

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
Aug 21, 2024
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  
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
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, 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. Indicate the item numbers reported herein  
Item 9 Other Events

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.**  
**BKR**

**PSE Disclosure Form 4-32 - Reply to Exchange's Query**

**Subject of the Disclosure**

Amended Reply to Exchange's Query

**Description of the Disclosure**

This is in relation to our Reply to the Exchange dated 31 May 2024 with disclosure date of 03 June 2024 regarding the Company's disclosure where the Board of Directors of Brightstar Holdings and Development Inc. ("BHDI"), a subsidiary of BKR, approved the acquisition of Strong Built (Mining) Development Corporation ("SBMDC") for and in consideration of BHDI's issuance of new common shares and assets of up to Php5,000,000,000.00.

We were informed by SBMDC of the changes in its ownership structures, specifically the number of shares held by Libertad Value Holdings, Inc. from 24,999,998 to 29,999,998 and Red Earth Mineral Resources Corporation from 34,999,997 to 29,999,997.

We are also correcting Items 3 and 5 (d) (ii) in our Reply to the Exchange dated 27 May 2024. Please see the attached Letter dated 20 August 2024.

**Information Requested**

Please see the attached Letter dated 20 August 2024.

**Filed on behalf by:**

<b>Name</b>	Joanna Alexxis Manzano
<b>Designation</b>	Legal Admin Supervisor



BKR\_LEG\_OC2024\_004

20 August 2024

**MR. NORBERTO MORENO JR.**

OIC Disclosure Department  
Philippine Stock Exchange  
PSE Towers, 5<sup>th</sup> Ave. Cor. 28<sup>th</sup> St.  
Bonifacio Global City, Taguig City

***Re: Acquisition of Strong Built (Mining) Development Corporation (SBMDC)  
by BKR's subsidiary, Brightstar Holdings and Development Inc. (BHDI)***

Dear Mr. Moreno,

This is in relation to our Reply to the Exchange dated 31 May 2024 with disclosure date of 03 June 2024 regarding the Company's disclosure where the Board of Directors of Brightstar Holdings and Development Inc. ("BHDI"), a subsidiary of BKR, approved the acquisition of Strong Built (Mining) Development Corporation ("SBMDC") for and in consideration of BHDI's issuance of new common shares and assets of up to Php5,000,000,000.00.

We were informed by SBMDC of the changes in its ownership structures, specifically the number of shares held by Libertad Value Holdings, Inc. and Red Earth Mineral Resources Corporation. Thus, the number of shares of BHDI to be issued to SBMDC shareholders shall be modified, as shown in the table, herein attached as **Annex A**.

We are also correcting Items 3 and 5 (d) (ii) in our Reply to the Exchange dated 27 May 2024 to read as follows:

"3. The Parties to the transactions are BHDI and the shareholders of SBMDC enumerated below:

<b>SBMDC shareholders</b>
Red Earth Mineral Resources Inc.
Libertad Value Holdings Inc.
R828 Strategic Inc.
Jose Paulo Lozano

xxx."

and

“5 Description of SBMDC and BDHI

xxx

(d) Capital structure:

xxx

ii. FOR SBMDC

<b>Controlling Shareholders of Subscribers</b>	<b>Number of Shares Held</b>	<b>Percentage</b>
R828 Strategic Inc.	35,999,997	36%
Libertad Value Holdings Inc.	29,999,998	30%
Red Earth Mineral Resources Corporation	29,999,997	30%
Jose Paulo Lozano	4,000,000	4%

xxx.”

Should you have any questions or concerns, please do not hesitate to contact the undersigned.

