

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, 2023
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
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
[REDACTED]
7. Address of principal office
16th floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati
City
Postal Code
1227
8. Issuer's telephone number, including area code
(02) 88330769
9. Former name or former address, and former fiscal year, if changed since last report
-
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

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

11. Are any or all of registrant's securities listed on a Stock Exchange?
 Yes No
 If yes, state the name of such stock exchange and the classes of securities listed therein:
 Philippine Stock Exchange
12. Check whether the issuer:
 - (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes No

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

Yes No

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

Php 508,791,696

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS**

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

Yes No

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) Any annual report to security holders

-

(b) Any information statement filed pursuant to SRC Rule 20

-

(c) Any prospectus filed pursuant to SRC Rule 8.1

-

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Bright Kindle Resources
& Investments, Inc.

Bright Kindle Resources & Investments Inc.

BKR

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

For the fiscal year ended	Dec 31, 2023
Currency	PHP

Balance Sheet

	Year Ending	Previous Year Ending
	Dec 31, 2023	Dec 31, 2022
Current Assets	125,971,400	89,844,566
Total Assets	2,897,418,348	2,877,827,743
Current Liabilities	1,672,082,019	1,684,439,011
Total Liabilities	1,672,082,019	1,684,439,011
Retained Earnings/(Deficit)	377,966,314	344,891,351
Stockholders' Equity	1,225,336,329	1,193,388,732
Stockholders' Equity - Parent	-	-
Book Value Per Share	0.8	0.78

Income Statement

	Year Ending	Previous Year Ending
	Dec 31, 2023	Dec 31, 2022
Gross Revenue	2,551,291	556,581
Gross Expense	15,664,529	8,675,251
Non-Operating Income	46,195,165	40,313,575
Non-Operating Expense	-	-
Income/(Loss) Before Tax	33,081,927	32,194,905
Income Tax Expense	6,964	5,200
Net Income/(Loss) After Tax	33,074,963	32,189,705
Net Income/(Loss) Attributable to Parent Equity Holder	-	-
Earnings/(Loss) Per Share (Basic)	0.02	0.02
Earnings/(Loss) Per Share (Diluted)	0.02	0.02

Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Dec 31, 2023	Dec 31, 2022
Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	0.08	0.05
Quick Ratio	(Current Assets - Inventory - Prepayments) / Current Liabilities	0.07	0.05
Solvency Ratio	Total Assets / Total Liabilities	1.73	1.71
Financial Leverage Ratios			
Debt Ratio	Total Debt/Total Assets	0.58	0.59
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	1.36	1.41
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	-	-

Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	2.36	2.41
Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	-	-
Net Profit Margin	Net Profit / Sales	-	-
Return on Assets	Net Income / Total Assets	0.01	0.01
Return on Equity	Net Income / Total Stockholders' Equity	0.03	0.03
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	71	75

Other Relevant Information

Please see attached SEC Form 17-A.

Filed on behalf by:

Name	Joanna Alexis Manzano
Designation	Legal Admin Supervisor

COVER SHEET

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S.E.C. Registration Number

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I	N	V	E	S	T	M	E	N	T	S	,			I	N	C	.											
(f	o	r	m	e	r	l	y		B	a	n	k	a	r	d	,		I	n	c	.)					

(Company's Full Name)

1	6	t	h		F	l	o	o	r		B	D	O		T	o	w	e	r	s							
V	a	l	e	r	o		(	f	o	r	m	e	r	l	y		C	i	t	i	b	a	n	k			
T	o	w	e	r	)		8	7	4	1		P	a	s	e	o		d	e		R	o	x	a	s		
M	a	k	a	t	i		C	i	t	y																	

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

ROLANDO S. SANTOS

Contact Person

8821-2202/8833-0769

Company Telephone Number

1	2	3	1
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Month Day
Fiscal Year

SEC FORM 17-A (ANNUAL REPORT)
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FORM TYPE

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Month Day
Annual Meeting

N/A

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles
Number/Section

627

Total No. of Stockholders

nil

Domestic

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Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

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Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **December 31, 2023**
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. **Metro Manila** 6. (SEC Use Only)
Province, Country or other jurisdiction Industry Classification Code:
of incorporation or organization
7. **16th Floor BDO Towers Valero (formerly 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 Php508,791,696 computed on the basis of 358,304,011 representing 23.44% of the outstanding common shares at the closing price as of December 31, 2023 of Pesos 1.42 per share.

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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 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. In order to consummate the sale, a block sale was made between RCBC and RYM Business Management Corp. (the "Parent Company" or "RYM") together with other investors. As a result, RYM acquired 81.77% interest in the Company.

In view of the change in its ownership and management, the Company has changed the nature of its principal business. 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 holding of investments and any and all properties, including, but not limited to, bonds, debentures, promissory notes, shares of stocks, or other securities without however engaging in the business of an investment company under the Investment Company Act or a finance company or a broker or dealer in securities.

The Company's registered office is located at 16th Floor, BDO Towers Valero (formerly 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 2019 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, the Company provided business process outsourcing to interested clients given its expertise in credit card payment processing.

At present, the Company has no operating segment other than being a holding company. It holds 600,000,000 shares of Marcventures Holdings Inc. (MHI) representing 19.9% equity interest as of December 31, 2023. 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) Sources and availability of raw materials and the names of principal suppliers

None.

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

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

(viii) 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.

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

Refer to note 13 of the Audited Financial Statements.

(x) 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 had licenses from MasterCard International (Mastercard), Visa International (Visa), JCB International Co. (JCB), and Union Pay International (UPI), which allowed 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 had 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 need 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 2023.

(xiii) Cost & effects of compliance with environmental laws

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

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

Employees

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

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

Equity Price Risk

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

Credit Risk

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

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

Item 2. DESCRIPTION OF PROPERTY

The Company acquired a Condominium Unit with parking slots at Unit 16 B BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City (the "Office Condo Unit") last August 2014 which is being utilized as the Company's office space.

On January 20, 2023, the Company and its wholly-owned subsidiary, Brightstar Holdings and Development Inc. (BHDI) executed a Deed of Assignment whereby BKR assigned the Office Condo Unit in favor of BHDI in exchange for issuance of

1,121,505,000 new common shares with a par value of P0.10 per share out of the authorized capital stock of BHDl. The Company filed with the Securities and Exchange Commission a confirmation of valuation for the property for shares swap. As of even date, the application is still pending with the Securities and Exchange Commission. The unit's book value amounted to P34.12 million (see note 6 of the AFS).

Item 3. LEGAL PROCEEDINGS

All legal proceedings involving the Company were transferred to RBSC.

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

In 2023, 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, 2022
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 (PSE) under Banks and Financial Institutions and classified as Financials.

Stock Prices

			<u>High</u>		<u>Low</u>
<u>2023</u>					
	First Quarter	P	1.58	P	1.30
	Second Quarter		1.74		1.30
	Third Quarter		1.56		1.10
	Fourth Quarter		1.59		1.36
<u>2022</u>					
	First Quarter	P	2.21	P	1.55
	Second Quarter		2.78		1.90
	Third Quarter		2.04		1.40
	Fourth Quarter		1.59		1.15
<u>2021</u>					
	First Quarter	P	2.37	P	0.85
	Second Quarter		1.87		1.21
	Third Quarter		1.65		0.89
	Fourth Quarter		1.98		0.88

2. Holders

The number of stockholders of record as of December 31, 2023 is 627. Common shares outstanding as of this date is 1,528,474,000. The percentage of shares of stocks owned by the public is 23.4% of the total outstanding shares.

Top twenty (20) stockholders as December 31, 2023:

1	PCD Nominee Corporation (Filipino)	1,522,958,085	99.64%
2	PCD Nominee Corporation (Non-Filipino)	1,711,003	00.11%
3	William R. Cu-Unjieng &/or Cynthia C.U.Bunag	200,000	00.01%
4	Jardine CMG Life	146,000	00.01%
5	Ric Castaneda &/or Hector Uy	100,000	00.01%
6	Salazar, Ernesto B.	100,000	00.01%
7	AMA Rural Bank of Mandaluyong, Inc.	100,000	00.01%
8	William R. Cu Unjieng	100,000	00.01%
9	Borres, Jun M.	90,000	00.01%
10	Roldan, Marian D.	83,000	00.01%
11	Jardine CMG Value	80,000	00.01%
12	Jun M. Borres &/or Buenaventura Casenas	60,000	00.00%
13	Gili Jr., Guillermo F.	50,000	00.00%
14	Lopez, Oscar M.	50,000	00.00%
15	Vilar, Antonio T.	50,000	00.00%
16	Torres, Roberto Belarmino S.	50,000	00.00%
17	Punzalan, Larry A.	43,500	00.00%
18	Sy, Victor Gan	40,000	00.00%
19	Kairuz, Peter M	40,000	00.00%
20	Tan Bin Yan &/or Carina C. Titterington	33,000	00.00%

3. Dividends

On September 8, 2023, the Board approved a property dividend of 509,491,063 common shares with par value of Php 0.10 per share, or an aggregate value of P50.95 million, of the Parent Company's subsidiary, BHDI, to be paid at a ratio of one (1) BHDI share for every three (3) common shares of the Parent Company held.

The BOD also declared a cash dividend of P0.0037 per share or a total of P5.66 million to cover the withholding taxes and expenses of the property dividend.

The Parent Company set the declaration date on October 16, 2023.

To date, the Parent Company has not yet implemented the declaration of dividends as it is waiting for SEC approval of the confirmation of valuation of the property for share swap between the Parent Company and the Subsidiary. Thereafter, the Parent Company shall apply for property dividends with the SEC.

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, 2023 and 2022 prepared in conformity with the Philippine Financial Reporting Standards (PFRS) hereto attached in the Exhibits.

The financial information for the three years ended December 31, 2023, 2022 and 2021 are as follows:

2023 vs. 2022

Results of operations

	Audited		Increase (Decrease)	
	2023	2022	Amount	%
	<i>(in millions)</i>			
Revenue	₱2.55	₱0.56	₱1.99	358.39%
General and administrative expenses	15.66	8.68	6.99	80.57%
Share in net income of an associate	46.20	40.31	5.88	14.59%
Net income	33.08	32.19	0.89	2.76%

During the year, the Company was able to generate a net income of ₱33.08 million, an increase of ₱0.89 million compared with same period last year. Significant changes in the income statement accounts for the year ended December 31, 2023 versus the same period last year are as follows:

- Given that the Company has no active operations yet, income is derived mainly from interest income and share of net income of an associate. The balance of the Company's income is minimal due to the low level of its cash in banks.
- **General and administrative expenses** increased by ₱6.99 million or 80.57% compared with same period last year. The movement is attributable to the following:
 - Repairs and maintenance increased by ₱0.62 million or 7,259.66% compared with the same period last year, primarily due to the replacement of the air handling unit in the office incurred during the year.
 - Outside services increased by ₱1.56 million or 129.52% due to the amplified rate of some service providers.
 - Professional fees increased by ₱1.85 million or 122.98% compared with the same period last year, primarily due to management fees incurred during the year.
 - Taxes and licenses increased by ₱1.68 million or 235.12% due to processing the transfer and registration of properties.
- **Share in net income of an associate** – An associate's improved operating performance during the year posted a share in net income of ₱46.20 million to the Company, an increase of ₱5.88 million compared with the same period last year.

Financial Position

	Audited 2023 <i>(in millions)</i>	2022	Increase (Decrease)	
			Amount	%
Assets	₱2,897.42	₱2,877.83	₱19.59	0.68%
Liabilities	1,672.08	1,684.44	(12.36)	(0.73%)
Stockholders' Equity	1,225.34	1,193.39	31.95	2.68%

- The Company's total **Assets** of ₱2,897.42 million is higher by ₱19.59 million or 0.68% compared with same period last year. Although the increase may seem not significant, looking into its details, this increase is the net effect of the following major transactions:
 - Cash decreased by ₱40.29 million or 55.77% mainly due to the settlement of current obligations and projects.
 - The Company recorded ₱60.00 million of dividend receivable during the year from MHI, an associate. This dividend was consequently collected and used in part by the Company to pay for its general and administrative expenses.
 - Due from related parties increased by ₱13.39 million or 190.65% to support the working capital requirements of the related parties.
 - Property and equipment decreased by ₱1.60 million compared with the same period last year, mainly due to depreciation expense recognized during the year.
 - The decrease in investment in an associate by ₱14.93 million compared with the same period last year is primarily due to the recognition of dividends from an associate during the year.
- Decreased in **Liabilities** by ₱12.36 million compared with the same period last year. The movement is primarily due to the settlement of various obligations from related parties.
- An increase in **Stockholder's Equity** by ₱31.95 million is the net result of the net income recognized during the year.

Cash Flow

	Audited 2023 <i>(in millions)</i>	2022	Increase (Decrease)	
			Amount	%
Cash used in operating activities	(₱15.10)	(₱6.52)	(₱8.57)	(131.41%)
Cash provided by (used in) investing activities	(13.52)	77.29	(90.81)	(117.50%)
Cash provided by (used in) financing activity	(11.67)	1.05	(12.72)	(1,209.73%)

The cash used in operating activities increased from ₱6.52 million in 2022 to ₱15.10 million in 2023 was mainly due to payment of suppliers and projects.

Net cash used in investing activities amounting to ₱13.52 million was mainly used to support the working capital requirements of the related parties.

Net cash used in financing activity amounting to ₱11.67 million was mainly due to settlement of various obligations from related parties.

