



Bright Kindle Resources  
& Investments, Inc.



# We **Grow** Together

2021 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

## MESSAGE FROM THE CHAIRMAN & THE PRESIDENT

The Php83.25 million increase in net income from MHI and the declaration of cash dividends strengthened BKR's financial standing for 2021.



**B**right Kindle Investments, Inc. (BKR) closed the year with a significant net income increase of Php76.70 million. With a total net income of Php137.70 million for 2021, BKR's strong performance is attributed to its affiliated holding company, Marcventures Holdings Inc. (MHI); through its subsidiary Marcventures Mining and Development Corporation (MMDC). The Php83.25 million increase in net income from MHI and the declaration of cash dividends strengthened BKR's financial standing for 2021.



Early this year, MHI was included in the list of Best Performing Mining Stocks in 2022. Other ventures of MHI include two Bauxite Mines Alumina Mining Philippines (AMPI) and Bauxite Resources Inc. (BRC) in Samar and Bright Green Resources (BRC) another nickel mine in Surigao. Meanwhile, both AMPI and BARI are in the process of securing an Environmental Compliance Certificate (ECC) for the planned development and mine operation of the Samar Bauxite Project and BRC extended the 3rd renewal of its Exploration Period for another two (2) years. A priority project of the Mines and Geosciences Bureau (MGB), it is currently securing its Declaration of Mining Project Feasibility (DMPF).

As Nickel prices continue to soar in the world market, BKR projects that its investment in MHI, and by association, the combined volume of MMDC and BRC will lead the profitability for both companies which will ultimately redound to the benefit of BKR.

Moving forward into 2022, we continue to evaluate investment opportunities for BKR. In all our endeavors, we thank the Company's Shareholders for the support and continued trust in the Company and the Divine Providence for the continued guidance.

Respectfully,



**CESAR C. ZALAMEA**

Chairman of the Board / Director



**AUGUSTO C. SERAFICA**  
President/Director

## 2021 OPERATIONAL & FINANCIAL HIGHLIGHTS

### RESULT OF OPERATIONS

	Audited		Increase (Decrease)	
	2021	2020	Amount	%
Income	758	1,990	(1,232)	(61.91 %)
Net Income	137,697,170	61,001,576	76,695,594	125.73%
Comprehensive Income	138,497,626	60,614,250	77,883,376	128.49%

During the year, the Company was able to generate a net income of Php137.70 million, an increase of Php76.70 million compared to last year. The Company has no active operations and income is derived mainly from bank deposit interest and the share of net income of an associate (MHI). The improved operating performance posted an increase of Php83.25 million in the share of net income.

### FINANCIAL POSITION

	Audited		Increase (Decrease)	
	2021	2020	Amount	%
Asset	2,843,263,702	2,695,427,619	147,836,083	5.48%
Liabilities	1,682,997,183	1,673,658,726	9,338,457	0.56%
Equity	1,160,266,519	1,021,768,893	138,497,626	13.55%

The Company's total Assets of Php2,843.26 million is slightly higher by Php147.84 million compared to last year. It may seem insignificant, because it is a result of a Php78.00 million dividend receivable from MHI, an associate. The dividend receivable was consequently collected and used by the Company to pay for its general and administrative expenses. The increase in asset can likewise be attributed to the Php72.11 million increase in the investment in an associate compared to last year. Lastly, the increase in equity is the net result of the net income recognized during the year, and of the share in the investment in an associate's other comprehensive income.

## BOARD OF DIRECTORS

**Cesar C. Zalamea**  
Chairman of the Board/ Director

**Isidro C. Alcantara, Jr.**  
President/Director  
(resigned Nov.29, 2021)

**Macario U. Te**  
Director  
(resigned June 7, 2021)

**Augusto C. Serafica, Jr.**  
President/Director

**Rolando Santos**  
Treasurer/Director

**Remegio C. Dayandayan, Jr.**  
Director

**Hermogene H. Real**  
Director

**Jessie H. T. Andres**  
Director

**Edgar Dennis A. Padernal**  
Director

**Clark A. Banaag**  
Director

**Carlos Alfonso T. Ocampo**  
Independent Director  
(till Dec. 15, 2021)

**Kwok Yan Ian Chan**  
Independent Director

**Rhodora Dapula**  
Independent Director

### EXECUTIVE OFFICERS

**Maila Lourdes G. De Castro**  
SVP Corporate Secretary  
Data Privacy & Compliance Officer

**Hermogene H. Real**  
Assistant Corporate Secretary  
Data Privacy & Compliance Officer

**Kenneth Peter D. Molave**  
Co- Assistant Corporate Secretary

**Reuben F. Alcantara**  
Vice President for Marketing

**Dale A. Tongco**  
Vice President for Risk Management



## 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, 2021 and 2020 prepared in conformity with PFRS hereto attached in the Exhibits.