Regards,

  
**ANA MARIA A. KATIGBAK**  
*Corporate Secretary, BKR*



## ANNEX A

SBMDC OWNERSHIP STRUCTURE			50.00	per share price			
			4,999,999,600.00	TOTAL Value of SBDMC			
Authorized Capital Stock	100,000,000		112,150,500.00	Condo Value			
Par Value	1.00		4,887,849,100.00	Value of BHDl Shares (in PhP)			
	No. of SBMDC Shares Held	Percentage	Acquisition Price (in PhP) x PhP 50.00	Number of BHDl Common Shares for Issuance	Value of BHDl Shares (PhP)	Other Consideration (Condominium Assets) (PhP)	TOTAL Payment (PhP)
R828 Strategic Inc.	35,999,997	36%	1,799,999,850.00	17,999,998,500	1,799,999,850.00		1,799,999,850.00
Linertad Value Holdings Inc.	29,999,998	30%	1,499,999,900.00	14,999,999,000	1,499,999,900.00		1,499,999,900.00
Red Earth Mineral Resources Corporation	29,999,997	30%	1,499,999,850.00	13,878,493,500	1,387,849,350.00	112,150,500.00	1,499,999,850.00
Jose Paulo Lozano	4,000,000	4%	200,000,000.00	2,000,000,000	200,000,000.00		200,000,000.00
<b>TOTAL</b>	<b>99,999,992</b>	<b>100%</b>	<b>4,999,999,600.00</b>	<b>48,878,491,000</b>	<b>4,887,849,100.00</b>		<b>4,999,999,600.00</b>



27 May 2024

**MR. NORBERTO MORENO, JR.**

*OIC Disclosure Department*  
Philippine Stock Exchange  
PSE Towers, 5<sup>th</sup> Ave. Cor. 28<sup>th</sup> St.  
Bonifacio Global City, Taguig City

***Re: Acquisition of Strong Built (Mining) Development Corporation (SBMDC) by BKR's subsidiary, Brightstar Holdings and Development Inc. (BHDI)***

Dear Mr. Moreno,

In relation to the letter of the Exchange dated 22 May 2024 , we provide the following additional information in relation to the Company's disclosure where the Board of Directors of Brightstar Holdings and Development Inc. ("BHDI"), a subsidiary of BKR, approved the acquisition of Strong Built (Mining) Development Corporation ("SBMDC") for and in consideration of BHDI's issuance of new common shares and assets of up to Php 5,000,000,000.00.

**1. Description of the proposed transaction, including the timetable for implementation, and related regulatory requirements if applicable;**

BHDI intends to issue new common shares and assign condominium assets to existing shareholders of SBMDC in exchange for 100% of the outstanding shares of stock of SBMDC at a transaction price of up to PhP 5,000,000,000 or PhP 50.00 for every 1 SBMDC share. The transaction shall be subject to BKR's Board and Shareholders' approval, BHDI shareholders' approval, SEC approval of BHDI's increase in capital stock and share-for-share swap transaction and BIR approval of the tax-free exchange transaction.

The closing of the transaction shall be conditioned upon the following:

- (a) Approval by BKR Board and BKR shareholders;
- (b) Approval by BHDI's stockholders;
- (c) Completion and Approval of the SEC of the confirmation of valuation in relation to the first swap transaction for the swap of BKR's condominium assets for shares of stock in BHDI (currently pending with SEC);
- (d) Completion and approval of the SEC implementing the property and cash dividend declarations;
- (e) Completion and approval of SEC for increase in capital stock and share-for-share swap transaction; and
- (f) Completion and approval of the BIR in relation to the tax-free exchange transaction.

## **2. Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction;**

As the parent of BHDl, BKR is responsible for identifying potential business opportunities to drive growth and enhance shareholder value. The acquisition of SBMDC presents a good opportunity for BHDl. Notably, SBDMC holds Mineral Production Sharing Agreement (MPSA) No. 254-2007-VIII to operate a magnetite iron sand mine covering 7,411 hectares in the Municipalities of Dulag, Mayorga, MacArthur, Javier and Abuyog, Province of Leyte. SBMDC has economically viable deposits of magnetite concentrate. It currently operates approximately 30% of its tenement area; thereby, presenting a clear opportunity for potential growth and available resources for expansion of commercial operations.

BKR also holds investments in Marcventures Holdings Inc., the parent of nickel mining company, Marcventures Mining and Development Corp. The acquisition of SBMDC sets the stage for synergies and possible opportunities for collaboration between the two mining companies.

The shareholders of BKR, being the same shareholders of BHDl as a result of the property dividend declared last September 8, 2023, will directly benefit from the acquisition of SBMDC.