2022 vs. 2021

Results of operations

	Audited		Increase (Decrease)	
	2022	2021	Amount	%
	<i>(in millions)</i>			
Revenue	₱0.56	₱0.00	₱0.56	73,327.61%
General and administrative expenses	8.68	12.84	(4.16)	(32.41%)
Share in net income of an associate	40.31	150.53	(110.22)	(73.22%)
Net income	32.19	137.70	(105.50)	(76.62%)

During the year, the Company was able to generate a net income of ₱32.19 million, a decrease of ₱105.50 million compared with same period last year. Significant changes in the income statement accounts for the year ended December 31, 2022 versus the same period last year are as follows:

- Given that the Company has no active operations yet, income is derived mainly from interest on bank deposits and the share of net income of an associate. The balance of the Company's income is minimal due to the low level of its cash in banks.
- General and administrative expenses decreased by ₱4.16 million or 32.41% compared with same period last year. The movement is attributable to the following:
 - Representation expenses were incurred last year, resulting to a decrease by ₱3.81 million or 97.51% during the year.
 - Professional fees decreased by ₱0.20 million or 11.51% compared with the same period last year, primarily due to payment to Lucky Securities Inc. services last year.
 - Due to some property and equipment that became fully depreciated during the year, the Depreciation dropped by ₱0.29 million or 14.83%.
 - Comparing with same period last year, taxes and licenses during the year are lower by ₱0.54 million or 43.21%. Last year, the Company paid for a penalty to BIR relating to tax deficiency in 2017, resulting to lower balance than this year.
- Share in net income of an associate – An associate's declined operating performance during the year posted a share in net income of ₱40.31 million to the Company, a decreased of ₱110.22 million compared with the same period last year.

Financial Position

	Audited		Increase (Decrease)	
	2022	2021	Amount	%
	<i>(in millions)</i>			
Assets	₱2,877.83	₱2,843.26	₱34.56	1.22%
Liabilities	1,684.44	1,683.00	1.44	0.09%
Stockholders' Equity	1,193.39	1,160.27	33.12	2.85%

- The Company's total **Assets** of ₱2,877.83 million is higher by ₱34.56 million or 1.22% compared with same period last year. Although the increase may seem not significant, looking into its details, this increase is the net effect of the following major transactions:
 - The Company recorded ₱78.00 million of Dividend receivable last year from MHI, an associate. This dividend was consequently collected and used in part by the Company to pay for its general and administrative expenses.
 - Property and equipment declined by ₱0.96 million compared with same period last year, mainly due to depreciation recognized during the year.
 - The increase in Investment in an associate by ₱41.25 million compared with same period last year is primarily due to recognition of the share in net income and other comprehensive income of an associate during the year.
- **Liabilities** of ₱1,684.44 million increased by ₱1.44 million comparing with same period last year. The movement is primarily due to advances from related parties, which was also used by the Company for its working capital requirements.
- Increase in **Stockholder's Equity** is the net result of the net income recognized during the year, and of the share in other comprehensive income of an associate.

Cash Flow

	Audited 2022 <i>(in millions)</i>	2021	Increase (Decrease) Amount		%
Cash used in operating activities	(₱6.52)	(₱10.76)	₱4.24		39.39%
Cash provided by investing activities	77.29	1.82	75.47		4,150.46%
Cash provided by financing activity	1.05	8.86	(7.81)		(88.13%)

Cash used in operating activities during the year amounted to ₱6.52 million, while cash used in operating activities in same period last year amounted to ₱10.76 million. During the year, the Company borrowed from Marcventures Mining and Development Corporation (MMDC) amounting to ₱1.05 million. Cash outflows made pertain to payments for general and administrative expenses.

The additions and/or acquisitions of computer software and office furniture and fixtures were made during the year amounted to ₱0.63 million and 0.06 million, respectively.

Key Performance Indicators

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Return on Asset (%)	1.15%	1.13%	4.98%
Return on Equity (%)	2.73%	2.74%	12.66%

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 2023 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, 2023. RTC is a leading professional services firm with a proven track record of high-quality work. RTC provides value-added services to clients through its client caring team of outstanding audit, tax and business professionals who utilize leading-edge systems and technology and are guided by the highest standards of quality, integrity and competence.

For the audit of the Company's Annual financial statements and services provided in connection with statutory and regulatory filings or engagements, the aggregate amounts to be billed or already billed excluding VAT and out-of-pocket expenses (OPE) by RTC amounts/amounted to ₱0.57 and ₱0.53 million for 2022 and 2021, 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 2 to Financial Statements.

PART III—CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

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

Board of Directors and Executive Officers

Cesar C. Zalamea	94	Chairman of the Board/Director	Filipino
Augusto Antonio C. Serafica, Jr.	62	Director/ President/CEO	Filipino
Rolando S. Santos	73	Director/ SVP and Treasurer	Filipino
Remegio C. Dayandayan Jr.	43	Director	Filipino
Minda P. De Paz	83	Director	Filipino
Hermogene H. Real	68	Director/ Assistant Corporate Secretary	Filipino
Edgar Dennis A. Padernal	64	Director	Filipino
Kwok Yam Ian Chan	36	Independent Director	British
Rhodora L. Dapula	45	Independent Director	Filipino
Andrew Julian K. Romualdez	23	Director	Filipino
Lester C. Yee	35	Director	Filipino

Ana Maria A. Katigbak <i>(appointed on September 8, 2023)</i>	55	Corporate Secretary	Filipino
Rommel T. Casipe	36	Co-Assistant Corporate Secretary <i>(appointed on May 5, 2023)</i> , Data Privacy Officer, Compliance Officer <i>(appointed on September 8, 2023)</i> and Corporate Information Officer <i>(appointed on November 21, 2023)</i>	Filipino
Dale A. Tongco	59	Vice-President Risk Management and Chief Risk Officer	Filipino
Kenneth Peter D. Molave <i>(resigned effective September 8, 2023)</i>	34	Corporate Secretary, Data Privacy Officer and Compliance Officer	Filipino
Pamela Joannie Aguila <i>(appointed on March 9, 2023 and resigned effective April 24, 2023)</i>	42	Co-Assistant Corporate Secretary	Filipino
Reuben F. Alcantara <i>(resigned effective March 12, 2023)</i>	40	VP Marketing	Filipino
Maila G. De Castro <i>(resigned effective February 10, 2023)</i>	48	SVP Corporate Secretary, Compliance Officer and Data Privacy Officer	Filipino

Incumbent Directors

Cesar C. Zalamea

Chairman of the Board
January 03, 2014 to present
94 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 valedictorian. Mr. Zalamea received his MBA from New York University.

Augusto Antonio C. Serafica, Jr.

Director/ President and CEO
January 03, 2014 to present
62 years old/Filipino

Mr. Augusto Antonio C. Serafica Jr. was elected as Director in June 2013. Mr. Serafica is currently the President and CEO of Bright Kindle Resources & Investments Corp and Armstrong Capital Holdings, Inc. He was formerly the President of Premiere Horizon Alliance Corporation and the Managing Director of Asian Alliance Investment Corporation and Asian Alliance Holdings & Development Corporation. He is currently the Treasurer of Ardent Property Development Corporation and First Ardent Development Corporation.

Mr. Serafica obtained a Bachelor of Commerce in Accountancy degree from San Beda College and master's in business management from the Asian Institute of Management. Mr. Serafica is a Certified Public Accountant.

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., and was a former Treasurer of the Federation of AIM Alumni Associations, Inc. and Chairman and Director of the Alumni Association of AIM – Philippines, Inc. He was also a former National Chairman of the Board of Trustees as well as a former National Treasurer of the Brotherhood of Christian Businessmen and Professionals (BCBP).

Rolando S. Santos

Director/SVP and Treasurer
January 03, 2014 to present
73 years old/Filipino

Mr. Rolando S. Santos was elected Director in May 2014. He has been the SVP Treasurer of the Company since January 2014 and he became Vice President from 2014 until 2016. He serves as Treasurer of Marcventures Holdings Inc., Marcventures Mining and Development Corp. and Prime Media Holdings Inc. He was previously the Branch Head/ Cluster Head for Makati Branches of Equitable PCI Bank which was eventually acquired by BDO from 2001 to 2013. He served as Branch Head in Diliman, Quezon City to Area Head for Metro and Provincial branches of the Bank of Commerce from 1984 to 2001. He also served as Branch head in West Avenue, Quezon City and Marikina branches of the Producers Bank of the Philippines from 1981 to 1984. He worked at the Far East Bank and Trust Co. From 1972 to 1981. He was also employed as a liaison officer of the Malacanang Information and Assistance Unit from 1970 to 1972. He obtained his degree in Bachelor of Science in Business Administration from the University of the East.

Remegio C. Dayandayan, Jr.

Director
March 26, 2014 to present
43 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
83 years old/Filipino

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

Hermogene H. Real

Director/ Assistant Corporate Secretary

January 03, 2014 to present

68 years old/Filipino

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

Edgar Dennis A. Padernal

Director

December 15, 2021 to present

64 years old/ Filipino

Atty. Edgar Dennis A. Padernal was elected Director in December 15, 2021. He is a litigation lawyer and a partner in Andres Padernal & Paras Law Offices. He obtained Bachelor of Laws in 1984 from Ateneo College of Law, and his Bachelor of Arts in History Political Science in 1980 from De la Salle University. He was admitted to the Bar in 1985. Right after law school he worked with the Supreme Court at the Office of the Chief Justice, Felix V. Makasiar, and then at the Office of the Court Administrator. He then worked in the Trenas Law Offices, the Acaban Corvera del Castillo Law Offices, and the Lagustan and Mabasa Law Offices. In 1996, he joined the Ponce Enrile Reyes & Manalastas Law Offices (PECABAR) and became a partner of PECABAR in July 1998-March 2004. He was a director of Benguet Corporation from August 2018-September 2020.

Kwok Yam Ian Chan

Independent Director

December 15, 2021 to present

36 years old/ British

Mr. Kwok Yam Ian Chan was elected as Independent Director on December 15, 2021. He is also an Independent Director of Marcventures Holdings, Inc. since September 25, 2020. He is currently a Director of Zenith System and Heavy Equipment, Seaborne Shipping Inc., and Isky Empire Realty Inc. He is likewise a Director of Megalifters Cargo Handling Corp., King Dragon Realty Corp. and DK Ventures Inc. Previous to that, he was the Managing Director of Dunfeng Philippines International Inc. from 2010 to 2017. He was also the President of Dunfeng Shipping Inc. from 2013 to 2017 and served as a Director of Mannage Resource and Trading Inc. from 2015 to 2017. He obtained his master's degree in Economics majoring in Finance at California Polytechnic University. Mr. Chan graduated from DLSU - College of St. Benilde with a Bachelor of Science degree in Business Administration majoring in Export Management.

Rhodora L. Dapula

Independent Director

December 15, 2021 to present

45 years old/ Filipino

Atty. Rhodora L. Dapula was elected as Independent Director in December 15, 2021. She is a Partner in Dapula, Dapula and Associates Law Offices; President/CEO of G.D. Brains and Castles, Inc. and Proficientlink Realty Corporation; and an Independent Director of Benguet Corporation. She is a CPA-Lawyer, Professional Regulation Commission (PRC) Licensed Real Estate Broker, PRC Licensed Real Estate Appraiser, PRC Licensed Real Estate Consultant, PRC Licensed Real Estate Environmental Planner and Licensed Life and Variable Life Financial Advisor. She is a PRC accredited lecturer for Real Estate Service Seminars and Trainings.

Mr. Andrew Julian K. Romualdez

Director

August 2, 2022 to present

23 years old/ Filipino

Mr. Andrew Julian K. Romualdez was elected as Director on August 2, 2022 to replace Atty. Jesse Hermogenes T. Andres who resigned effective June 30, 2022. He is currently a director of the Company's subsidiary, Brightstar Holdings and Development Inc. He is a director of *listed companies*, Benguet Corp. (BC) and Marcventures Holdings, Inc. (MHI). He is also a director of the BC's subsidiaries, namely: Benguetcorp Resources Management Corporation (BRMC), Arrow Freight and Construction Corporation (AFCC), Benguetcorp Laboratories, Inc. (BCLI) and Benguet Management Corporation (BMC). He is also a Director of MHI's subsidiaries, namely: Marcventures Mining and Development Corporation, Alumina Mining Phils., Inc. Bauxite Resources, Inc. and Brightgreen Resources Corporation. He is currently a director of Armstrong Securities, Inc. and Armstrong Capital Holdings, Inc. Mr. Romualdez graduated from Cornell University in 2022 with a Bachelor's Degree in International Agriculture and Rural Development.

Mr. Lester C. Yee

Director

March 9, 2023 to present

35 years old/ Filipino

Mr. Lester C. Yee was elected Director on March 9, 2023. He graduated Magna Cum Laude from the Ateneo de Manila University in 2009, with a Bachelor of Science Degree in Applied Mathematics, Major in Mathematical Finance, Minor in Economics, and finished his Master's Degree in Applied Mathematics, also at the Ateneo de Manila University in 2010.

Mr. Yee was an Assistant Vice President – Head of Corporate Planning and Investor Relations of Marcventures Holdings Inc. (July 2020 to December 2021). He was also a Director in Benguet Corporation (September 2020 to March 2021). He is a Director of Filcon Ventures Inc., and Director and Treasurer of VNF and Sons, Inc. He also once shared his competence in other companies/institutions where he served as Assistant Vice President, Investment Banking Group, and Licensed Fixed Income Salesman, Philippine Commercial Capital Inc. (April 2019 to May 2020); Senior Analyst, Maybank ATR Kim Eng Capital Partners Inc. (Feb. 2017 to April 2019).

