaired	Total
Cash in banks	₱356,434,709	₱–	₱–	₱–	₱356,434,709
Receivables	67,261,777	–	–	–	67,261,777
	₱423,696,486	₱–	₱–	₱–	₱423,696,486

Cash in banks are with reputable financial institutions duly approved by the BOD.

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 as at December 31, 2016 and 2015 based on contractual undiscounted cash flows.

	2016			
	Less than One Month	**One Month to One Year**	**More than One Year**	**Total**
Accounts and other payables*	**₱227,061**	**₱–**	**₱–**	**₱227,061**
Note payable	**–**	**1,850,000,000**	**–**	**₱1,850,000,000**
	₱227,061	**₱1,850,000,000**	**₱–**	**₱1,850,227,061**

**Excluding statutory liabilities*

	2015			
	Less than One Month	One Month to One Year	More than One Year	Total
Accounts and other payables*	₱227,914	₱–	₱–	₱227,914
Note payable	200,000,000	–	1,850,000,000	2,050,000,000
	₱200,227,914	₱–	₱1,850,000,000	₱2,050,227,914

**Excluding statutory liabilities*

Fair Value of Financial Assets and Financial Liabilities

Set out below is a comparison by category of carrying values and fair values of the Company's financial instruments that are carried in the financial statements:

	2016		2015	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Cash in banks	**₱108,610,791**	**₱108,610,791**	₱356,434,709	₱356,434,709
Receivables	**110,110,840**	**110,110,840**	67,261,777	67,261,777
	₱218,721,631	**₱218,721,631**	₱423,696,486	₱423,696,486
Financial Liabilities				
Accounts and other payables*	**₱227,061**	**₱227,061**	₱227,914	₱227,914
Note payable	**1,850,000,000**	**1,805,723,656**	2,050,000,000	1,965,297,219
	₱1,850,227,061	**₱1,805,950,717**	₱2,050,227,914	₱1,965,525,133

**Excluding statutory liabilities*

Cash in Banks, Receivables and Accounts and Other Payables (excluding Statutory Liabilities). The carrying values of cash in banks, receivables and accounts and other payables (excluding statutory liabilities) approximate their fair values due to the short-term nature of the transactions. The fair value measurement of current financial assets and liabilities is classified as Level 3 (significant unobservable inputs).

Note Payable. The fair value of the Company's note payable was computed using the credit adjusted risk-free rate of 2.37% to 2.45% as at December 31, 2016 and 2015, respectively.

18. Capital Management Objectives, Policies and Procedures

Capital Management

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 by pricing products and services commensurate with the level risk. 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, issue new shares or convert related party advances to an equity component item.

The Company monitors its capital using the debt to equity ratio which is the total debt divided by the total equity. The Company includes total liabilities within the total debt.

There has been no change made in the objectives, policies and process in 2016 and 2015.

19. **Supplemental Information Required Under Revenue Regulations**

<u>Revenue Regulations No. 15-2010</u>
The information required by the above regulations for the year ended December 31, 2016 is presented below:

Output VAT
The Company has no revenue subject to output VAT for the year ended December 31, 2016.

Input VAT
Movements in input VAT for the year ended December 31, 2016 are shown below.

Beginning balance	₱5,983,128
Add: Current year's domestic purchases/payments for:	
Domestic purchase of services	1,542,099
Importation of goods other than capital goods	1,648
Domestic purchase of goods other than capital Goods	–
Less: Input VAT on purchases of capital goods exceeding one million deferred for the succeeding period	(2,176,775)
Ending balance	₱5,350,100

The Company has no output VAT in 2016. The Company's net input VAT (deferred and current) as at December 31, 2016 amounted to ₱7,526,875.

All Other Local Taxes
All other local taxes paid for the year ended December 31, 2016 consist of the following:

Real property tax	₱45,882
Municipal Tax	17,930
Documentary stamp tax	2,753
Annual registration fee	2,500
Others	4,094
	₱73,159

All other local taxes are presented as part of "Taxes and licenses" account under general and administrative expenses.

Withholding Taxes
Expanded withholding taxes paid and accrued for the year ended December 31, 2016 amounted to ₱260,000 and ₱2,622, respectively. Expanded withholding taxes accrued are presented as part of "Accounts and Other Payables" account in the statements of financial position.

Tax Assessments and Cases
The Company has no pending tax assessments and cases as at and for the year ended December 31, 2016.

Revenue Regulations No. 19-2011

The information required by the above regulations for the year ended December 31, 2016 is presented below.