## **3. Identities of the parties to the transaction;**

The Parties to the transactions are BHDl and the shareholders of SBMDC enumerated below:

<b>SBMDC shareholders</b>
R828 Strategic Inc.
Libertad Value Holdings Inc.
R828 Strategies
Jose Paulo Lozano

- A. Red Earth Mineral Resources Corporation ("Red Earth") is a company incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 10, 2018. Originally established to engage in surface mining, Red Earth has evolved to encompass a broader spectrum of activities and strategic pursuits. In February 2023, Red Earth's Board of Directors approved a significant amendment to the company's Articles of Incorporation. This pivotal decision involved a change in the corporate name to Red Earth Mineral Resources Corporation, reflecting a broader vision and expanded scope of operations. Additionally, the amendment redefined the company's secondary business purpose, setting the stage for new avenues of growth and investment. Under its revised corporate mandate, Red Earth has diversified its operations to include dealings in all kinds of properties. This expansion enables the company to engage in investments in bonds and shares of capital stock, thereby enhancing its financial portfolio and capitalizing on various market opportunities. Red Earth is committed to leveraging its expertise in surface mining while also exploring and capitalizing on new investment opportunities. The company's strategic vision is anchored in the dual goals of maintaining robust operational performance in its traditional mining investments and pursuing diversified investment strategies that enhance shareholder value.

- B. Libertad Value Holdings, Inc. (“Libertad”) is a newly incorporated private investment holdings company dedicated to generating value for both its shareholders and its portfolio companies. Founded on the principles of strategic insight and meticulous analysis, Libertad seeks to drive revolutionary change across various industries, propelling its investments towards exceptional growth and innovation. Libertad’s mission is to act as a catalyst for transformation within its portfolio companies. By providing not just capital but also strategic guidance, Libertad aims to help these companies navigate and reshape their respective industries. The company’s vision is to create a symbiotic relationship with its investments, fostering an environment where both Libertad and its portfolio companies thrive and achieve unparalleled success. As a testament to its strategic acumen and commitment to high-growth opportunities, Libertad’s inaugural acquisition of 25% equity stake in SBMDC. This decision was made after thorough due diligence and an in-depth analysis of the market dynamics and future prospects of the mining sector. Looking ahead, Libertad plans to diversify its investment portfolio, seeking out opportunities across various high-growth sectors. By leveraging its strategic vision and investment acumen, Libertad is positioned to become a leading force in the private investment landscape, delivering exceptional value to its shareholders and fostering transformative growth within its portfolio companies.
- C. R828 Strategic Inc. is a domestic corporation registered in the Philippines on February 10, 2023. It is dedicated to delivering strategic solutions and value across various sectors. The company’s mission focuses on leveraging expertise and innovation to foster growth, while its vision aims to establish itself as a leading industry force known for excellence and sustainability. R828 Strategic Inc. adopts a diversified business approach, targeting sustainable growth, fostering innovation, and creating stakeholder value. Committed to operational excellence, the company ensures efficiency and high-quality outcomes. Looking forward, R828 Strategic Inc. plans to expand, explore new opportunities, and form strategic partnerships to enhance its market position and deliver sustained value to stakeholders.
- D. Mr. Jose Paulo Y. Lozano currently serves as a Director in Strong Built (Mining) Development Corporation. He is also the President and CEO of AB.Strategies Inc., a boutique Consulting and Advisory Services firm, where he has performed various roles since 2010. He was previously employed by Unilever Philippines from 2006-2009, where he served as a Brand Manager, after completing his Management Trainee program. Mr. Lozano graduated Magna cum Laude from De La Salle University with a Bachelor of Science in Commerce degree in Business Management in 2006.

#### **4. The basis upon which the consideration or the issue value was determined;**

The consideration is subject to further approval of BKR Board and Shareholders’ approval as well as BHDl shareholders taking into account the valuation report, net asset value, PMRC Compliant Competent Person’s Report and negotiations of the parties.