The financial information for the three years ended December 31, 2021, 2020 and 2019 are as follows:

### 2021 vs. 2020

#### Results of operations

	Audited		Increase (Decrease)	
	2021	2020	Amount	%
	(in millions)			
Income	<b>₱0.00</b>	₱0.00	(₱0.00)	(61.91%)
Operating expenses	<b>12.84</b>	6.28	6.55	104.25%
Share in net income of an associate	<b>150.53</b>	67.28	83.25	123.73%
Net income	<b>137.70</b>	61.00	76.70	125.73%

During the year, the Company was able to generate a net income of ₱137.70 million, an increase of ₱76.70 million compared with same period last year. Significant changes in the income statement accounts for the year ended December 31, 2021 versus the same period last year are as follows:

- Given that the Company has no active operations yet, income is derived mainly from interest on bank deposits and share of net income of an associate. The balance of the Company's income is minimal due to low level of its cash in banks.
- **General and administrative expenses** escalated by ₱6.55 million or 104.25% compared with same period last year. The movement is attributable to the following:
  - Representation expenses were incurred this year, resulting to a rise in Others expense account by ₱4.19 million or 1,531.94%.
  - Professional fees increased by ₱0.71 million or 70.99% compared with the same period last year, primarily due to payment to Lucky Securities Inc. services.
  - Due to newly elected directors and more meetings during the year, the Director's fees rise by ₱0.28 million or 125.00%.
  - Comparing with same period last year, taxes and licenses during the year is higher by ₱1.59 million or 2,797.29%. This year, the Company paid for a penalty to BIR relating to tax deficiency in 2017, resulting to higher balance than the previous year.
- **Share in net income (loss) of an associate** – An associate's improved operating performance during the year posted a share in net income of ₱150.53 million to the Company, an increase of ₱83.25 million compared with the same period last year.

#### Financial Position

	Audited		Increase (Decrease)	
	2021	2020	Amount	%
	(in millions)			
Assets	<b>₱2,843.26</b>	₱2,695.43	₱147.83	5.48%
Liabilities	<b>1,683.00</b>	1,673.66	9.34	0.56%
Stockholders' Equity	<b>1,160.27</b>	1,021.77	138.50	13.55%

- The Company's total **Assets** of ₱2,843.26 million is higher by ₱147.83 million or 5.48% 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 Dividend receivable 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 ₱1.93 million compared with same period last year, mainly due to depreciation recognized during the year.
- The increase in Investment in an associate by ₱72.11 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 ₱1,683.00 million increased by ₱9.34 million comparing with same period last year. The movement is due to advances from Marcventures Mining and Development Corporation (MMDC), related party, which was previously used by the Company for its working capital requirements and expenses.
- Increase in **Stockholder's Equity** is the net result of the net income recognized during the year, and of the share in other comprehensive loss of an associate

#### Cash Flow

	Audited		Increase(Decrease)	
	2021	2020	Amount	%
	(in millions)			
Cash provided used in operating activities	<b>(₱10.76)</b>	(₱4.58)	₱6.18	135.23%
Cash provided by investing activity	<b>1.82</b>	4.63	(2.81)	(60.72%)
Cash provided by (used in) financing activity	<b>8.86</b>	(0.10)	8.96	8,913.07%

Cash used in operating activities during the year amounted to ₱10.76 million, while cash used in operating activities in same period last year amounted to ₱4.58 million. During the year, the Company borrowed from MMDC amounting to ₱8.86 million. Cash outflows made pertain to payments for general and administrative expenses.

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

### 2020 vs. 2019

#### Results of operations

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

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

- Given that the Company has no active operations yet, income is derived mainly from interest on bank deposits and share of net income of an associate. The balance of the Company's income is minimal due to low level of its cash in banks.
- **General and administrative expenses** escalated by ₱1.11 million or 21.47% compared with same period last year. The movement is attributable to the following:
  - More outsourced services were incurred in the current year than last year, resulting to an increase in Outside services account by ₱0.61 million or 89.47%. Expenses were incurred this year for the publication of notice of annual stockholders meeting for the year 2020.
  - Comparing with same period last year, taxes and licenses during the year of ₱0.06 million is higher by ₱0.02 million or 43.83%. Payments for penalties due to the failure to register the books of accounts were the major contributors for the higher expenses this year than last year.
  - Professional fee is increased by ₱0.50 million of 102.11% mainly due to the payment of the Company's sustainability report.
  - Higher Director's Fees were incurred for annual stockholders meeting resulting to an increase of 120.00%