Taxable Income

The Company has no taxable income for the year ended December 31, 2016. The difference between the taxable income and the income presented in the statements of comprehensive income amounting to ₱240,430 pertains to interest income already subjected to final tax.

Deductible Expenses

Depreciation	₱1,661,267
Membership dues and other fees	1,402,315
Professional fees	550,929
Outside services	472,876
Communication, light and water	161,100
Director's fees	124,412
Taxes and licenses	73,159
Others	203,709
	₱4,649,767

Other Deductible Expenses

The Company has no other deductible expenses.

BOA/PRC Accreditation No. 4782
December 29, 2015, valid until December 31, 2018
SEC Accreditation No. 0207-FR-2 (Group A)
September 27, 2016, valid until September 27, 2019

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REPORT OF INDEPENDENT AUDITOR 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 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 and for the year ended December 31, 2016 on which we have rendered our report dated April 7, 2017.

In compliance with Securities Regulations Code Rule 68, as amended, we are stating that the Company has 618 stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1022-AR-1 Group A
Valid until March 15, 2020
BIR Accreditation No. 08-005144-4-2017
Valid until January 13, 2020
PTR No. 5908526
Issued January 3, 2017, Makati City

April 7, 2017
Makati City, Metro Manila

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
LARGE TAXPAYERS ASSISTANCE DIVISION
Date APR 20 2017 TSIS
RECEIVED
MELINA PRISCA S. RANJO

BOA/PRC Accreditation No. 4782
December 29, 2015, valid until December 31, 2018
SEC Accreditation No. 0207-FR-2 (Group A)
September 27, 2016, valid until September 27, 2019

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Makati City 1226 Philippines
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REPORT OF INDEPENDENT AUDITOR
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Bright Kindle Resources & Investments, Inc.
16th Floor 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 and for the years ended December 31, 2016 included in this Form 17-A and have issued our report thereon dated April 7, 2017. Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary schedules as at December 31, 2016 are the responsibility of the Company's management. These supplementary schedules include the following:

- Adoption of Effective Accounting Standards and Interpretations
- Financial Ratios
- Reconciliation of Retained Earnings Available for Dividend Declaration
- Schedules required by Part II of SRC Rule 68, as amended

These schedules are presented for purposes of complying with Securities Regulation Code Rule 68 Part II, as amended, and are not part of the financial statements. This information have been subjected to the auditing procedures applied in the audit of the financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves. In our opinion, the information is fairly stated in all material respect in relation to the financial statements taken as a whole.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1022-AR-1 Group A
Valid until March 15, 2020
BIR Accreditation No. 08-005144-4-2017
Valid until January 13, 2020
PTR No. 5908526
Issued January 3, 2017, Makati City

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
LARGE TAXPAYERS ASSISTANCE DIVISION
Date APR 20 2017 TSIS
RECEIVED
MELINA PRISCA S. RANJO

April 7, 2017
Makati City, Metro Manila

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

SUPPLEMENTARY SCHEDULE OF ADOPTION OF
EFFECTIVE ACCOUNTING STANDARDS AND INTERPRETATIONS
DECEMBER 31, 2016

Title	Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics	✓		
PFRSs Practice Statement Management Commentary			✓

Philippine Financial Reporting Standards (PFRS)

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Ventures			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Financial Guarantee Contracts			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Amendment to PFRS 5: Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments			✓
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendment to PFRS 7: Servicing Contracts			✓
	Amendment to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments			✓
	Amendments to PFRS 8: Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets			✓
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Transition Guidance			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PFRS 12: Investment Entities			✓
	Amendments to PFRS 12: Investment Entities: Applying the Consolidation Exception			✓
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓

Philippine Accounting Standards (PAS)

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendment to PAS 1: Clarification of the Requirements for Comparative Presentation			✓
	Amendments to PAS 1: Disclosure Initiative			✓
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendments to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Classification of Servicing Equipment			✓
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
	Depreciation			
	Amendment to PAS 16: Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortization	✓		
	Amendment to PAS 16: Agriculture: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits			✓
	Amendment to PAS 19: Defined Benefit Plans: Employee Contributions			✓
	Amendment to PAS 19: Discount Rate: Regional Market Issue			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendment to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Financial Instruments: Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
	and Obligations Arising on Liquidation			
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendment to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities	✓		
	Amendment to PAS 34: Disclosure of Information 'Elsewhere in the Interim Financial Report'	✓		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Amendment to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization			✓
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39: Financial Guarantee Contracts			✓
	Amendments to PAS 39: Reclassification of Financial Assets	✓		
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property			✓
	Amendment to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-occupied Property			✓
PAS 41	Agriculture			✓
	Amendment to PAS 41: Agriculture: Bearer Plants			✓