#### **5. Description of SBMDC and BHDl:**

a. Nature of business;

- i. BHD I is a holding company, incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 27, 2022 to primarily engage 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. BHD I is a wholly-owned subsidiary of Bright Kindle Resources & Investments, Inc.
- ii. SBMDC is a mining company which holds Mineral Production Sharing Agreement (MPSA) No. 254-2007-VIII authorized to operate a magnetite iron sand mine covering 7,411 hectares in the Municipalities of Dulag, Mayorga, MacArthur, Javier and Abuyog, Province of Leyte.

b. Discussion of major projects and investments;

- i. BHD I has no major projects but holds condominium assets.
- ii. SBMDC operates SBMDC Leyte Iron Sand Project, a magnetite sand operations project aiming to produce approximately 1.6 million MT of magnetite concentrate annually, with a grade of 58% Iron (Fe) content. The MPSA covers 7,411 hectares located in the Province of Leyte, in the municipalities of Dulag, Mayorga, MacArthur, Javier, and Abuyog.

c. List of subsidiaries and affiliates, with percentage holdings- NONE for both

d. Capital structure;

- i. FOR BHD I

Please see attached **ANNEX “A”**

- ii. FOR SBMDC

Controlling Shareholders of Subscribers	Number of Shares Held	%
R828 Strategic Inc.	35,999,997	35.99%
Libertad Value Holdings Inc.	24,999,998	24.99%
R828 Strategies	34,999,997	34.99%
Jose Paulo Lozano	4,000,000	4%

e. Ownership Structure

- i. FOR BHD I

Please see attached **ANNEX “A”**

- ii. FOR SBMDC

<b>Controlling Shareholders of Subscribers</b>	<b>Number of Shares Held</b>	<b>%</b>
R828 Strategic Inc.	35,999,997	35.99%
Libertad Value Holdings Inc.	24,999,998	24.99%
R828 Strategies	34,999,997	34.99%
Jose Paulo Lozano	4,000,000	4%

f. List of Directors and principal officers.

i. FOR BHDl

<b>Name</b>	<b>Position</b>
Hermogene Real	Chairman/ Director
Rolando S. Santos	Treasurer/ Director
Andrew Romualdez	Regular Director
Augusto Serafica, Jr.	President/ Director
Rommel Casipe	Corporate Secretary

ii. FOR SBMDC

<b>Name</b>	<b>Position</b>
Kwok Yam Ian Chan	Chairman/President
Ric F. Macabidang	Director/Corporate Treasurer
Eduardo M. Francisco	Director
Jose Paulo Y. Lozano	Director
Bernard Baluda	Director
Antero Jose Caganda	Director
Shreena S. Rama	Director
Maria Aimee S. Rama	Director
Raymund Christopher B. Cuesico	Director
Diane Madelyn Ching	Corporate Secretary

## **6. Effect(s)/impact on the business, financial condition and operations of BKR and BHDl;**

The transaction will result to divestment of BHDl by BKR. On the part of BHDl, the transaction will result to 100% ownership of SBMDC.

**7. Effects on the ownership structure of BHDl as a result of the transaction;**

Please see attached **Annex “A”**. Upon completion of the acquisition, SBMDC shall become a subsidiary of BHDl. Notably, after declaration of property dividends, BKR’s ownership in BHDl will change from 100% to 65.95% while BKR shareholders’ obtained 34.05% ownership in BHDl. After the SBMDC transaction, BKR’s ownership will change from 65.95% to 1.96% while BKR shareholders’ ownership will change from 34.05% to 1.01%.

**8. Effects on the property dividends involving BHDl shares declared by the Company last 08 September 2023.**

Please see attached **Annex “A”**. Notably, after declaration of property dividends, BKR’s ownership in BHDl will change from 100% to 65.95% while BKR shareholders’ obtained 34.05% ownership in BHDl. After the SBMDC transaction, BKR’s ownership will change from 65.95% to 1.96% while BKR shareholders’ ownership will change from 34.05% to 1.01%.

**9. Any other information that are relevant to the transaction.**

Please see attached Annex “B” for SBMDC acquisition breakdown.

While Kwok Yam Ian Chan (“Mr. Chan”) is an independent director of BKR as well as the Chairman and President of SBMDC, he is not a member of the board of directors of BHDl, who approved the present transaction. Mr. Chan did not participate in the discussions and voting by the SBMDC Board on the proposed transaction with BHDl.

Should you have any questions or concerns, please do not hesitate to contact the undersigned.