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

#### Financial Position

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

- The Company's total **Assets** of ₱2,695.43 million is slightly higher by ₱60.60 million or 2.30% compared with same period last year. Although the increase may seem not significant, looking into its details, this increase is the net effect of the following major transactions:
- The Company collected ₱4.63million as receivables from MMDC, a related party. Those collections were consequently used by the Company to pay for its general and administrative expenses.
  - Property and equipment declined by ₱1.93 million compared with same period last year, mainly due to depreciation recognized during the year.
  - The increase in Investment in an associate by ₱66.90 million compared with same period last year is primarily due to recognition of the share in net income and other comprehensive loss of an associate during the year.
- **Liabilities** of ₱1,673.66 million decreased by ₱0.00 million comparing with same period last year. The movement is due to partial settlement of advances from Prime Media Holdings Inc., another related party, which was also used by the Company for its working capital requirements. On the other hand, recognition of the current years accrual has slightly offset the decrease in liability.
- Increase in **Stockholder's Equity** is the net result of the net income recognized during the year, and of the share in other comprehensive loss of an associate.

#### Cash Flow

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

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

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

#### 2019 vs. 2018

#### Results of operations

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

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

- Given that the Company has no active operations yet, income is derived mainly from interest on bank deposits. The balance of the Company's income is minimal due to low level of its cash in banks.
- **General and administrative expenses** declined by ₱2.10 million or 28.85% compared with same period last year. The movement is attributable to the following:
- More outsourced services were incurred last year than this year, resulting to a drop in Outside services account by ₱1.35 million or 66.48%.
  - Comparing with same period last year, taxes and licenses during the year of ₱0.04 million is lower by ₱0.26 million or 86.64%. Last year, the Company paid for the real property tax relating to its condominium unit, resulting to higher balance than the current year.
  - Other expenses this year is lower by ₱0.32 million or 54.66% compared with same period last year. Payments for penalties due to late filing and/or non-compliance with regulatory requirements were major contributors for the higher expenses last year than this year.
- **Share in net income (loss) of an associate** – An associate's improved operating performance during the year posted a share in net income of ₱7.53 million to the Company, an increase of ₱84.90 million compared with the same period last year.

#### Financial Position

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

- The Company's total **Assets** of ₱2,634.83 million is slightly higher by ₱2.22 million or 0.08% compared with same period last year. Although the increase may seem not significant, looking into its details, this increase is the net effect of the following major transactions:
- The Company collected ₱3.0 million as receivables from MMDC, a related party. Those collections were consequently used by the Company to pay for its general and administrative expenses.
  - Property and equipment declined by ₱1.94 million compared with same period last year, mainly due to depreciation recognized during the year.
  - The increase in Investment in an associate by ₱6.22 million compared with same period last year is primarily due to recognition of the share in net income and other comprehensive loss of an associate during the year.
- **Liabilities** of ₱1,673.67 million increased by ₱0.71 million comparing with same period last year. The movement is due to additional advances from Prime Media Holdings Inc., another related party, which was also used by the Company for its working capital requirements. On the other hand, payments for previous year's accrual has slightly offset the increase in liability.
- Increase in **Stockholder's Equity** is the net result of the net income recognized during the year, and of the share in other comprehensive loss of an associate.

## Cash Flow

	Audited 2019	2018	Increase(Decrease) Amount	%
	<i>(in millions)</i>			
Cash used in operating activities	<b>(P3.57)</b>	(P5.05)	P1.48	(29.30%)
Cash provided investing activities	<b>3.00</b>	3.70	0.70	(18.79%)
Cash provided by financing activities	<b>0.87</b>	1.00	0.13	(13.40%)

Cash used in operating activities during the year amounted to P3.57 million, while cash used in operating activities in same period last year amounted to P5.05 million. During the year, the Company collected P3.0 million of its receivables from MMDC. Cash outflows made pertain to payments for general and administrative expenses.

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

**Key Performance Indicators**

	2021	2020	2019
Return on Asset (%)	4.97%	2.29%	0.09%
Return on Equity (%)	12.62%	6.15%	0.25%

<sup>1/</sup>Return on assets (ROA) was computed based on the ratio of net income/ (net loss) to average assets.

<sup>2/</sup>Return on equity (ROE) was computed based on the ratio of net income/ (net loss) to average equity.