Executive Officers:

Ana Maria A. Katigbak

Corporate Secretary
September 8, 2023 to present
55 years old/ Filipino

Atty. Ana Maria A. Katigbak was appointed on September 8, 2023 as Corporate Secretary. She is a Senior Partner in Castillo Laman Tan Pantaleon & San Jose Law Firm. She is a member of the Integrated Bar of the Philippines and a graduate of the University of the Philippines with a B.A. in comparative literature and Bachelor of laws. Over the past five years, she has served as director, corporate secretary of and assistant corporate secretary in various publicly-listed companies and clients of the law firm.

Rommel T. Casipe

Co-Assistant Corporate Secretary, Data Privacy
Officer, Compliance Officer and Corporate
Information Officer
May 5, 2023 to present
36 years old/ Filipino

Atty. Rommel T. Casipe was appointed as Co-Assistant Corporate Secretary on May 5, 2023, as Data Privacy Officer and Compliance Officer on September 8, 2023 and as Corporate Information Officer on November 21, 2023. He has been a member of the Integrated Bar of the Philippines since 2019. Before joining the Company, Atty. Casipe served as the Compliance Officer of D.M. Wenceslao & Associates, Inc., a real estate company. He also worked as an associate lawyer in OPCN Law Offices specializing in Labor Law and Trademark Law. He obtained his bachelor's degree in Sport Science from the University of the Philippines and Law degree from the Far Eastern University.

Dale A. Tongco

Vice-President Risk Management/
Chief Risk Officer
October 23, 2020 to present
58 years old/Filipino

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

Kenneth Peter D. Molave

Corporate Secretary, Data Privacy Officer
And Compliance Officer

October 16, 2019 to September 8, 2023

(Co-Asst. Corporate Secretary effective October 16, 2019 and as Corporate Secretary, Data Privacy Officer and Compliance Officer effective 09 March 2023)

34 years old/ Filipino

Atty. Kenneth Peter Molave was appointed Co-Assistant Corporate Secretary on October 16, 2019 and as Corporate Secretary, Data Privacy Officer and Compliance Officer on 09 March 2023 and he resigned on September 8, 2023. He is a practicing lawyer with experience in civil and criminal litigation, corporate law, corporate secretarial services, and business taxation. He worked as an underbar associate assigned to the Business Tax Services division at the accounting firm, Sycip Gorres Velayo & Co starting January of 2017. Upon obtaining his license to practice law, he worked with the Legal Services Group of the Department of Finance. In 2018, he transferred to Libra Law Firm as a Junior Associate assigned to the litigation department. In August 2019, he joined Marcventures Mining and Development Corporation (MMDC) as in-house Legal Associate. Atty. Molave holds a Legal Management degree from the Ateneo de Naga University and obtained his Juris Doctor from the University of the Philippines.

Pamela Joannie Aguila

Co-Assistant Corporate Secretary

March 9, 2023 to April 24, 2023

42 years old/ Filipino

Atty. Pamela Joannie M. Aguila was appointed as Co-Assistant Corporate Secretary on March 9, 2023 and she resigned on April 24, 2023. She is a practitioner with experience in civil and criminal litigation. Before joining Marcventures Holdings Inc., she was the Branch Clerk of Court of RTC Branch 4 in Imus City Cavite from 2018 to 2022. She was also the Associate Lawyer of AA Navarro Law Offices in 2017. From 2017, she has been a Bar Coach for JURISTS Bar Review Center as Bar Coach. She was previously a Law Professor at the Philippine Law School. Atty. Aguila holds a Political Science degree from the University of Batangas and graduated with Latin Honors in 2001 and obtained her Juris Doctor from San Sebastian College Recoletos De Manila in 2015.

Reuben F. Alcantara

Vice President for Marketing

May 26, 2016 to March 12, 2023

40 years old/Filipino

Mr. Reuben F. Alcantara was appointed Vice President for Marketing in May 2016 and resigned on March 12, 2023. He was previously the Senior Vice President for Marketing, Business Development, and Strategic Planning of Marcventures Holdings, Inc. He also previously served as the Vice President for Marketing of AG Finance, Inc., as Relationship and Credit Officer for Security Bank and has had stints in Corporate Banking in Bank of Commerce and Maybank Philippines. Mr. Alcantara obtained his Executive Masters in Business Administration Degree from the Asian Institute of Management in the year 2016.

Maila Lourdes G. de Castro

SVP Corporate Secretary/ Compliance Officer and Data Privacy Officer

September 3, 2019 to February 10, 2023

48 years old/ Filipino

Atty. Maila G. de Castro was appointed in September 2019 as Corporate Secretary, Compliance Officer and Data Privacy Officer until February 10, 2023. She was previously the Co-Assistant Corporate Secretary of Marcventures Holdings, Inc. and Corporate Secretary of Marcventures Mining & Development Corporation. She worked with Belo Gozon Elma Parel Law as Legal Associate and Special Projects Counsel from 2000-2006. From 2006 to 2013, she was the Corporate Counsel and Vice President/ Head of Legal and Corporate Planning of UNITEL Group of Companies. Before joining Marcventures Holdings, Inc. in August of 2019, she was in private practice handling matters for the content, technology, intellectual property, entertainment industries. Atty. de Castro holds a Master's degree in Business Administration from the Asian Institute of Management and a Juris Doctor from the Ateneo School of Law.

2. Significant Employees

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

3. Family Relationships

None.

4. Involvement in Certain Legal Proceedings

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

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

Item 10. EXECUTIVE COMPENSATION**Summary of Compensation Table**

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

SUMMARY OF COMPENSATION TABLE

NAMES	POSITION	SALARY	BONUS	PER DIEM
Cesar C. Zalamea	Chairman			
Augusto Antonio C. Serafica Jr.	President and CEO			
Rolando S. Santos	SVP and Treasurer			
Ana Maria A. Katigbak	Corporate Secretary			
Hermogene H. Real	Asst. Corporate Secretary			
Rommel T. Casipe	Co-Asst. Corporate Secretary			
Dale A. Tongco	VP Risk Management			
All above named officers as a group	2021			₱50,000.00
	2022			₱55,000.00
	2023 Estimated			₱55,000.00
All other officers and directors as group unnamed	2021			₱70,000.00
	2022			₱80,000.00
	2023 Estimated			₱80,000.00

The 2023 estimated compensation for directors and executive officers is subject to changes as the BOD through the Compensation Committee is continuously reviewing the directors' and executive officers' compensation which shall be in accordance with the parameters set by the Company's by-laws and other industry standards.

Compensation of Directors

(0) *Standard Arrangements*

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

(b) *Other Arrangements*

None.

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

For the year ended December 31, 2023, 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 2023

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 Corporation1 -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	970,159,989	63.47%
		Armstrong Capital Holdings Corp./ Client	Filipino	200,026,000	13.09%
Total				1,170,185,989	76.56%

(2) Security Ownership of Management as of 31 December 2023

Title of Class	Name Beneficial Owner	Amount and Nature of beneficial ownership	Citizenship	Percent of Class
Common	Cesar C. Zalamea	1,000/ Direct	Filipino	0.00%
Common	Rolando S. Santos	1,000/ Direct	Filipino	0.00%
Common	Remegio C. Dayandayan, Jr.	1,000/ Direct	Filipino	0.00%
Common	Minda P. de Paz	1,000/Direct	Filipino	0.00%
Common	Augusto Antonio C. Serafica, Jr.	1,000/ Direct	Filipino	0.00%
Common	Hermogene H. Real	900/ Direct	Filipino	0.00%
Common	Andrew Julian K. Romualdez	21,000/ Direct	Filipino	0.00%
Common	Edgar Dennis A. Padernal	1,000/ Direct	Filipino	0.00%
Common	Kwok Yam Ian Chan	1,000/ Direct	Filipino	0.00%
Common	Rhodora L. Dapula	1,000/ Direct	Filipino	0.00%
Common	Lester C. Yee	1,000/ Direct	Filipino	0.00%
Common	Ana Maria A. Katigbak	0	Filipino	0.00%
Common	Rommel T. Casipe	0	Filipino	0.00%
Common	Dale A. Tongco	0	Filipino	0.00%
	Total – Directors as a group	30,900/ Direct	Filipino	0.00%
	Total – Officers as a group	0	Filipino	0%

Item 12. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

There are no significant transactions entered into by the Company in the normal course of business with related parties except as discussed in note 10 to the Audited Financial Statements.

¹ PCD Nominee Corporation, a wholly owned subsidiary of Philippine Central Depository, Inc. ("PCD") is the registered owner of the shares in the books of the Company's transfer agents in the Philippines. The beneficial owners of such shares are PCD's participants, who hold the shares on behalf of their clients. PCD is a private company organized by the major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transactions in the Philippines.

PART IV – CORPORATE GOVERNANCE

Item 13. CORPORATE GOVERNANCE

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

PART V - EXHIBITS AND SCHEDULES

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

(a) Exhibits

Please see accompanying Index to Financial Statements.

(b) Reports on SEC Form 17-C

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

	Date of Report	Event Reported
(1)	September 8, 2023	(a) Results of the Board Meeting held on September 8, 2023 (b) Resignation of Atty. Kenneth Peter D. Molave as Corporate Secretary, Data Privacy Officer and Compliance Officer, and Appointments of Atty. Ana Maria A. Katigbak as Corporate Secretary and of Atty. Rommel T. Casipe as Co-Assistant Corporate Secretary, Data Privacy Officer and Compliance Officer (c) Notice of 2023 Annual Stockholders' Meeting
(2)	October 2, 2023	(a) Property Dividend Declaration (b) Cash Dividend Declaration
(3)	November 21, 2023	(a) Results of the Annual Stockholders' Meeting of Bright Kindle Resources & Investments, Inc. held on November 21, 2023 (b) Results of Organizational Meeting of the Board of Directors held on 21 November 2023

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 APR 30 2024 2024.

By:


AUGUSTO C. SERAFICA, JR.
President/CEO


ROLANDO S. SANTOS
SVP Treasurer


ANA MARIA A. KATIGBAK
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:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Place Issued/Valid Until</u>
Augusto C. Serafica, Jr.	TIN 102-097-338	Makati City
Rolando S. Santos	TIN 127-551-084	Makati City
Ana Maria A. Katigbak	TIN 173-182-955	Makati City

known to me and to me known as the same persons who executed the foregoing **2023 SEC Form 17-A Annual Report**, and they acknowledge to me that the same is their free and voluntary act and deed as well as of the corporations they respectively represent.

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

Doc. No. 201
Page No. 42
Book No. iii
Series of 2024. -


KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-572 valid until 31 Dec. 2024
Roll of Atty. No. 70029
MCLE Compliance No. VII-0018666; 04/12/2022
IBP Membership No. 414799; 01/10/2024
PTR No. PC 8457506; 01/03/2024
4F BDO Towers, 8741 Paseo de Roxas, Makati City

INDEX TO FINANCIAL STATEMENTS

Annex A: Audited Financial Statement of the Company for the years ended December 31, 2023, 2022, and 2021

Annex B: 2023 Sustainability Report



JACKY-LYN VALENZUELA
BRIGHTKINDLE

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Transactions

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Transactions

Upload Date ▾	Transaction Code	Remarks	Action
June 30, 2020 7:21:19 PM	AFS-2019-2QYRN3XX0MSYVV1P1NMX1YN1S0CK9D9EFB		
May 17, 2021 3:45:50 PM	AFS-0-NYMWN1Q0NXM3VTXQQW1YVYRW0PW411Y4N		
April 28, 2022 12:08:22 PM	AFS-0-8F9K8AHA0CCBH9659N1ZVSRWR0B97FLE9C		
April 17, 2023 10:05:45 PM	AFS-0-P2RMXZQ30QP1TVRMWN4QRMTZN04MQZRQSX		
April 16, 2024 10:51:07 PM	AFS-0-8B558C8H07AL98JHPYYYQQRV0BGK6A6FL		






Showing 1-5 out of 5

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 **JACKY-LYN VALENZUELA**
BRIGHTKINDLE

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AFS-0-8B558C8H07AL98JHPYYYYQQRV0BGK6A6FL

Upload Date	Document Type	File Name	File Size (MB)	Page Count	PDF file?
April 16, 2024 10:51:08 PM	OTHER	EAFS000803498OTHY122023.pdf	0.952808	7	✓
April 16, 2024 10:51:08 PM	ITR	EAFS000803498ITR122023.pdf	0.857517	6	✓
April 16, 2024 10:51:08 PM	RPT	EAFS000803498RPT122023.pdf	0.853527	3	✓
April 16, 2024 10:51:08 PM	TCR_1	EAFS000803498TCR122023-01.pdf	0.050974	1	✓
April 16, 2024 10:51:08 PM	AFS	EAFS000803498AFSTY122023.pdf	1.405183	27	✓

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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, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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, 2023 and 2022**, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

CESAR C. ZALAMEA
Chairman of the Board

AUGUSTO C. SERAFICA, JR.
President/CEO

ROLANDO S. SANTOS
SVP Treasurer

Signed this APR 16, 2024 day of _____



SUBSCRIBED AND SWORN to before me this APR 16 day of 2024 affiant(s) exhibiting to their evidence of identity, as follows:

NAMES	Competent Evidence of Identity (TIN)	DATE OF ISSUE	PLACE OF ISSUE
Cesar C. Zalamea	137-712-551		
Augusto C. Serafica, Jr.	102-097-338		
Rolando S. Santos	127-551-054		

Doc. No. 145 ;
Page No. 70 ;
Book No. 111 ;
Series of 2024.

Notary Public

KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-572 valid until 31 Dec. 2024
Roll of Atty. No. 70029
MCLE Compliance No. VII-0018666; 04/12/2022
IBP Membership No. 414799; 01/10/2024
PTR No. PC 8457506; 01/03/2024
4F BDO Towers, 8741 Paseo de Roxas, Makati City

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the separate financial statements of Bright Kindle Resources & Investments, Inc. (the Company), a subsidiary of RYM Business Management Corp., which comprise the separate statements of financial position as at December 31, 2023 and 2022, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years ended December 31, 2023, 2022, and 2021, and notes to separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023, 2022, and 2021, in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the separate 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.