Regards,

  
**ANA MARIA A. KATIGBAK**

*Corporate Secretary, BKR*



31 May 2024

**MR. NORBERTO MORENO, JR.**

*OIC Disclosure Department*  
Philippine Stock Exchange  
PSE Towers, 5<sup>th</sup> Ave. Cor. 28<sup>th</sup> St.  
Bonifacio Global City, Taguig City

***Re: Additional Information on the Acquisition of Strong Built  
(Mining) Development Corporation (SBMDC) by BKR's subsidiary,  
Brightstar Holdings and Development Inc. (BHDI)***

Dear Mr. Moreno,

In relation to your request for additional information regarding Bright Kindle Resources & Investment, Inc.'s ("BKR" or the "Company") submission of PSE Disclosure Form 4-32 – *Reply to Exchange's Query* dated May 27, 2024 in line with the transaction of Brightstar Holdings and Development Inc.'s ("BHDI"), a subsidiary of BKR, approving the acquisition of Strong Built (Mining) Development Corporation ("SBMDC"), we provide the following information:

1. We confirm that the BKR Declaration of Property Dividends on September 8, 2023 (the "Property Dividend") only refers to 509,491,330 shares of stock of BHDI equivalent to PhP 50,949,133.30 or 34.05% of BHDI after the initial property for share swap and no other assets were included in the dividend declaration. A cash dividend was also declared to cover withholding tax payments and expenses arising from the said property and cash dividend declaration.
2. The Property Dividend declaration has not yet been filed with the Securities and Exchange Commission (SEC) as the Company is still awaiting the issuance of the SEC certification confirming the initial property for share swap where BKR assigned its condominium assets for shares of stock in BHDI (the "Initial Property Swap"). Please further note that the Company already obtained the Certificate Authorizing Registration (CAR) from the BIR in relation to the property for share swap transaction and titles covering the condominium assets are already in the name of BHDI. These documents were already submitted to the SEC.
3. In the event that the Initial Property Swap and the Property Dividends for BKR does not come to fruition, BHDI and the shareholders of SBMDC are committed to pursue the share-for-share swap transaction. The Company intends to file its SEC application for Property Dividends as soon as the Initial Property Swap is approved by the SEC. This may proceed independently from the BHDI-SBMDC swap transaction. In case the BHDI-SBMDC swap transaction is approved by SEC before the BKR Property Dividends, BKR will hold the BHDI shares in trust for the BKR shareholders as of the record date of the BKR Property Dividend, pending SEC approval of the Property Dividend.



4. The transaction will result to dilution of BKR's shareholding in BHDl from 65.05% to 1.96%. as well as dilution of the collective shareholdings of BKR's shareholders, who obtained BHDl shares as result of the Property Dividend declaration, from 34.05% to 1.01%. On the other hand, SBMDC shareholders will obtain 97.03% of BHDl. In turn, BHDl shall own 100% of the outstanding capital stock of SBMDC. A diagram of the ownership structure at every stage of the transaction is provided in **Annex "A"** herewith.
5. Pursuant to your request, we attach herewith redacted copies of the GIS of the following companies:
  - (a) Red Earth Mineral Resources Corporation;
  - (b) Libertad Value Holdings Inc.; and
  - (c) R828 Strategies Inc.

A diagram of the ownership structure at every stage of the transaction is provided in **Annex "A"** herewith.


6. We provide below all the transactions and approvals that will happen prior to the swap between BHDl and SBMDC, together with their estimated timelines:

Activity	Estimated Timetable
(a) Approval by the SEC of the confirmation of valuation in relation to the first swap transaction for the swap of BKR's condominium assets for shares of stock in BHDl. <u>Upon approval, BHDl shall issue shares under the Initial Property Swap</u>	currently pending with SEC (May to June 2024)
(b) Submission and approval by the SEC of the property dividend declaration and <u>subsequent issuance of the BHDl shares to BKR Shareholders</u>	Immediately after (a) above estimated to be between June to August 2024
<b>(Share-for-share swap)</b>	
(c) BKR Board Approval <ol style="list-style-type: none"> <li>i. Approval of the SBMDC transaction</li> <li>ii. Setting of the Shareholders' Meeting to approve the SBMDC transaction</li> <li>iii. Issuance of proxy for the Shareholders' meeting of BHDl</li> </ol>	June 2024
(d) BKR Shareholders' Approval <ol style="list-style-type: none"> <li>i. Approval of the SBMDC transaction</li> </ol>	August 2024

(e) BHDI Shareholders' Approval i. Approval of the SBMDC Transaction ii. Increase in Capital Stock from PhP 150M to PhP 7B	August- September 2024 (after BKR shareholders' meeting)
(f) Application for increase in capital stock and share-for-share swap transaction with the SEC	September to December 2024
(g) Application for CAR with the BIR in relation to the tax-free exchange transaction.	September to December 2024
<u>(h) Issuance of BHDI shares to SBDMC Shareholders</u>	<u>December 2024</u>

Should you have any questions or concerns, please do not hesitate to contact the undersigned.