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

## STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	2021	2020
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	4	<b>P425,556</b>	P512,720
Dividends receivable	10	<b>78,000,000</b>	–
Due from related parties	10	<b>7,000,000</b>	8,818,398
Other current assets	5	<b>10,142,814</b>	9,805,566
Total Current Assets		<b>95,568,370</b>	19,136,684
<b>Noncurrent Assets</b>			
Investment in an associate	7	<b>2,710,348,850</b>	2,637,016,266
Property and equipment	6	<b>37,346,482</b>	39,274,669
Total Noncurrent Assets		<b>2,747,695,332</b>	2,676,290,935
		<b>P2,843,263,702</b>	P2,695,427,619
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Note payable	9	<b>P1,671,501,723</b>	P1,671,501,723
Accrued expenses and statutory payables	8	<b>873,051</b>	391,469
Due to related parties	10	<b>10,622,409</b>	1,765,534
Total Current Liabilities		<b>1,682,997,183</b>	1,673,658,726
<b>Equity</b>			
Capital stock	11	<b>840,660,700</b>	840,660,700
Retained earnings		<b>312,701,646</b>	175,004,476
Other comprehensive income		<b>6,904,173</b>	6,103,717
Total Equity		<b>1,160,266,519</b>	1,021,768,893
		<b>P2,843,263,702</b>	P2,695,427,619

See accompanying Notes to Financial Statements.

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## STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31		
		2021	2020	2019
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	12	<b>(P12,835,716)</b>	(P6,284,288)	(P5,169,525)
<b>SHARE IN NET INCOME OF AN ASSOCIATE</b>	7	<b>150,532,128</b>	67,283,874	7,530,639
<b>INTEREST INCOME</b>	4	<b>758</b>	1,990	694
<b>NET INCOME</b>		<b>137,697,170</b>	61,001,576	2,361,808
<b>OTHER COMPREHENSIVE INCOME</b> <i>Not to be reclassified to profit or loss -</i> Share in other comprehensive income (loss) of an associate	7	<b>800,456</b>	(387,326)	(855,327)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P138,497,626</b>	P60,614,250	P1,506,481
<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>	14	<b>P0.090</b>	P0.040	P0.002

See accompanying Notes to Financial Statements.

Bright Kindle Resources & Investments, Inc.  
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## STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31		
		2021	2020	2019
<b>CAPITAL STOCK</b> - P0.55 par value Authorized - 2,000,000,000 shares Issued and outstanding - 1,528,474,000 shares	11	<b>P840,660,700</b>	P840,660,700	P840,660,700
<b>RETAINED EARNINGS</b> Balance at beginning of year Net income Balance at end of year		<b>175,004,476</b> <b>137,697,170</b> <b>312,701,646</b>	114,002,900 61,001,576 175,004,476	111,641,092 2,361,808 114,002,900
<b>OTHER COMPREHENSIVE INCOME</b> <b>Accumulated share in other comprehensive income of an associate</b> Balance at beginning of year Share in other comprehensive income (loss) of an associate Balance at end of year	7	<b>6,103,717</b> <b>800,456</b> <b>6,904,173</b> <b>P1,160,266,519</b>	6,491,043 (387,326) 6,103,717 P1,021,768,893	7,346,370 (855,327) 6,491,043 P961,154,643

See accompanying Notes to Financial Statements.



Bright Kindle Resources & Investments, Inc.  
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## STATEMENTS OF CASH FLOWS

Years Ended December 31				
	Note	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income		P137,697,170	P61,001,576	P2,361,808
Adjustments for:				
Share in net income of an associate	7	(150,532,128)	(67,283,874)	(7,530,639)
Depreciation	6	1,928,187	1,928,188	1,935,345
Interest income	4	(758)	(1,990)	(694)
Operating loss before working capital changes		(10,907,529)	(4,356,100)	(3,234,180)
Increase in other current assets		(337,248)	(307,166)	(187,643)
Increase (decrease) in accrued expenses and statutory payables		481,583	86,017	(152,454)
Net cash used for operations		(10,763,194)	(4,577,249)	(3,574,277)
Interest received		758	1,990	694
Net cash used in operating activities		(10,762,436)	(4,575,259)	(3,573,583)
CASH FLOWS FROM AN INVESTING ACTIVITY				
Decrease in due from related parties		1,818,397	4,629,754	3,007,429
CASH FLOWS FROM A FINANCING ACTIVITY				
Increase (decrease) in due to related parties		8,856,875	(100,497)	866,031
NET INCREASE (DECREASE) IN CASH		(87,164)	(46,002)	299,877
CASH AT BEGINNING OF YEAR		512,720	558,722	258,845
CASH AT END OF YEAR		P425,556	P512,720	P558,722

See accompanying Notes to Financial Statements.

## CONGLOMERATE MAP







**BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.**

16F, BDO Towers Valero  
8741 Paseo de Roxas, Makati City 1227  
service@brightkindle.com  
Telephone (02) 8-833-0769 Fax (02) 8-856-7976

**[www.brightkindle.com](http://www.brightkindle.com)**