

2022

ANNUAL REPORT



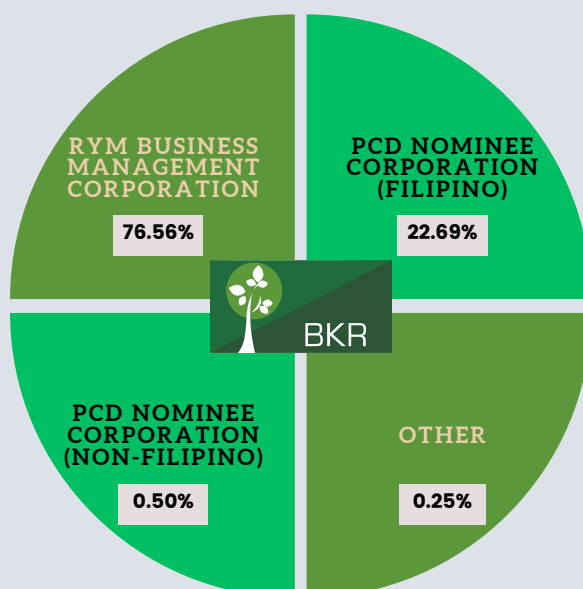
VISION

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

MISSION

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

CONGLOMERATE MAP



BOARD OF DIRECTORS

CESAR C. ZALAMEA
Chairman

LESTER C. YEE
Director

AUGUSTO C. SERAFICA, JR.
President & CEO

EDGAR DENNIS A. PADERNAL
Director

ROLANDO S. SANTOS
Treasurer

KWOK YAM IAN CHAN
Independent Director

MINDA P. DE PAZ
Director

REMEGIO C. DAYANDAYAN, IR.
Director

RHODORA L. DAPULA
Independent Director

ANDREW JULIAN K. ROMUALDEZ
Director

EXECUTIVE OFFICERS

KENNETH PETER D. MOLAVE
Corporate Secretary

ROMMEL T. CASIPE
Co-Assistant Corporate Secretary

HERMOGENE H. REAL
Assistant Corporate Secretary

DALE A. TONGCO
Vice President for Risk Management

MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT

Bright Kindle Resources and Investments Inc. closed the year with an asset increase of Php 34.56 million or 1.22%. This translates to a significant Php 41.25 million additional investment from its affiliated holding company, Marcventures Holdings Inc. (MHI), and 2.85% or a Php 1.193 million rise in stockholder's equity.

As a holding company BKR's total net income for the year is Php 32.19 million, derived mainly from bank deposit interest and shares in the equity earnings of MHI, through its subsidiary Marcventures Mining and Development Corporation (MMDC).

It is significant to note that other ventures under MHI are well underway:

- Alumina Mining Philippines and Bauxite Resources Inc. the only Bauxite properties in the country, are in the process of securing an Environmental Compliance Certificate (ECC) for the planned development and mine operation of the Samar Bauxite Project.
- BrightGreen Resources Corp. (BRC), another MHI subsidiary, is securing the approval of its Declaration of Mining Project Feasibility (DMPF). It completed the public and technical scoping activities in 2021, a requirement for its Environmental Compliance Certificate (ECC) application. Baseline data gathering was also completed in November 2021. The team is currently completing all the required technical reports.

Meanwhile, we are confident that the ongoing operations of MMDC amid the challenging Nickel market will continue to push for MHI's profitability which in turn, will be highly beneficial for BKR and its shareholders.

In terms of investment opportunities, there are ongoing discussions on mining-related projects. We will happily share the news once the groundwork has been finalized.

We are optimistic that the coming months will be very fruitful and we thank the shareholders for all the support.



A handwritten signature in black ink, appearing to read 'Cesar'.

CESAR C. ZALAMEA
Chairman



A handwritten signature in black ink, appearing to read 'Augusto C. Serafica, Jr.'.

AUGUSTO C. SERAFICA, JR.
President & CEO

2022 OPERATIONAL & FINANCIAL HIGHLIGHTS

RESULTS OF OPERATION

	Audited (in PHP Millions)		Increase (Decrease)	
	2022	2021	Amount	%
Income	₱ 0.56	₱ 0.00	₱ 0.56	73,327.61%
Operating 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 share of net income of an associate. The balance of the Company's income is minimal due to low level of its cash in banks.

General and administrative expenses 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.

2022 OPERATIONAL & FINANCIAL HIGHLIGHTS

FINANCIAL POSITION

	Audited (in PHP Millions)		Increase (Decrease)	
	2022	2021	Amount	%
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.

2022 OPERATIONAL & FINANCIAL HIGHLIGHTS

CASH FLOW

	Audited (in PHP Millions)		Increase (Decrease)	
	2022	2021	Amount	%
Cash used in operating activities	-P 6.52	-P 10.76	P 4.24	39.39%
Cash provided by investing activities	77.29	1.82	75.47	4150.46%
Cash provided by financing activity	1.05	8.86	-7.81	-88.13%

Cash used in operating activities during the year amounted to P6.52 million, while cash used in operating activities in same period last year amounted to P10.76 million. During the year, the Company borrowed from Marcventures Mining and Development Corporation (MMDC) amounting to P1.05 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 P0.63 million and 0.06 million, respectively.