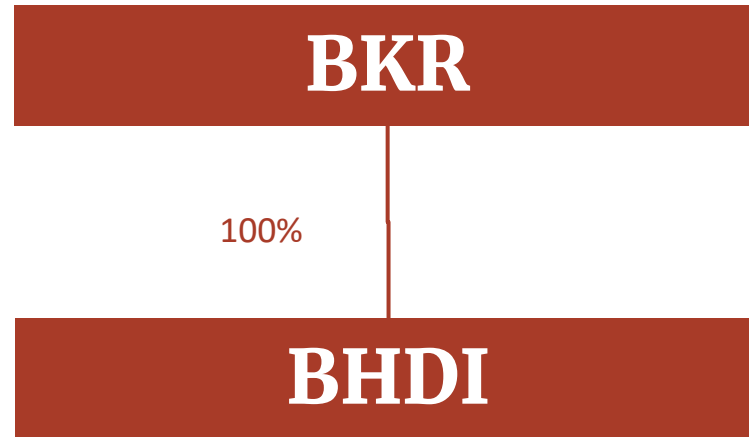
Regards,

  
**ATTY. ANA MARIA A. KATIGBAK**  
 Corporate Secretary, BKR

BHDI OWNERSHIP STRUCTURE												
	A. BEFORE THE CONDO SHARE SWAP (pending approval of SEC)			B. AFTER CONDO SWAP AND BEFORE PROPERTY DIVIDEND			C. AFTER PROPERTY DIVIDEND AND BEFORE SBMDC TRANSACTION			D. AFTER SWAP WITH SBMDC SHAREHOLDERS		
Authorized Capital Stock (in PHP)	150,000,000.00			150,000,000.00			150,000,000.00			7,000,000,000.00		
Par Value	0.10			0.10			0.10			0.10		
Number of Shares	1,500,000,000			1,500,000,000			1,500,000,000			70,000,000,000.00		
Shareholders	Subscribed (in PHP)	Number of Shares	Percentage	Subscribed (in PHP)	Number of Shares	Percentage	Subscribed (in PHP)	Number of Shares	Percentage	Subscribed (in PHP)	Number of Shares	Percentage
BKR	37,499,996	374,999,960	100%	149,650,496	1,496,504,960	100%	98,701,363	987,013,630	65.95%	98,701,363	987,013,630	1.96%
Directors	4	40	0%	4	40	0%	4	40	0.00%	4	40	0.00%
TOTAL	37,500,000	375,000,000	100%	149,650,500	1,496,505,000	100%						
BKR Shareholders (after property dividend)							50,949,133	509,491,330	34.05%	50,949,133	509,491,330	1.01%
TOTAL							149,650,500	1,496,505,000	100.00%			
SBMDC Shareholders										4,887,849,100	48,878,491,000	97.03%
R828 Strategies Inc.										1,799,999,850	17,999,998,500	35.73%
Libertad Value Holdings Inc.										1,249,999,900	12,499,999,000	24.81%
Red Earth Mineral Resources Corporation										1,637,849,350	16,378,493,500	32.51%
Jose Paulo Lozano										200,000,000	2,000,000,000	3.97%
TOTAL										5,037,499,600	50,374,996,000	100.00%