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

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



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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these separate 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 separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 10072409

Issued January 2, 2024, Makati City

March 18, 2024

Makati City, Metro Manila

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

SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2023	2022
ASSETS			
Current Assets			
Cash	4	₱15,233,155	₱62,866,483
Due from related parties	11	7,170,233	8,416,816
Dividend receivable	11	60,000,000	–
Other current assets	5	10,995,074	10,562,596
Total Current Assets		93,398,462	81,845,895
Noncurrent Assets			
Property and equipment	6	34,784,217	36,388,244
Investment in an associate	7	2,736,662,732	2,751,594,933
Investment in a subsidiary	8	37,500,000	37,500,000
Total Noncurrent Assets		2,808,946,949	2,825,483,177
		₱2,902,345,411	₱2,907,329,072
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and statutory payables	9	₱238,457	₱1,157,389
Note payable	10	1,671,501,723	1,671,501,723
Subscription payable	8	–	28,125,000
Due to related parties	11	–	11,673,899
Total Current Liabilities		1,671,740,180	1,712,458,011
Equity			
Capital stock	12	840,660,700	840,660,700
Retained earnings		383,235,216	346,373,680
Other comprehensive income		6,709,315	7,836,681
Total Equity		1,230,605,231	1,194,871,061
		₱2,902,345,411	₱2,907,329,072

See accompanying Notes to Separate Financial Statements.

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

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31		
		2023	2022	2021
SHARE IN NET INCOME OF AN ASSOCIATE	7	₱46,195,165	₱40,313,575	₱150,532,128
OTHER INCOME	11	464,286	520,000	–
INTEREST INCOME	4	22,744	33,164	758
GENERAL AND ADMINISTRATIVE EXPENSES	13	(9,813,695)	(7,189,505)	(12,835,716)
INCOME BEFORE INCOME TAX		36,868,500	33,677,234	137,697,170
PROVISION FOR CURRENT INCOME TAX	14	(6,964)	(5,200)	–
NET INCOME		36,861,536	33,672,034	137,697,170
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Not to be reclassified to profit or loss in subsequent period -</i>				
Share in other comprehensive income (loss) of an associate	7	(1,127,366)	932,508	800,456
TOTAL COMPREHENSIVE INCOME		₱35,734,170	₱34,604,542	₱138,497,626
EARNINGS PER SHARE - BASIC AND DILUTED	15	₱0.024	₱0.022	₱0.090

See accompanying Notes to Separate Financial Statements.

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

SEPARATE STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31		
		2023	2022	2021
CAPITAL STOCK - ₱0.55 par value				
Authorized - 2,000,000,000 shares				
Issued and outstanding -				
1,528,474,000 shares	12	₱840,660,700	₱840,660,700	₱840,660,700
RETAINED EARNINGS				
Balance at beginning of year		346,373,680	312,701,646	175,004,476
Net income		36,861,536	33,672,034	137,697,170
Balance at end of year		383,235,216	346,373,680	312,701,646
OTHER COMPREHENSIVE INCOME				
Accumulated share in other comprehensive income of an associate				
Balance at beginning of year		7,836,681	6,904,173	6,103,717
Share in other comprehensive income (loss) of an associate	7	(1,127,366)	932,508	800,456
Balance at end of year		6,709,315	7,836,681	6,904,173
		₱1,230,605,231	₱1,194,871,061	₱1,160,266,519

See accompanying Notes to Separate Financial Statements.

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

SEPARATE STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31		
		2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax		₱36,868,500	₱33,677,234	₱137,697,170
Adjustments for:				
Share in net income of an associate	7	(46,195,165)	(40,313,575)	(150,532,128)
Depreciation	6	1,733,505	1,642,287	1,928,187
Interest income	4	(22,744)	(33,164)	(758)
Operating loss before working capital changes		(7,615,904)	(5,027,218)	(10,907,529)
Increase (decrease) in accrued expenses and statutory payables		(918,932)	284,338	481,583
Increase in other current assets		(432,478)	(419,782)	(337,248)
Net cash used for operations		(8,967,314)	(5,162,662)	(10,763,194)
Interest received		22,744	33,164	758
Income tax paid	14	(6,964)	(5,200)	–
Net cash used in operating activities		(8,951,534)	(5,134,698)	(10,762,436)
CASH FLOWS FROM INVESTING ACTIVITIES				
Collections from related parties		1,246,583	–	1,818,397
Additions to property and equipment	6	(129,478)	(684,049)	–
Investment in a subsidiary	8	–	(9,375,000)	–
Advances made to related parties	11	–	(1,416,816)	–
Dividend received		–	78,000,000	–
Net cash provided by investing activities		1,117,105	66,524,135	1,818,397
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of subscription payables	8	(28,125,000)	–	–
Payments to related parties	11	(11,673,899)	–	–
Advances from related parties	11	–	1,051,490	8,856,875
Cash provided by (used in) financing activities		(39,798,899)	1,051,490	8,856,875
NET INCREASE (DECREASE) IN CASH		(47,633,328)	62,440,927	(87,164)
CASH AT BEGINNING OF YEAR		62,866,483	425,556	512,720
CASH AT END OF YEAR		₱15,233,155	₱62,866,483	₱425,556
NONCASH FINANCIAL INFORMATION				
Dividends receivable from associate	7	₱60,000,000	₱–	₱–
Acquisition of investment in a subsidiary through subscription payable	8	–	28,125,000	–

See accompanying Notes to Separate Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.

(A Subsidiary of RYM Business Management Corp.)

NOTES TO SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 and 2021

1. Corporate Information

General Information

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

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

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

Approval of Separate Financial Statements

The accompanying separate financial statements of the Company as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 were approved and authorized for issuance by the Board of Directors (BOD) of the Company on March 18, 2024.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

The separate 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 from International Financial Reporting Interpretations Committee issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Measurement Bases

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments – Disclosure Initiative – Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.
- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of

prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.

The adoption of the amendments to PFRS did not materially affect the separate financial statements of the Company. Additional disclosures were included in the separate financial statements, as applicable.

Amended PFRS in Issue But Not Yet Effective or Adopted

Relevant amended PFRS which are not yet effective as at December 31, 2023 and have not been applied in preparing the separate financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2024 -

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

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

Financial Assets and Liabilities

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

Financial asset or liability is 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).

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL), if any. Financial assets are derecognized when the right to receive cash flows from the asset has expired.

As at December 31, 2023 and 2022, the Company's cash, due from related parties, and dividend receivable is considered as financial assets at amortized cost.

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

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

As at December 31, 2023 and 2022, the Company's accrued expenses, note payable and due to related parties are classified financial liabilities at amortized cost.

Investment in an Associate

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

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

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

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

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

Investment in a Subsidiary

The Company's investment in a subsidiary is accounted for in the separate financial statements at cost less any impairment in value.

Under the cost method, the Company recognizes income from the investment only to the extent that the Company received distributions from accumulated profits of the subsidiary after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost of the investment.

A subsidiary is an entity in which the Company has control. Specifically, the Company controls an investee if it has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An assessment of the carrying amount of the investment in subsidiary is performed when there is an indication that the investment has been impaired.

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 accumulated share in OCI of an associate. This is not reclassified to profit or loss in subsequent period.

Income Taxes

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

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward benefits of any unused net operating loss carryover (NOLCO), excess minimum corporate income tax (MCIT) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused NOLCO can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

Basic and Diluted Earnings Per Share

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

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential dilutive common shares. Where the earnings per share effect of potential dilutive common shares would be anti-dilutive, basic and diluted earnings per share are stated at the same amount.

Related Party Transactions and Related Parties

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Company; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Company that give them significant influence over the Company and close members of the family of any such individual; and (d) members of the key management personnel of the Company.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

3. Significant Judgments, Accounting Estimates and Assumptions

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

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

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

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

- representation on the BOD or equivalent governing body of the investee;

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

The Company's investment in an associate qualifies this criteria despite not having 20% or more of the voting power on the investee.

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

- The carrying amount of the net assets of the associate is more than its market capitalization; and
- The carrying amount of the investment exceeds the Company's proportionate share in the carrying amounts of the associate's net assets in the separate financial statements.

In determining the recoverable amount, the Company is required to make estimates and assumptions such as commodity prices, discount rates, and foreign currency exchange rates that can materially affect the separate financial statements. Commodity prices and foreign exchange rate are based on the current and forecast in different banks. Discount rate estimate is computed using the weighted average cost of capital

Based on management assessment, the estimated recoverable amount of the Company's investment in an associate is higher than its carrying amount. The estimated recoverable amount was determined based on the cash flow projections of the associate using the discounted cash flow method. Accordingly, no impairment loss was recognized in 2023, 2022 and 2021. The carrying amount of investment in an associate is disclosed in Note 7.

Assessing the Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Company's unrecognized deferred tax assets is disclosed in Note 14.

4. Cash

This account consists of:

	2023	2022
Cash on hand	₱14,210	₱5,000
Cash in bank	15,218,945	62,861,483
	₱15,233,155	₱62,866,483

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned amounted to ₱22,744, ₱33,164, and ₱758 in 2023, 2022, and 2021, respectively.

5. Other Current Assets

This account consists of:

	2023	2022
Input VAT	₱10,093,192	₱9,660,230
Prepaid tax	597,806	595,485
Prepayments	173,501	175,745
Others	130,575	131,136
	₱10,995,074	₱10,562,596

6. Property and Equipment

Balances and movements in this account are as follows:

		2023			
	Note	Condominium Units	Office Furniture and Fixtures	Computer Equipment	Total
Cost					
Balances at beginning of year		₱47,788,569	₱1,852,968	₱627,000	₱50,268,537
Additions		-	40,201	89,277	129,478
Balance at end of year		47,788,569	1,893,169	716,277	50,398,015
Accumulated Depreciation					
Balances at beginning of year		12,088,718	1,791,575	-	13,880,293
Depreciation	13	1,579,141	17,859	136,505	1,733,505
Balances at end of year		13,667,859	1,809,434	136,505	15,613,798
Carrying Amount		₱34,120,710	₱83,735	₱579,772	₱34,784,217
		2022			
	Note	Condominium Units	Office Furniture and Fixtures	Computer Equipment	Total
Cost					
Balances at beginning of year		₱47,788,569	₱1,795,919	₱-	₱49,584,488
Additions		-	57,049	627,000	684,049
Balance at end of year		47,788,569	1,852,968	627,000	50,268,537
Accumulated Depreciation					
Balances at beginning of year		10,509,577	1,728,429	-	12,238,006
Depreciation	13	1,579,141	63,146	-	1,642,287
Balances at end of year		12,088,718	1,791,575	-	13,880,293
Carrying Amount		₱35,699,851	₱61,393	₱627,000	₱36,388,244

The condominium unit is being used as an office space of the Company. As at December 31, 2023 and 2022, the cost of fully-depreciated property and equipment still in use amounted to ₱1.8 million and ₱1.7 million, respectively.

Deed of Assignment to Brightstar Holdings and Development Inc. (BHDI)

On January 20, 2023, the Company and BHDI executed a Deed of Assignment under which the Company assigned in favor of BHDI its one (1) condominium unit and four (4) parking slots in exchange for 1,121,505,000 common shares with ₱0.10 par value a share from the authorized capital stock of BHDI. The transaction is pursuant to the approval by the Company of a property-for-share swap wherein the property will be exchanged for shares in the subsidiary, and subject to the confirmation of valuation by the SEC and tax-free exchange application with the Bureau of Internal Revenue (BIR).

As at March 18, 2024, the Company has yet to receive the approval of SEC on the property-for-share swap transaction.

7. Investment in an Associate

Movements in this account are as follows:

	2023	2022
Acquisition Cost	₱2,604,000,000	₱2,604,000,000
Accumulated Earnings		
Balance at beginning of year	139,758,252	99,444,677
Share in net income	46,195,165	40,313,575
Dividend income	(60,000,000)	–
Balance at end of year	125,953,417	139,758,252
Accumulated Share in OCI		
Balance at beginning of year	7,836,681	6,904,173
Share in OCI-		
Remeasurement gain (loss) on retirement benefit liability	(1,127,366)	932,508
Balance at end of year	6,709,315	7,836,681
Carrying Amount	₱2,736,662,732	₱2,751,594,933

The Company has 600,000,000 shares of Marcventures Holdings, Inc. (MARC) representing 19.90% equity interest as at December 31, 2023 and 2022. MARC has investments in mining companies located in Surigao del Sur and in the province of Samar. MARC's principal office address is at Unit 4-3 BDO Towers Paseo, Paseo de Roxas, Makati City.

Summarized financial information of MARC follows:

	2023	2022
Total current assets	₱898,183,945	₱917,911,835
Total noncurrent assets	5,151,631,057	5,022,731,586
Total current liabilities	598,565,310	395,260,891
Total noncurrent liabilities	653,876,102	672,998,260
Revenue	2,050,416,186	3,067,485,008
Net income	232,136,506	202,580,780
Other comprehensive income (loss)	(5,665,156)	4,685,970
Total comprehensive income	226,471,350	207,266,750

The reconciliation of the share in the net assets of MARC and the carrying amount of the investment in an associate as at December 31, 2023 and 2022 are as follows:

	2023	2022
Net assets as at beginning of year	₱4,872,386,074	₱4,665,119,324
Net income	232,136,506	202,580,780
Dividend declaration	(301,482,030)	–
Other comprehensive income (loss)	(5,665,156)	4,685,970
Net assets as at end of year	4,797,375,394	4,872,386,074
Equity interest*	19.9%	19.9%
Share in net assets of associate	954,672,627	969,604,828
Goodwill on acquisition and others	1,781,990,105	1,781,990,105
Carrying amount	₱2,736,662,732	₱2,751,594,933

*rounded

8. Investment in a Subsidiary and Subscription Payable

In 2022, the Company subscribed to 37,500,000 common shares of Brightstar Holdings and Development Inc. (BHDI) at ₱1 par value and is equivalent to a full ownership interest.