KEY PERFORMANCE INDICATORS

	2022	2021	2020
Return on Assets (%)	1.13%	4.98%	2.29%
Return on Equity (%)	2.74%	12.66%	6.15%

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.

STATEMENT OF FINANCIAL POSITION

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

	Note	2022	2021
ASSETS			
Current Assets			
Cash	4	72,244,400	425,556
Due from related parties	10	7,025,670	7,000,000
Dividends receivable	10		78,000,000
Other current assets	5	10,574,496	10,142,814
Total Current Assets		89,844,566	95,568,370
Noncurrent Assets			
Investment in an associate	7	2,751,594,933	2,710,348,850
Property and equipment	6	36,388,244	37,346,482
Total Noncurrent Assets		2,787,983,177	2,747,695,332
		2,877,827,743	2,843,263,702
LIABILITIES AND EQUITY			
Current Liabilities			
Note payable	9	1,671,501,723	1,671,501,723
Due to related parties	10	11,673,899	10,622,409
Accrued expenses and statutory payables	8	1,263,389	873,051
Total Liabilities		1,684,439,011	1,682,997,183
Equity			
Capital stock	11	840,660,700	840,660,700
Retained earnings		344,891,351	312,701,646
Other comprehensive income		7,836,681	6,904,173
Total Equity		1,193,388,732	1,160,266,519
		2,877,827,743	2,843,263,702

See accompanying Notes to Consolidated Financial Statements.

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

STATEMENT OF COMPREHENSIVE INCOME

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

	Note	2022*	2021	2020
SHARE IN NET INCOME OF AN ASSOCIATE	7	40,313,575	150,532,128	67,283,874
GENERAL AND ADMINISTRATIVE EXPENSES	12	(8,675,251)	(12,835,716)	(6,284,288)
OTHER INCOME	10	520,000		
INTEREST INCOME	4	36,581	758	1,990
INCOME BEFORE INCOME TAX		32,194,905	137,697,170	61,001,576
PROVISION FOR INCOME TAX	13	(5,200)		
NET INCOME		32,189,705	137,697,170	61,001,576
OTHER COMPREHENSIVE INCOME				
<i>Not to be reclassified to profit or loss in subsequent period -</i>				
Share in other comprehensive income (loss) Of an associate	7	932,508	800,456	(387,326)
TOTAL COMPREHENSIVE INCOME		P33,122,213	138,497,626	60614250
EARNINGS PER SHARE - BASIC AND DILUTED	14	P0.021	*0.090	P0.040

See accompanying Notes to Consolidated Financial Statements.

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STATEMENT OF CHANGES IN EQUITY

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

	Note	2022*	2021	2020
CAPITAL STOCK - ₱ 0.55 par value				
Authorized - 2,000,000,000 shares	11	840,660,700	840,660,700	840,660,700
Issued and Outstanding - 1,528,474,000 shares				
RETAINED EARNINGS				
Balance at beginning of year		312,701,646	175,004,476	114,002,900
Net income		32,189,705	137,697,170	61,001,576
Balance at end of year		344,891,351	312,701,646	175,004,476
OTHER COMPREHENSIVE INCOME				
Accumulated share in other comprehensive income of an associate				
Balance at beginning of year		6,904,173	6,103,717	6,491,043
Share in other comprehensive income (loss) of an associate	7	932,508	800,456	(387,326)
Balance at end of year		7,836,681	6,904,173	6,103,717
		1,193,388,732	*1,160,266,519	*1,021,768,893

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STATEMENT OF CASH FLOW

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

	Note	2022*	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax		32,194,905	137,697,170	61,001,576
Adjustments for:				
Share in net income Of an associate	7	(40,313,575)	(150,532,128)	(67,283,874)
Depreciation	6	1,642,287	1,928,187	1,928,188
Interest income	4	(36,581)	(758)	(1,990)
Operating loss before working capital		(6,512,964)	(10,907,529)	(4,356,100)
Increase in other current assets		(431,682)	(337,248)	(307,166)
Increase in accrued expenses and statutory payables		390,338	481,583	86,017
Net cash used for operations		(6,554,308)	(10,763,194)	(4,577,249)
Interest received		36,581	758	1,990
Income tax paid		(5,200)		
Net cash used in operating activities		(6,522,927)	(10,762,436)	(4,575,259)
CASH FLOWS FROM AN INVESTING ACTIVITIES				
Dividend received	10	78,000,000		
Additions to property and equipment	6	(684,049)		
Advances to related parties	10	(25,670)		
Payments from related parties			1,818,397	4,629,754
Net cash provided by investing activities		77,290,281	1,818,397	4,629,754
CASH FLOWS FROM A FINANCING ACTIVITIES				
Advances from related parties	10	1,051,490	8,856,875	
Payments to related parties				(100,497)
Cash provided by (used in) financing activities		1,051,490	8,856,875	(100,497)
NET INCREASE (DECREASE) IN CASH		71,818,844	(87,164)	(46,002)
CASH AT BEGINNING OF YEAR		425,556	512,720	558,722
CASH AT END OF YEAR		*72,244,400	P425,556	P512,720

See accompanying Notes to Consolidated Financial Statements.

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