Philippine Interpretations

Interpretations	Title	Adopted	Not Adopted	Not Applicable
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC–9: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓

Interpretations	Title	Adopted	Not Adopted	Not Applicable
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓

Interpretations	Title	Adopted	Not Adopted	Not Applicable
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies	✓		

PHILIPPINE INTERPRETATIONS - SIC

Interpretations	Title	Adopted	Not Adopted	Not Applicable
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases – Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

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

SUPPLEMENTARY SCHEDULE OF FINANCIAL RATIOS

DECEMBER 31, 2016

Below is a schedule showing financial soundness indicators in 2016 and 2015.

	2016	2015
Current/Liquidity Ratio	**0.12**	2.13
Current assets	**₱214,941,283**	₱427,338,972
Current liabilities	**1,850,229,534**	200,330,928
Solvency Ratio	**(0.00)**	(0.01)
Loss before income tax, depreciation, and amortization	**(₱1,054,367)**	(₱28,382,709)
Total liabilities	**1,850,229,534**	2,050,330,928
Debt-to-equity Ratio	**1.80**	1.99
Total liabilities	**₱1,850,229,534**	₱2,050,330,928
Total equity	**1,030,500,259**	1,032,196,563
Asset-to-equity Ratio	**2.80**	2.99
Total assets	**₱2,880,729,793**	₱3,082,527,491
Total equity	**1,030,500,259**	1,032,196,563
Interest rate coverage Ratio	–	–
Pretax loss before interest	**(₱2,715,634)**	(₱29,956,829)
Interest expense	**–**	–
Profitability Ratio	**(0.00)**	(0.03)
Net loss	**(₱2,715,634)**	(₱29,972,810)
Total equity	**1,030,500,259**	1,032,196,563

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.

(A Subsidiary of RYM Business Management Corp.)

SUPPLEMENTARY SCHEDULE OF COMPANY'S RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2016

	Amount
Unappropriated retained earnings as shown in the financial statements, beginning	₱190,151,442
Cumulative share in net income of an associate	(12,202,518)
Unappropriated retained earnings available for dividend declaration, beginning	177,948,924
Net loss during the year	(2,715,634)
Share in net income of an associate	(1,693,703)
Total retained earnings available for dividend declaration at end of year	₱173,539,587

Reconciliation:

	Amount
Unappropriated retained earnings as shown in the financial statements at end of year	₱187,435,808
Cumulative share in net income of an associate	(13,896,221)
Total retained earnings available for dividend declaration at end of year	₱173,539,587

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
(A subsidiary of RYM Business Management Corp.)
SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II
OF SRC RULE 68, AS AMENDED
DECEMBER 31, 2016

Table of Contents

Schedule A. Financial Assets
December 31, 2016

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Valued based on market quotation at end reporting period	Income received and accrued
Cash in banks	N/A	₱108,610,791	₱108,610,791	₱–
Receivables	N/A	110,110,840	110,110,840	–
		₱218,721,631	₱218,721,631	₱–

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
December 31, 2016

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written-off	Current	Noncurrent	Balance at the end of the period
Related Parties							
RYM	₱63,621,821	₱–	₱–	₱–	₱63,621,821	₱–	₱63,621,821
Officers	2,536,600	34,800,000	7,999,801	–	29,336,799	–	29,336,799
Under common control				–		–	
Marcventures Mining and Development Corporation	–	23,000,000	18,000,000	–	5,000,000	–	5,000,000
AG Finance, Incorporated	244,656	1,799,800	–	–	2,044,457	–	2,044,457
Brightgreen Resources Corporation	–	3,104,000	3,000,000	–	104,000	–	104,000
Prime Media Holdings, Inc.	855,000	–	855,000	–	–	–	–
Others	3,700	63	–	–	3,763	–	3,763
	₱67,261,777	₱62,703,863	₱29,854,801	₱–	₱100,110,840	₱–	₱100,110,840

Schedule C. Indebtedness to Related Parties
December 31, 2016

Name of related party	Beginning Balance	Ending balance

-Not Applicable -

Schedule D. Guarantees of Securities of Other Issuers
December 31, 2016

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

-Not Applicable -

Schedule E. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	No. 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	101,169,000	257,145,011

Schedule F. Conglomerate Map