The subscription payable amounting to ₱28.1 million in 2022 which was presented as subscription payable in the separate statement of financial position was fully paid in 2023.

BHDI was incorporated and registered with the SEC on May 27, 2022. It is primarily engaged in dealing with all kinds of property, including but not limited to bonds, debentures, promissory notes, shares of stock, or other securities or obligations 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.

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

The summarized financial information of BHDI is as follows:

	2023	2022
Current assets	₱32,578,939	₱9,389,817
Current liabilities	347,839	1,497,146
Equity	32,231,100	7,892,671
Net loss	3,786,571	1,482,328

9. Accrued Expenses and Statutory Payables

This account consists of:

	2023	2022
Accrued expenses	₱226,262	₱1,075,486
Statutory payables	12,195	81,903
	₱238,457	₱1,157,389

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

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

10. Note Payable

The Company's note payable amounting to ₱1,671.5 million as at December 31, 2023 and 2022 pertains to a due and demandable, noninterest-bearing loan from Trans Middle East Philippine Equities, Inc. (TMEE), a related party. The proceeds of the loan were used to finance the acquisition of investment in MARC.

11. Related Party Transactions

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

	Note	Nature of Transactions	Amount of Transactions		Outstanding Balances	
			2023	2022	2023	2022
Dividend receivable						
<i>Associate -</i>						
MARC	7	Share in dividend declared of the associate	₱60,000,000	₱-	₱60,000,000	₱-
Other income						
<i>Affiliates -</i>						
MMDC		Other income	₱464,286	₱520,000	₱-	₱-
Due from related parties						
<i>Parent Company</i>						
		Advances for working capital	₱-	₱-	₱7,000,000	₱7,000,000
<i>Subsidiary</i>						
		Advances for working capital	-	1,391,146	-	1,391,146
<i>Affiliates -</i>						
<i>Others</i>						
		Advances for working capital	144,563	25,670	170,233	25,670
					₱7,170,233	₱8,416,816
Due to related parties						
<i>Affiliates -</i>						
MMDC		Advances for working capital	₱23,177	₱1,013,490	₱-	₱9,870,365
Prime Media Holdings, Inc.		Advances for working capital	-	38,000	-	1,803,534
					₱-	₱11,673,899
Note payable						
<i>Affiliate -</i>						
TMEE	10	Note payable	₱-	₱-	₱1,671,501,723	₱1,671,501,723

Due from/Due to Related Parties

These amounts represent working capital advances which are unimpaired, unsecured and collectible in cash. Working capital advances are noninterest-bearing and collectible on demand.

Other Income

Other income amounting to ₱0.5 million pertains to the consideration for the use of the Company's condominium properties as collateral for MMDC's loan facility equivalent to 2% of monthly principal amortization of the loan.

Compensation of Key Management Personnel

The Company has not paid any compensation to its key management personnel in 2023 and 2022. The accounting and administrative functions of the Company are being handled by the affiliate companies at no cost.

12. Equity

On March 21, 1995, the SEC approved the listing of the Company's 118,000,000 shares at an offer price of ₱1 per share. Accordingly, on the same date, the Parent Company listed its shares with PSE. Subsequently, the par value of the Company's common stock was reduced from ₱1 per share to ₱0.55 per share as approved by the SEC on October 17, 2012.

As at December 31, 2023 and 2022, the Company has ₱840,660,700 capital stock. The Company's listed shares in the PSE are 1,528,474,000 shares.

The following summarizes the information on the Company's issued and subscribed shares as at December 31, 2023:

	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*	10,000	0%
Public shareholdings	358,304,011	23.44%
	1,528,474,000	100.00%

*Shareholdings represent 0.0007% of the total shares.

The total number of shareholders of the Company is 627 and 631 as at December 31, 2023 and 2022, respectively.

13. General and Administrative Expenses

This account consists of:

	Note	2023	2022	2021
Professional fees		₱2,131,805	₱1,397,084	₱1,703,106
Depreciation	6	1,733,505	1,642,287	1,928,187
Membership dues and other fees		1,427,565	1,519,175	1,354,426
Outside services		1,121,331	938,375	1,244,927
Taxes and licenses		740,175	4,151	47,136
Repairs and maintenance		627,705	8,529	87,590
Director's fees		504,889	685,000	495,000
Insurance		360,737	286,435	205,719
Advertising and promotions		271,829	77,000	139,120
Fines and penalties		239,226	1,000	1,212,155
Representation		213,591	71,334	3,904,200
Communication, light and water		159,619	274,549	143,964
Others		281,718	284,586	370,186
		₱9,813,695	₱7,189,505	₱12,835,716

14. Income Taxes

Provision for current income tax of ₱6,964 in 2023 and ₱5,200 in 2022 pertains to MCIT.

The Company's unrecognized deferred tax assets are as follows:

	2023	2022
NOLCO	₱7,372,530	₱5,148,382
Excess MCIT	12,164	5,200
	₱7,384,694	₱5,153,582

Management has assessed that there may be no sufficient future taxable profits against which the deferred tax assets can be utilized.

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:

	2023	2022	2021
Provision for income tax computed at statutory tax rate	₱9,217,125	₱8,419,309	₱34,424,293
Change in unrecognized deferred tax assets	2,231,112	360,288	132,220
Add (deduct) tax effects of:			
Share in net income of an associate	(11,548,791)	(10,078,394)	(37,633,032)
Nondeductible expenses	113,204	19,907	1,279,089
Interest income subjected to final tax	(5,686)	(8,291)	(190)
Expired NOLCO	-	1,292,381	1,797,620
	₱6,964	₱5,200	₱-

As at December 31, 2023, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Year of Expiry
2023	₱-	₱8,896,593	₱-	₱8,896,593	2026
2022	6,589,880	-	-	6,589,880	2025
2021	7,719,361	-	-	7,719,361	2026
2020	6,284,288	-	-	6,284,288	2025
	₱20,593,529	₱8,896,593	₱-	₱29,490,122	

As at December 31, 2023, excess MCIT are as follows:

Year	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Year of Expiry
2023	₱-	₱6,964	₱-	₱6,964	2026
2022	5,200	-	-	5,200	2025
	₱5,200	₱6,964	₱-	₱12,164	

Under Republic Act No. 11494, also known as "Bayanihan to Recover As One Act" and Revenue Regulations No 25-2020, the Group is allowed to carry-over its net operating losses incurred for taxable years 2020 and 2021 for the next five (5) years immediately following the year of such loss.

15. Basic and Diluted Earnings per Share

Basic and diluted earnings per share are computed as follows:

	2023	2022	2021
Net income	₱36,861,536	₱33,672,034	₱137,697,170
Weighted average number of common shares outstanding	1,528,474,000	1,528,474,000	1,528,474,000
Earnings per share - basic and diluted	₱0.024	₱0.022	₱0.090

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

16. Financial Risk Management Objectives and Policies

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

Financial Risk Management Objectives and Policies

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

Credit Risk

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

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

Financial Assets at Amortized Cost

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

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

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

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

	2023	2022
Cash in banks	P15,218,945	P62,861,483
Due from related parties	7,170,233	8,416,816
Dividends receivable	60,000,000	-
	P82,389,178	P71,278,299

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

Liquidity Risk

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

The tables below summarize the maturity profile of the Company's financial liabilities at amortized cost as at December 31, 2023 and 2022 based on contractual undiscounted cash flows.

	2023			Total
	On Demand	Less Than One Year	More than One Year	
Accrued expenses	P-	P226,262	P-	P226,262
Note payable	1,671,501,723	-	-	1,671,501,723
	P1,671,501,723	P226,262	P-	P1,671,727,985

	2022			Total
	On Demand	Less Than One Year	More than One Year	
Accrued expenses	P-	P1,075,486	P-	P1,075,486
Note payable	1,671,501,723	-	-	1,671,501,723
Subscriptions payable	28,125,000	-	-	28,125,000
Due to related parties	11,673,899	-	-	11,673,899
	P1,711,300,622	P1,075,486	P-	P1,712,376,108

Fair Value of Financial Assets and Financial Liabilities

The carrying amount of cash, due from related parties, dividends receivable, accrued expenses, note payable, subscription payable and due to related parties approximate their fair values due to their short-term maturities and demand nature.

17. Capital Management Objectives, Policies and Procedures

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. Also, the Company is not subject to any externally imposed capital requirements.

The Company considers its total equity amounting to ₱1,230.6 million and ₱1,194.9 million as at December 31, 2023 and 2022, respectively, as its capital.

There has been no change in the objectives, policies, processes in 2023, 2022, and 2021.

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 0 2 1 6 5

COMPANY NAME

B	R	I	G	H	T		K	I	N	D	L	E		R	E	S	O	U	R	C	E	S		&		I	N	V	E	S	T	M	E	N	T	S	,	
I	N	C	.		A	N	D		S	U	B	S	I	D	I	A	R	Y																				

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

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C	i	t	i	b	a	n	k		T	o	w	e	r)	,		8	7	4	1		P	a	s	e	o		d	e		R	o	x	a	s	,	M	
a	k	a	t	i		C	i	t	y																													

Form Type

A A F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Group's Email Address

ana.katigbak@cltpsj.com.ph

Group's Telephone Number

8821-2202

Mobile Number

0920-928-6552

No. of Stockholders

627

Annual Meeting (Month / Day)

Last Thursday of May

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATIONThe designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Mr. Rolando S. Santos

Email Address

rolly.santos@marcventures.com.ph

Telephone Number

(02) 8831-4479

Mobile Number

0998-985-0229

CONTACT PERSON'S ADDRESS

4th Floor, BDO Towers Paseo, 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.



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Bright Kindle Resources and Investments, Inc. and Subsidiary (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 for overseeing the Group's financial reporting process.

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



CESAR C. ZALAMEA
Chairman of the Board



AUGUSTO C. SERAFICA, JR.
President/CEO



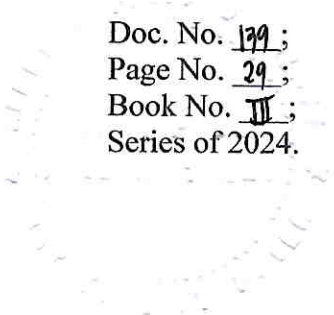
ROLANDO S. SANTOS
SVP Treasurer

Signed this APR 15 day of 2024



SUBSCRIBED AND SWORN to before me this _____ day of _____
affiant(s) exhibiting to their evidence of identity, as follows: **APR 15 2024**

NAMES	Competent Evidence of Identity (TIN)	DATE OF ISSUE	PLACE OF ISSUE
Cesar C. Zalamea	137-712-551		
Augusto C. Serafica, Jr.	102-097-338		
Rolando S. Santos	127-551-054		



Doc. No. 199 ;
Page No. 29 ;
Book No. II ;
Series of 2024.

Notary Public

KENNETH PETER D. MOLAVE
Notary Public for Makati City
Appt. No. M-572 valid until 31 Dec. 2024
Roll of Atty. No. 70029
MCLE Compliance No. VII-0018686; 04/12/2022
IBP Membership No. 414799; 01/10/2024
PTR No. PC 8457506; 01/03/2024
4F BDO Towers, 8741 Paseo de Roxas, Makati City

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of Bright Kindle Resources & Investments, Inc. (the Parent Company) and Subsidiary (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022 and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the Parent Company's statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ended December 31, 2021, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and cash flows for the years then ended, and the Parent Company's financial performance and cash flows for the year ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the consolidated financial statements of the current period. These matters were addressed in the context of our audits of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Assessment of Impairment of Investment in an Associate

The Group's investment in an associate with a carrying amount of ₱2.7 billion as at December 31, 2023, which comprise 94% of the total assets of the Group, is required to be assessed at reporting date if there are indicators of impairment. As discussed in Note 3, there are no indicators that the investment in an associate may be impaired. This is a key audit matter because of the significant judgment and estimate required in the computation of the recoverable amount of the investment to determine if impairment exists.

We have reviewed the discounted cash flows used by management to compute the recoverable amount of the investment in an associate. We validated the reasonableness of the discount rates and other assumptions used in the computation, which include, among others, production levels, commodity prices, sales forecasts, and foreign currency exchange rate by comparing to historical performance, external data and industry benchmarks. We also assessed the adequacy of the disclosures as presented in Notes 3 and 7 to consolidated financial statements.

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, 2023, but does not include the consolidated financial statements and our Auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report distributed to stockholders for the year ended December 31, 2023 are expected to be made available to us after the date of this Auditors' report.

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

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

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

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

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

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



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.



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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Carolina P. Angeles.

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 10072409

Issued January 2, 2024, Makati City

March 18, 2024

Makati City, Metro Manila

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2023	2022
ASSETS			
Current Assets			
Cash	4	₱31,956,612	₱72,244,400
Due from related parties	10	20,420,211	7,025,670
Dividend receivable	10	60,000,000	–
Other current assets	5	13,594,577	10,574,496
Total Current Assets		125,971,400	89,844,566
Noncurrent Assets			
Investment in an associate	7	2,736,662,732	2,751,594,933
Property and equipment	6	34,784,217	36,388,244
Total Noncurrent Assets		2,771,446,949	2,787,983,177
		₱2,897,418,349	₱2,877,827,743
LIABILITIES AND EQUITY			
Current Liabilities			
Note payable	9	₱1,671,501,723	₱1,671,501,723
Accrued expenses and statutory payables	8	575,146	1,263,389
Due to related parties	10	5,150	11,673,899
Total Current Liabilities		1,672,082,019	1,684,439,011
Equity			
Capital stock	11	840,660,700	840,660,700
Retained earnings		377,966,315	344,891,351
Other comprehensive income		6,709,315	7,836,681
Total Equity		1,225,336,330	1,193,388,732
		₱2,897,418,349	₱2,877,827,743

See accompanying Notes to Consolidated Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
For the Years Ended December 31, 2023 and 2022 and
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2021

		Years Ended December 31		
	Note	2023	2022*	2021
SHARE IN NET INCOME OF AN ASSOCIATE	7	₱46,195,165	₱40,313,575	₱150,532,128
GENERAL AND ADMINISTRATIVE EXPENSES	12	(15,664,528)	(8,675,251)	(12,835,716)
OTHER INCOME		2,524,194	520,000	–
INTEREST INCOME	4	27,097	36,581	758
INCOME BEFORE INCOME TAX		33,081,928	32,194,905	137,697,170
PROVISION FOR INCOME TAX	13	(6,964)	(5,200)	–
NET INCOME		33,074,964	32,189,705	137,697,170
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Not to be reclassified to profit or loss in subsequent period -</i>				
Share in other comprehensive income (loss) of an associate	7	(1,127,366)	932,508	800,456
TOTAL COMPREHENSIVE INCOME		₱31,947,598	₱33,122,213	₱138,497,626
EARNINGS PER SHARE - BASIC AND DILUTED	14	₱0.022	₱0.021	₱0.090

See accompanying Notes to Consolidated Financial Statements.

*Consolidated financial statements were prepared effective May 27, 2022, the date of incorporation of the Parent Company's wholly-owned subsidiary.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
For the Years Ended December 31, 2023 and 2022 and
PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2021

		Years Ended December 31		
	Note	2023	2022*	2021
CAPITAL STOCK - ₱0.55 par value				
Authorized - 2,000,000,000 shares				
Issued and outstanding -				
1,528,474,000 shares	11	₱840,660,700	₱840,660,700	₱840,660,700
RETAINED EARNINGS				
Balance at beginning of year		344,891,351	312,701,646	175,004,476
Net income		33,074,964	32,189,705	137,697,170
Balance at end of year		377,966,315	344,891,351	312,701,646
OTHER COMPREHENSIVE INCOME				
Accumulated share in other comprehensive income of an associate				
Balance at beginning of year		7,836,681	6,904,173	6,103,717
Share in other comprehensive income (loss) of an associate	7	(1,127,366)	932,508	800,456
Balance at end of year		6,709,315	7,836,681	6,904,173
		₱1,225,336,330	₱1,193,388,732	₱1,160,266,519

See accompanying Notes to Consolidated Financial Statements.

*Consolidated financial statements were prepared effective May 27, 2022, the date of incorporation of the Parent Company's wholly-owned subsidiary.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022 and
PARENT COMPANY STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

		Years Ended December 31		
	Note	2023	2022*	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax		₱33,081,928	₱32,194,905	₱137,697,170
Adjustments for:				
Share in net income of an associate	7	(46,195,165)	(40,313,575)	(150,532,128)
Depreciation	6	1,733,505	1,642,287	1,928,187
Interest income	4	(27,097)	(36,581)	(758)
Operating loss before working capital changes		(11,406,829)	(6,512,964)	(10,907,529)
Increase in other current assets		(3,020,081)	(431,682)	(337,248)
Increase (decrease) in accrued expenses and statutory payables		(688,243)	390,338	481,583
Net cash used for operations		(15,115,153)	(6,554,308)	(10,763,194)
Interest received		27,097	36,581	758
Income tax paid		(6,964)	(5,200)	–
Net cash used in operating activities		(15,095,020)	(6,522,927)	(10,762,436)
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances to related parties	10	(13,394,541)	(25,670)	–
Additions to property and equipment	6	(129,478)	(684,049)	–
Dividend received		–	78,000,000	–
Collections from related parties		–	–	1,818,397
Net cash provided by (used in) investing activities		(13,524,019)	77,290,281	1,818,397
CASH FLOW FROM A FINANCING ACTIVITY				
Advances from (payments to) related parties		(11,668,749)	1,051,490	8,856,875
NET INCREASE (DECREASE) IN CASH		(40,287,788)	71,818,844	(87,164)
CASH AT BEGINNING OF YEAR		72,244,400	425,556	512,720
CASH AT END OF YEAR		₱31,956,612	₱72,244,400	₱425,556
NONCASH FINANCIAL INFORMATION				
Dividend receivable from associate	7	(₱60,000,000)	₱–	₱–

See accompanying Notes to Consolidated Financial Statements.

*Consolidated financial statements were prepared effective May 27, 2022, the date of incorporation of the Parent Company's wholly-owned subsidiary.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at and for the Years Ended December 31, 2023 and 2022 and

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

As at and for the Year Ended December 31, 2021

1. Corporate Information

General Information

Bright Kindle Resources and Investments, Inc. (the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on December 4, 1981. On March 21, 1995, the Parent Company listed its shares with the Philippine Stock Exchange, Inc. (PSE).

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

On May 27, 2022, the Parent Company incorporated Brightstar Holdings and Development Inc. (BHDI) (the Subsidiary) in the Philippines and registered with the SEC as a wholly-owned subsidiary. Its primary purpose is to operate as a holding and investment company.

The Parent Company and Subsidiary are collectively referred herein as “the Group”.

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

Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as at and for the years ended December 31, 2023 and 2022 and the Parent Company financial statements as at and for the year ended December 31, 2021 were approved and authorized for issuance by the Board of Directors (BOD) on March 18, 2024, as reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

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

Measurement Bases

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group 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 Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair value is included in Note 15, *Financial Risk Management Objectives and Policies*.

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS effective January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods.

The adoption of the amendments to PFRS did not materially affect the consolidated financial statements of the Group, except for the Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies*. Additional disclosures were included in the consolidated financial statements, as applicable.

Amended PFRS in Issue But Not Yet Effective or Adopted

Relevant amended PFRS which are not yet effective as at December 31, 2023 and have not been applied in preparing the consolidated financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2024 –

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to consolidated financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Group shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

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

Basis of Consolidation

The consolidated financial statements of the Group as at and for the years ended December 31, 2023 and 2022 was prepared effective May 27, 2022, the date of incorporation of the Parent Company’s wholly-owned subsidiary. The Parent Company financial statements as at and for the year ended December 31, 2021 was also presented for comparative purposes.

A subsidiary is an entity controlled by the Parent Company. Control is achieved when the Parent Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A subsidiary is consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continue to be consolidated until the date such control ceases.

The financial statements of the subsidiary is prepared for the same reporting year as that of the Parent Company using uniform accounting policies. Significant intercompany transactions and balances, including intercompany profits and unrealized profits and losses, are eliminated in full.

A change in ownership interest in a subsidiary, without a change in control, is accounted for as an equity transaction.

If the Parent Company loses control over a subsidiary, the Group: (a) derecognizes the assets and liabilities of the subsidiary; (b) derecognizes the carrying amounts of any non-controlling interest; (c) derecognizes the cumulative translation differences recorded in equity; (d) recognizes the fair value of consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in profit or loss; and (g) reclassifies the Group's share of components previously recognized in other comprehensive income (OCI) to profit or loss.

Financial Assets and Liabilities

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

Financial asset or liability is 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).

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL), if any. ECL is assessed based on potential liquidity of counterparties based on available financial information. Financial assets are derecognized when the right to receive cash flows from the asset has expired.

As at December 31, 2023 and 2022, the Group's cash, due from related parties, and dividend receivable is classified as financial assets at amortized cost.

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

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

As at December 31, 2023 and 2022, the Group's note payable, accrued expenses, and due to related parties are classified as financial liabilities at amortized cost.

Impairment Policy on Financial Assets at Amortized Cost

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

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

For other financial instruments measured at amortized cost, the ECL is based on the 12-month ECL, which pertains to the lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there is significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is indicative of significant increases in credit risk since initial recognition.

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

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

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

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

Equity

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

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

OCI. OCI comprises of items of income and expense that are not recognized in profit or loss in accordance with PFRS. OCI of the Group pertains to accumulated share in OCI of an associate. This is not reclassified to profit or loss in subsequent period.

Income Taxes

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

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward benefits of any unused net operating loss carryover (NOLCO), and excess minimum corporate income tax (MCIT) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused NOLCO and excess MCIT can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

Basic and Diluted Earnings Per Share

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

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

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

Related Party Relationship and Transactions

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

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if these transactions amount to a significant portion of the Group's total assets or there are several transactions or a series of transactions over an extended period with the same related party. Details of transactions entered into by the Group with related parties are reviewed by independent directors in accordance with the Group's related party transactions policy.

3. Significant Judgments, Accounting Estimates and Assumptions

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

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

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

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

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

Assessing the Impairment of Investment in an Associate. The Group assesses the impairment of investment in an associate whenever events or changes in circumstances indicate that the carrying amount of investment in an associate may not be recoverable. The Group considered the following as indicators of impairment, and therefore, performed an impairment review:

- The carrying amount of the net assets of the associate is more than its market capitalization; and
- The carrying amount of the investment exceeds the Group's proportionate share in the carrying amounts of the associate's net assets in the consolidated financial statements.

In determining the recoverable amount, the Group is required to make estimates and assumptions such as commodity prices, discount rates, and foreign currency exchange rates that can materially affect the consolidated financial statements. Commodity prices and foreign exchange rate are based on the current and forecast in different banks. Discount rate estimate is computed using the weighted average cost of capital.

Based on management assessment, the estimated recoverable amount of the Group's investment in an associate is higher than its carrying amount and a reasonably possible change in the key assumptions would not result to the recognition of impairment loss. The estimated recoverable amount was determined based on the cash flow projections of the associate using the discounted cash flow method. Accordingly, no impairment loss was recognized in 2023, 2022 and 2021. The carrying amount of investment in an associate is disclosed in Note 7.

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

There were no changes in the estimated useful lives of the Group's property and equipment in 2023, 2022 and 2021. The carrying amounts of property and equipment are disclosed in Note 6.

Assessing the Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Group's unrecognized deferred tax assets are disclosed in Note 13.

4. Cash

This account consists of:

	2023	2022
Cash on hand	₱14,210	₱5,000
Cash in banks	31,942,402	72,239,400
	₱31,956,612	₱72,244,400

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned amounted to ₱27,097, ₱36,581, and ₱758 in 2023, 2022, and 2021, respectively.

5. Other Current Assets

This account consists of:

	2023	2022
Input VAT	P10,186,399	P9,660,230
Prepayments	2,480,597	175,745
CWT	597,806	595,485
Others	329,775	143,036
	P13,594,577	P10,574,496

6. Property and Equipment

Details and movements in this account are as follows:

		2023			
	Note	Condominium Unit	Office Furniture and Fixtures	Computer Equipment	Total
Cost					
Balance at beginning year		P47,788,569	P1,852,968	P627,000	P50,268,537
Additions		-	40,201	89,277	129,478
Balance at end of year		47,788,569	1,893,169	716,277	50,398,015
Accumulated Depreciation					
Balance at beginning of year		12,088,718	1,791,575	-	13,880,293
Depreciation	12	1,579,141	17,859	136,505	1,733,505
Balance at end of year		13,667,859	1,809,434	136,505	15,613,798
Carrying Amount		P34,120,710	P83,735	P579,772	P34,784,217
		2022			
	Note	Condominium Unit	Office Furniture and Fixtures	Computer Equipment	Total
Cost					
Balance at beginning and end of year		P47,788,569	P1,795,919	P-	P49,584,488
Additions		-	57,049	627,000	684,049
Balance at end of year		47,788,569	1,852,968	627,000	50,268,537
Accumulated Depreciation					
Balance at beginning of year		10,509,577	1,728,429	-	12,238,006
Depreciation	12	1,579,141	63,146	-	1,642,287
Balance at end of year		12,088,718	1,791,575	-	13,880,293
Carrying Amount		P35,699,851	P61,393	P627,000	P36,388,244

The condominium unit is being used as an office space of the Group. As at December 31, 2023 and 2022, the cost of fully-depreciated property and equipment still in use amounted to P1.8 million and P1.7 million, respectively.

Deed of Assignment to BHDl

On January 20, 2023, the Parent Company and BHDl executed a Deed of Assignment under which the Parent Company assigned in favor of BHDl it's one (1) condominium unit and four (4) parking slots in exchange for 1,121,505,000 common shares with ₱0.10 par value a share from the authorized capital stock of BHDl. The transaction is pursuant to the approval by the Parent Company of a property-for-share swap wherein the property will be exchanged for shares in the subsidiary, and subject to the confirmation of valuation by the SEC and tax-free exchange application with the Bureau of Internal Revenue (BIR).

To date, the Parent Company has yet to receive the approval of SEC on the property-for-share swap transaction.

7. Investment in an Associate

Movements in this account are as follows:

	2023	2022
Acquisition Cost	₱2,604,000,000	₱2,604,000,000
Accumulated Share in Net Income		
Balance at beginning of year	139,758,252	99,444,677
Share in net income	46,195,165	40,313,575
Dividends	(60,000,000)	-
Balance at end of year	125,953,417	139,758,252
Accumulated Share in OCI		
Balance at beginning of year	7,836,681	6,904,173
Share in remeasurement gain (loss) on retirement benefit liability	(1,127,366)	932,508
Balance at end of year	6,709,315	7,836,681
Carrying Amount	₱2,736,662,732	₱2,751,594,933

The Parent Company has 600,000,000 shares of Marcventures Holdings, Inc. (MARC) representing 19.90% equity interest as at December 31, 2023 and 2022. MARC has investments in mining companies located in Surigao del Sur and in the province of Samar. MARC's principal office address is at Unit 4-3 BDO Towers Paseo, Paseo de Roxas, Makati City.

Summarized financial information of MARC follows:

	2023	2022
Total current assets	₱898,183,945	₱917,225,555
Total noncurrent assets	5,151,631,057	5,023,379,753
Total current liabilities	598,565,310	395,222,778
Total noncurrent liabilities	653,876,102	672,998,260
Revenue	2,050,416,186	3,067,485,008
Net income	232,136,506	202,580,780
Other comprehensive income (loss)	(5,665,156)	4,685,970
Total comprehensive income	226,471,350	207,266,750

The reconciliation of the share in the net assets of MARC and the carrying amount of the investment in an associate as at December 31, 2023 and 2022 are as follows:

	2023	2022
Net assets as at beginning of year	₱4,872,384,270	₱4,665,117,520
Net income	232,136,506	202,580,780
Other comprehensive income (loss)	(5,665,156)	4,685,970
Dividend declaration	(301,482,030)	–
Net assets as at end of year	4,797,373,590	4,872,384,270
Equity interest*	19.9%	19.9%
Share in net assets of associate	954,672,627	969,604,828
Goodwill on acquisition and others	1,781,990,105	1,781,990,105
Carrying amount	₱2,736,662,732	₱2,751,594,933

*rounded

8. Accrued Expenses and Statutory Payables

This account consists of:

	2023	2022
Accrued expenses	₱310,262	₱1,181,486
Statutory payables	264,884	81,903
	₱575,146	₱1,263,389

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

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

9. Note Payable

The Group's note payable amounting to ₱1,671.5 million as at December 31, 2023 and 2022 pertains to a due and demandable, noninterest-bearing loan from Trans Middle East Philippine Equities, Inc. (TMEE), a related party. The proceeds of the loan was used to finance the acquisition of investment in MARC.

10. Related Party Transactions

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

	Note	Nature of Transactions	Amount of Transactions		Outstanding Balances	
			2023	2022	2023	2022
Dividend receivable						
<i>Associate -</i>						
MARC	7	Dividends	₱60,000,000	₱-	₱60,000,000	₱-
Other income						
<i>Entity under common management -</i>						
MMDC		Other income	₱464,286	₱520,000	₱-	₱-
Due from related parties						
Parent Company		Advances for working capital	₱-	₱-	₱7,000,000	₱7,000,000
Entities under common management		Advances for working capital	13,394,541	25,670	13,420,211	25,670
					₱20,420,211	₱7,025,670
Due to related parties						
<i>Entities under common management:</i>						
MMDC		Advances for working capital	₱33,727	₱1,013,490	₱5,150	₱9,870,365
Prime Media Holdings, Inc.		Advances for working capital	-	38,000	-	1,803,534
					₱5,150	₱11,673,899
Note payable						
<i>Entity under common management -</i>						
TMEE	9	Note payable	₱-	₱-	₱1,671,501,723	₱1,671,501,723

Due from/Due to Related Parties

These amounts represent working capital advances which are unimpaired, unsecured and collectible in cash. Working capital advances are noninterest-bearing and collectible on demand.

Other Income

The Group has other income amounting to ₱0.5 million in 2023 and 2022 pertaining to the consideration received from MMDC for the use of its condominium properties as collateral for loan facility, which is equivalent to 2% of monthly principal amortization of the loan. This is presented as part of "Other income" account in the consolidated statements of comprehensive income.

Compensation of Key Management Personnel

The Group has not paid any compensation to its key management personnel. The accounting and administrative functions of the Group are being handled by the entities under common management at no cost to the Group.

Changes in Financing Liabilities

The changes in liabilities arising from financing activities as at December 31, 2023 and 2022, which relate solely to its due to related parties, are as follows:

	2023	2022
Balance at beginning of year	₱11,673,899	₱10,622,409
Net changes from financing cash flows	(11,668,749)	1,051,490
Balance at end of year	₱5,150	₱11,673,899

11. Equity

On March 21, 1995, the SEC approved the listing of the Parent Company's 118,000,000 shares at an offer price of ₱1 per share. Accordingly, on the same date, the Parent Company listed its shares with PSE. Subsequently, the par value of the Parent Company's common stock was reduced from ₱1 per share to ₱0.55 per share as approved by the SEC on October 17, 2012.

The Group's listed shares in the Philippine Stock Exchange (PSE) is 1,528,474,000 as at December 31, 2023 and 2022, respectively.

The following summarizes the information on the Parent Company's issued and subscribed shares as at December 31, 2023 and 2022:

	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*	10,000	0%
Public shareholdings	358,304,011	23.44%
	1,528,474,000	100.00%

*Shareholdings represent 0.0007% of the total shares.

The total number of shareholders of the Parent Company is 627 and 631 as at December 31, 2023 and 2022, respectively.

12. General and Administrative Expenses

This account consists of:

	Note	2023	2022	2021
Professional fees		₱3,360,480	₱1,507,084	₱1,703,106
Outside services		2,756,815	1,201,106	1,244,927
Taxes and licenses		2,396,426	715,097	47,136
Depreciation	6	1,733,505	1,642,287	1,928,187
Membership dues and other fees		1,427,565	1,519,175	1,354,426
Repairs and maintenance		627,705	8,529	87,590
Director's fees		544,889	735,000	495,000
Transportation		441,174	193,043	250
Insurance		360,737	286,435	205,719
Representation		278,826	97,111	3,904,200
Advertising and promotions		271,829	77,000	139,120
Fines and penalties		239,226	1,000	1,212,155
Communication, light and water		161,719	274,549	143,964
Others		1,063,632	417,835	369,936
		₱15,664,528	₱8,675,251	₱12,835,716

13. Income Tax

The provision for current income tax of ₱6,964 and ₱5,200 in 2023 and 2022, respectively, pertains to excess MCIT. The Group has no current income tax expense in 2021 due to its net taxable loss position.

The Group's unrecognized deferred tax assets are as follows:

	2023	2022
NOLCO	₱8,691,698	₱5,519,819
Excess MCIT	12,164	5,200
	₱8,703,862	₱5,525,019

Management has assessed that there may be no sufficient future taxable profits against which the deferred tax asset can be utilized.

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

	2023	2022	2021
Provision for income tax computed at statutory tax rate	₱8,270,482	₱8,048,727	₱34,424,293
Changes in unrecognized deferred tax assets	2,989,297	657,437	132,220
Effects of consolidation	189,546	74,288	-
Add (deduct) tax effects of:			
Share in net income of an associate not subject to income tax	(11,548,791)	(10,078,394)	(37,633,032)
Nondeductible expenses	113,204	19,907	1,279,089
Interest income subjected to final tax	(6,774)	(9,146)	(190)
Expired NOLCO	-	1,292,381	1,797,620
	₱6,964	₱5,200	₱-

As at December 31, 2023, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Year of Expiry
2023	₱-	₱12,687,516	₱-	₱12,687,516	2026
2022	8,075,626	-	-	8,075,626	2025
2021	7,719,361	-	-	7,719,361	2026
2020	6,284,288	-	-	6,284,288	2025
	₱22,079,275	₱12,687,516	₱-	₱34,766,791	

As at December 31, 2023, excess MCIT are as follows:

Year	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Year of Expiry
2023	₱–	₱6,964	₱–	₱6,964	2026
2022	5,200	–	–	5,200	2025
	₱5,200	₱6,964	₱–	₱12,164	

Under Republic Act No. 11494, also known as “Bayanihan to Recover As One Act” and Revenue Regulations No 25-2020, the Group is allowed to carry-over its net operating losses incurred for taxable years 2021 and 2022 for the next five (5) years immediately following the year of such loss.

14. Basic and Diluted Earnings per Share

Basic and diluted earnings per share are computed as follows:

	2023	2022	2021
Net income	₱33,074,963	₱32,189,705	₱137,697,170
Weighted average number of common shares outstanding	1,528,474,000	1,528,474,000	1,528,474,000
Earnings per share - basic and diluted	₱0.022	₱0.021	₱0.090

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

15. Financial Risk Management Objectives and Policies

The Group has risk management policies that systematically view the risks that could prevent the Group from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Group’s objectives are achieved. The Group’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 Group’s established business objectives.

Financial Risk Management Objectives and Policies

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

Credit Risk

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

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

Financial Assets at Amortized Cost

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

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

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

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

	2023	2022
Cash in banks	P 31,942,402	P72,239,400
Dividend receivable	60,000,000	–
Due from related parties	20,420,211	7,025,670
	P112,362,613	P79,265,070

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

Liquidity Risk

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

The tables below summarize the maturity profile of the Group's financial liabilities at amortized cost as at December 31, 2023 and 2022 based on contractual undiscounted cash flows.

	2023				Total
	On Demand	Less than One Month	One Month to One Year	More than One Year	
Accrued expenses	P–	P310,262	P–	P–	P310,262
Due to related parties	5,150	–	–	–	5,150
Note payable	1,671,501,723	–	–	–	1,671,501,723
	P1,671,506,873	P310,262	P–	P–	P1,671,817,135

	2022				Total
	On Demand	Less than One Month	One Month to One Year	More than One Year	
Accrued expenses	₱-	₱1,181,486	₱-	₱-	₱1,181,486
Due to related parties	11,673,899	-	-	-	11,673,899
Note payable	1,671,501,723	-	-	-	1,671,501,723
	₱1,683,175,622	₱1,181,486	₱-	₱-	₱1,684,357,108

Fair Value of Financial Assets and Financial Liabilities

The carrying amount of cash, dividend receivable, due from related parties, due to related parties, accrued expenses and note payable approximate their fair values due to their short-term maturities and demand nature.

There are no transfers between levels of fair value hierarchy in 2023 and 2022.

16. Capital Management Objectives, Policies and Procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. Also, the Group is not subject to any externally imposed capital requirements.

The Group considers its total equity amounting to ₱1,225.3 million and ₱1,193.4 million as at December 31, 2023 and 2022, respectively, as its capital.



**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Bright Kindle Resources & Investments, Inc. (the Parent Company) and Subsidiary (the Group) as at and for the years ended December 31, 2023 and 2022 and the Parent Company financial statements as at and for the year ended December 31, 2021, and have issued our report thereon dated March 18, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2023 and 2022 and the Parent Company financial statements as at December 31, 2021 and for the year ended December 31, 2021, and no material exceptions were noted.

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 10072409

Issued January 2, 2024, Makati City

March 18, 2024
Makati City, Metro Manila

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Ratio	Formula	2023	2022
Current/Liquidity ratio	Total current assets	₱125,971,400	₱89,844,566
	Divided by: Total current liabilities	1,672,082,019	1,684,439,011
	Current/Liquidity ratio	0.08:1	0.05:1
Solvency ratio	Net income	₱33,074,964	₱32,189,705
	Add: Depreciation and amortization	1,733,506	1,642,287
	Income tax expense	6,964	5,200
		34,815,434	33,837,192
	Divided by: Total liabilities	1,672,082,019	1,684,439,011
Solvency ratio	0.02:1	0.02:1	
Debt-to-equity ratio	Total liabilities	₱1,672,082,019	₱1,684,439,011
	Divided by: Total equity	1,225,336,330	1,193,388,732
	Debt-to-equity ratio	1.36:1	1.41:1
Asset-to-equity ratio	Total assets	₱2,897,418,348	₱2,877,827,743
	Divided by: Total equity	1,225,336,330	1,193,388,732
	Asset-to-equity ratio	2.36:1	2.41:1
Interest rate coverage ratio	Net income	₱33,074,964	₱32,189,705
	Add: Interest expense	40,374	9,975
	Income tax expense	6,964	5,200
		33,122,302	32,204,880
Divided by: Interest expense	40,374	9,975	
Interest Rate Coverage ratio	820.39:1	3,228.56:1	
Return on asset	Net income	₱33,074,964	₱32,189,705
	Divide by: Total average assets	2,887,623,046	2,860,545,723
	Return on asset ratio	0.01:1	0.01:1
Return on equity	Net income	₱33,074,964	₱32,189,705
	Divided by: Total average equity	1,209,362,531	1,176,827,626
	Return on equity ratio	0.03:1	0.03:1

**PARENT COMPANY'S RECONCILIATION OF
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2023**

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.

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

	Amount
Unappropriated retained earnings, beginning of reporting period available for dividend declaration	₱206,615,428
Add: Net income for the current year	36,861,536
Less: Equity in net income of an associate	(46,195,165)
Adjusted net loss	(9,333,629)
Total retained earnings, end of the reporting period available for dividend	₱197,281,799



REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Bright Kindle Resources & Investments, Inc. (the Parent Company) and Subsidiary (the Group) as at and for the years ended December 31, 2023 and 2022 and the Parent Company financial statements as at and for the year ended December 31, 2021, and have issued our report thereon dated March 18, 2024. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary schedules for submission to the Securities and Exchange Commission are the responsibility of the Group's management. These supplementary schedules include the following:

- Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration for the year ended December 31, 2023
- Schedules Required under Annex 68-J of the Revised Securities Regulation Code (SRC) Rule 68 as at and for the year ended December 31, 2023
- Conglomerate Map as at December 31, 2023

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

REYES TACANDONG & Co.


CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782; Valid until April 13, 2024

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 10072409

Issued January 2, 2024, Makati City

March 18, 2024
Makati City, Metro Manila

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY

**SCHEDULES REQUIRED UNDER ANNEX 68-J OF
REVISED SECURITIES REGULATION CODE RULE 68
FOR THE YEAR ENDED DECEMBER 31, 2023**

Table of Contents

<i>Schedule</i>	<i>Description</i>	<i>Page</i>
A	Financial Assets	<u>N/A</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>1</u>
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>N/A</u>
D	Long-Term Debt	<u>N/A</u>
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>2</u>

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

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Year
<i>Parent Company of the Group -</i>							
RYM Business Management Corp.	₱7,000,000	₱-	₱-	₱-	₱-	₱-	₱7,000,000
<i>Entities under common management -</i>							
Marcventures Holdings, Inc.	-	60,000,000	-	-	60,000,000	-	60,000,000
Strong Built (Mining) Development Corp.	-	13,249,978	-	-	13,249,978	-	13,249,978
Others	25,670	144,563	-	-	170,233	-	170,233
	₱7,025,670	₱73,394,541	₱-	₱-	₱73,420,211	₱-	₱80,420,211

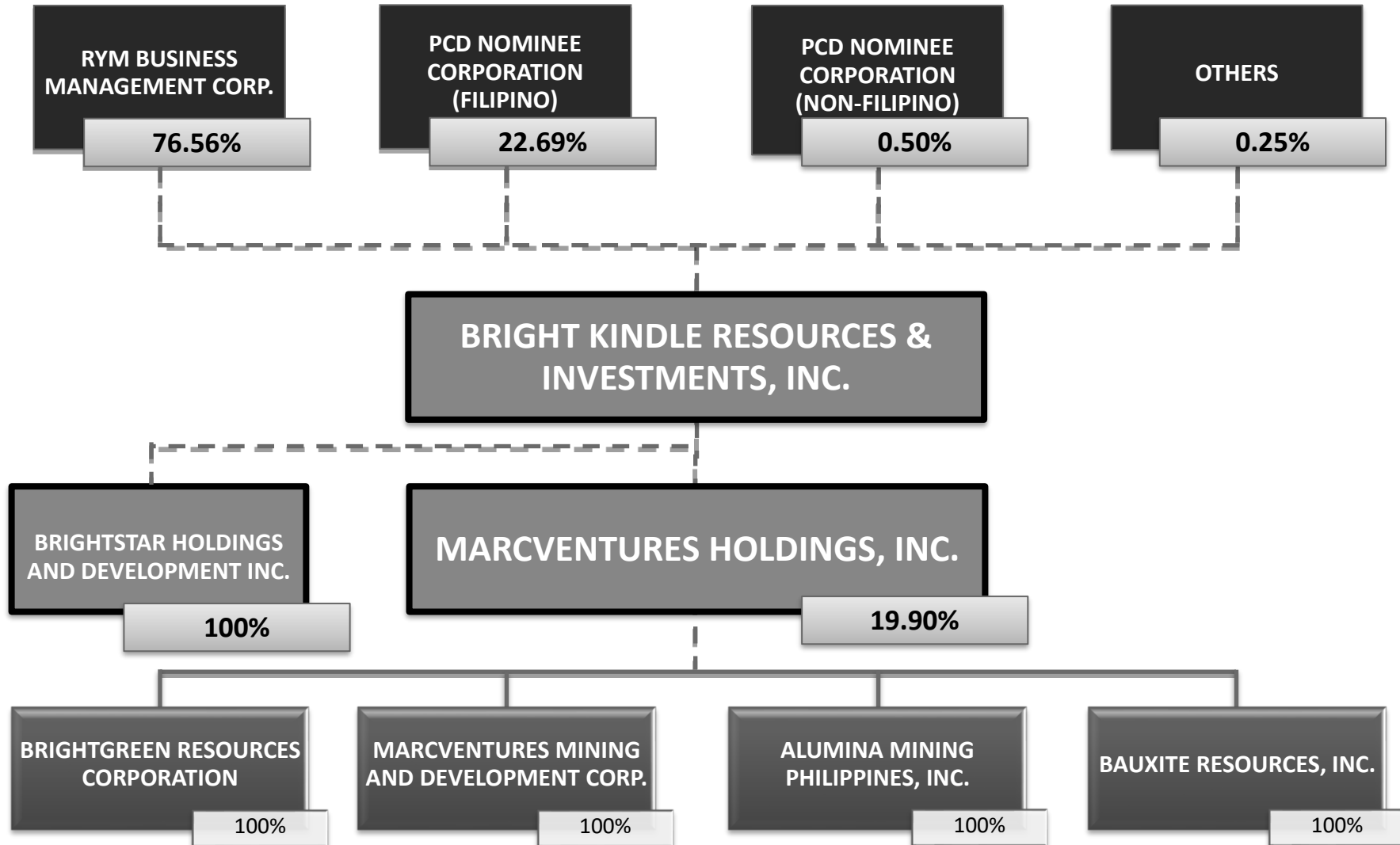
Schedule G. Capital Stock

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding at shown under related Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Conversion and other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common Stock	2,000,000,000	1,528,474,000	–	1,170,159,989	10,000	358,304,011

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.

CONGLOMERATE MAP

AS AT DECEMBER 31, 2023





SUSTAINABILITY REPORT

- 2023 -



BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.

+(632) 8-833-0769

service@brightkindle.com

www.brightkindle.com

VISION

Our vision is to become a leading and trusted holding company with particular focus on building a portfolio of sustainable investments.

MISSION

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



Bright Kindle Resources and Investments Inc. (BKR) supports the United Nations Sustainable Development Goals (UNSDG) as it continues to focus on building a portfolio of sustainable investments.

Name of Organization	Bright Kindle Resources and Investments, Inc. (BKR)
Principal Office	16th Floor BDO Towers Valero 8741 Paseo de Roxas, Makati City
Business Model	Holding company listed in the Philippine Stock Exchange. Activity Engaged in the purchase, exchange, assignment, and hold investments and all properties
Reporting Period	January 1 to December 31, 2023



PROFILE

Bright Kindle Resources & Investments, Inc. was incorporated on December 4, 1981 as a credit card corporation. On March 21, 1995, the Company listed its shares with the Philippine Stock Exchange, Inc.

A subsidiary of Rizal Commercial Banking Corporation (RCBC) a block sale was made between RCBC and RYM Business Management Corp together with other investors in 2013.

In November 2013 with the change in ownership and management, the Board of Directors changed its primary business purpose to a holding Company, engaged in the purchase, exchange, assignment, and holding of investments and any and all properties, including bonds, debentures, promissory notes, shares of stocks, and other securities.

In 2022, the company subscribed to common shares of Brightstar Holdings and Development Inc. (BHDI), equivalent to a full ownership interest. BHDI was incorporated and registered with SEC on May 22, 2022.

At present, the BKR has no operating segment other than being a holding company. It holds 600,000,000 shares of Marcventures Holdings Inc. (MHI) representing 19.9% equity interest as of December 31, 2023.

The Company is continuously looking for other viable investments which will provide attractive returns to its shareholders.



CURRENT ECONOMIC VALUE GENERATED

Currently, BKR's revenue is derived from bank deposit interests. As a non-operating company, there are no recorded employees' wages and benefits, interest payments or in investments to the community in 2023.

While BKR is a holding company, with no business activities that substantially impact society outside its investment management functions, the Company's economic activities manage to generate economic value.

In 2023 the company generated a direct economic value of PHP 2,551,291. Expenditures for suppliers and other related operating costs amounted to PHP 13,028,877. On the basis of the results for the year in review, the Company has also translated over PHP 2,934,365 in government benefits in the form of royalties and taxes. BKR's contribution continued and economic value was still achieved even if the impact on the economy, environment, and society was minimal.

MATERIALITY ASSESSMENT AND REPORTING PROCESS

For the 2023 Sustainability Report, BKR identified the most material topics to its stakeholders based on the Global Reporting Initiative (GRI) Standards which defines “materiality” as topics and indicators that reflect the organization’s significant economic, environmental, and social impacts or that would substantively influence the assessments and decisions of stakeholders.”

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

For its first Sustainability Report in 2019, the Company, engaged the services of Atty. Teodoro Kalaw IV. A certified sustainability trainer by the Global Reporting Initiative and a certified sustainability report assurer by the Institute of Certified Sustainable Practitioners, Atty. Kalaw facilitated an extensive sustainability orientation and materiality assessment workshop for key officers and staff. The same team prepared this year’s Sustainability Report

As BKR is currently not operating, most of the prospective material topics in the economic, environmental, and social domains discussed in SEC Memorandum Circular No. 4 s. in 2019 are presently not significant. As the Company further builds its investment portfolio there will be more substantial information that will specifically demonstrate its contributions to the United Nations Sustainable Development Goals.

UN SUSTAINABLE DEVELOPMENT GOALS

BKR has no operating activities at present, but it continues to focus on building a portfolio of sustainable investments. The company supports sustainable development goal for economic growth as it holds 600,000,000 shares of Marcventures Holdings Inc. (MHI) representing 19.9% equity interest as of December 31, 2023.

8 DECENT WORK AND ECONOMIC GROWTH

MHI is a publicly-listed company and the parent company of Marcventures Mining and Development Corporation (MMDC). The nickel mining tenement is located across the municipalities of Cantillan, Carrascal, and Madrid in Surigao del Sur. MHI prepares its own Sustainability Report which details the mining company's contribution to the United National Sustainable Development Goals.

Another notable development is the subscription to common shares of Brightstar Holdings and Development Inc. (BHDI) in 2022. Equivalent to a full ownership interest, BHDI was incorporated and registered with SEC on May 22, 2022.

Corporate Governance

BKR further contributes to sustainable development by observing good corporate

practices. The company operations are anchored on the principles of accountability, transparency, honesty, integrity, fairness, and responsible stewardship of the Company's various investments. It has no substantial operations apart from its holding investments and property ownership.

Responsible Investment Management

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

BKR observes good corporate practices, through the responsible stewardship of the Company's various investments. The Board is responsible for the governance setting the policies for the accomplishment of the corporate objectives and provides an independent check on management.

BOARD OF DIRECTORS

CESAR C. ZALAMEA

Chairman

AUGUST C. SERAFICA

CEO & President

ROLANDO S. SANTOS

Treasurer

Directors

REMEGIO C. DAYANDAYAN, JR.

LESTER C. YEE

EDGAR DENNIS A. PADERNAL

MINDA P. DE PAZ

ANDREW JULIAN K. ROMUALDEZ

HERMOGENE H. REAL

Independent Directors

KWOK YAM IAN CHAN

RHODORA L. DAPULA

BKR's Independent Directors are actively involved in the companies' key committees and their independence and expertise ensure added value to crafting corporate strategies and policies. By keeping an autonomous and independent Board of Directors, BKR ensures that checks and balances are in place and that it promotes self-determination for both companies. Moreover, BKR maintains the right mix of competent and qualified directors there by ensuring that it caters to its primary purpose, which is that of a holding company.

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

TRANSPARENCY

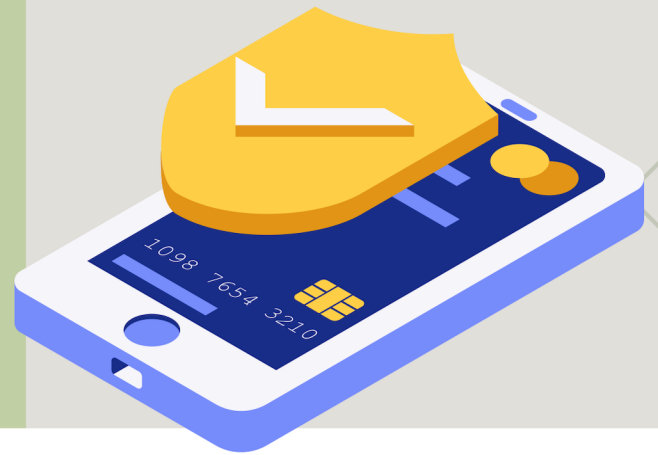
As a publicly-listed company, BKR continues to be accountable to the public and its institutional stakeholders.

Regular stockholders' meetings are held to update stockholders about the current condition and future standing of the Company.

In 2022, the Company's audited financial performance was presented to shareholders during the virtual annual stockholders' meeting held on May 26, 2022.

As in the previous year, the meeting was via remote communication format to further safeguard everyone's safety and health in the pandemic.

Company information is freely accessible online, on the official BKR which also includes, among others, the current Annual Report and Sustainability Reports.



DATA PRIVACY AND SECURITY

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

All assets are secure and kept confidential, with data security measures being properly enforced. Corporate services are handled by MHI, and BKR has assigned a Data Privacy Officer in charge of implementing confidentiality measures to comply with Philippine Data Privacy Laws. MHI itself, BKR's subsidiary follows a strict policy on Protection of Confidential Information. For 2023, there were no reported incidents of data breaches, leaks, or losses in the Company.



CAPABILITY-BUILDING FOR FUTURE BUSINESS GROWTH

17 PARTNERSHIPS FOR THE GOALS

BKR further supports the UN sustainable goal of promoting economic growth as it lays the groundwork for future investment prospects. It is actively looking for potential investments via partnerships, acquisitions, joint ventures, and other opportunities, keeping in mind that all investments shall be made to enhance sustainable business practices.

The likewise supports the government in revitalizing the global partnership for sustainable development. The 2030 Agenda is universal and calls for action by all countries to ensure no one is left behind. It requires partnerships between governments, the private sector, and civil society.

MATERIAL TOPIC INDEX

As required by Annexes A (reporting template) and B (topic guide) of SEC Memorandum Circular No. 4 sustainability reporting guidelines for publicly listed companies, stated below is the topic identified as material for the reporting period.

Topic	Page Number in Annex A of SEC Guidelines	Page # in 2023 Sustainability Report
Corporate Governance	9	6
Data Privacy & Security Protection	41	8
Economic Performance	19	4
Economic Growth	11	9