SBMDC OWNERSHIP STRUCTURE			50.00	per share price		
			4,999,999,600.00	TOTAL Value of SBDMC		
Authorized Capital Stock	100,000,000		112,150,500.00	Condo Value		
Par Value	1.00		4,887,849,100.00	Value of BHDl Shares for issuance (in PhP)		
	SBMDC Shares	Percentage	Acquisition Price (in PhP) x PhP 50.00	Number of BHDl Shares for Issuance	Other Consideration (Condo)	TOTAL Payment
R828 Strategies Inc.	35,999,997	36%	1,799,999,850.00	17,999,998,500.00		1,799,999,850.00
Libertad Value Holdings Inc.	24,999,998	25%	1,249,999,900.00	12,499,999,000.00		1,249,999,900.00
Red Earth Mineral Resources Corporation	34,999,997	35%	1,749,999,850.00	16,378,493,500.00	112,150,500.00	1,749,999,850.00
Jose Paulo Lozano	4,000,000.00	4%	200,000,000.00	2,000,000,000.00		200,000,000.00
TOTAL	99,999,992	100%	4,999,999,600.00	48,878,491,000.00		4,999,999,600.00

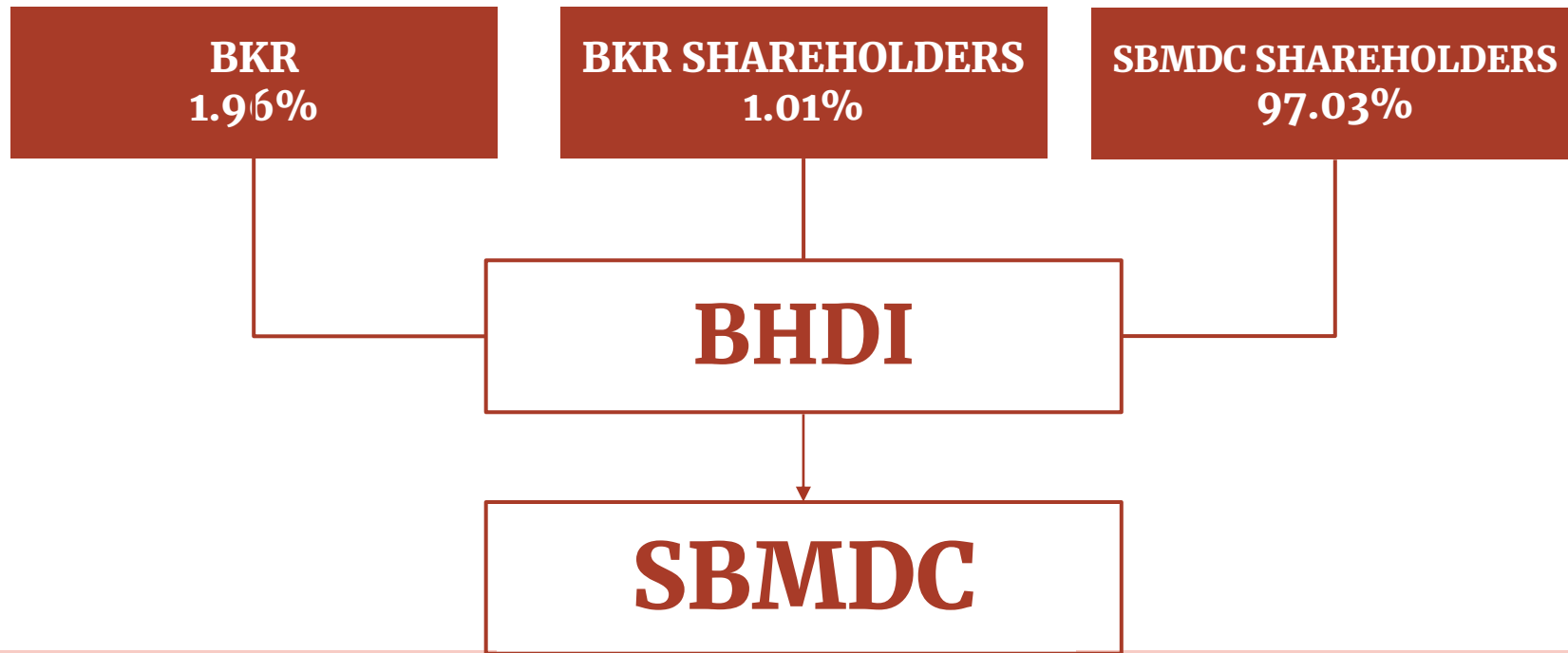
# AFTER CONDO ASSETS FOR SHARE SWAP



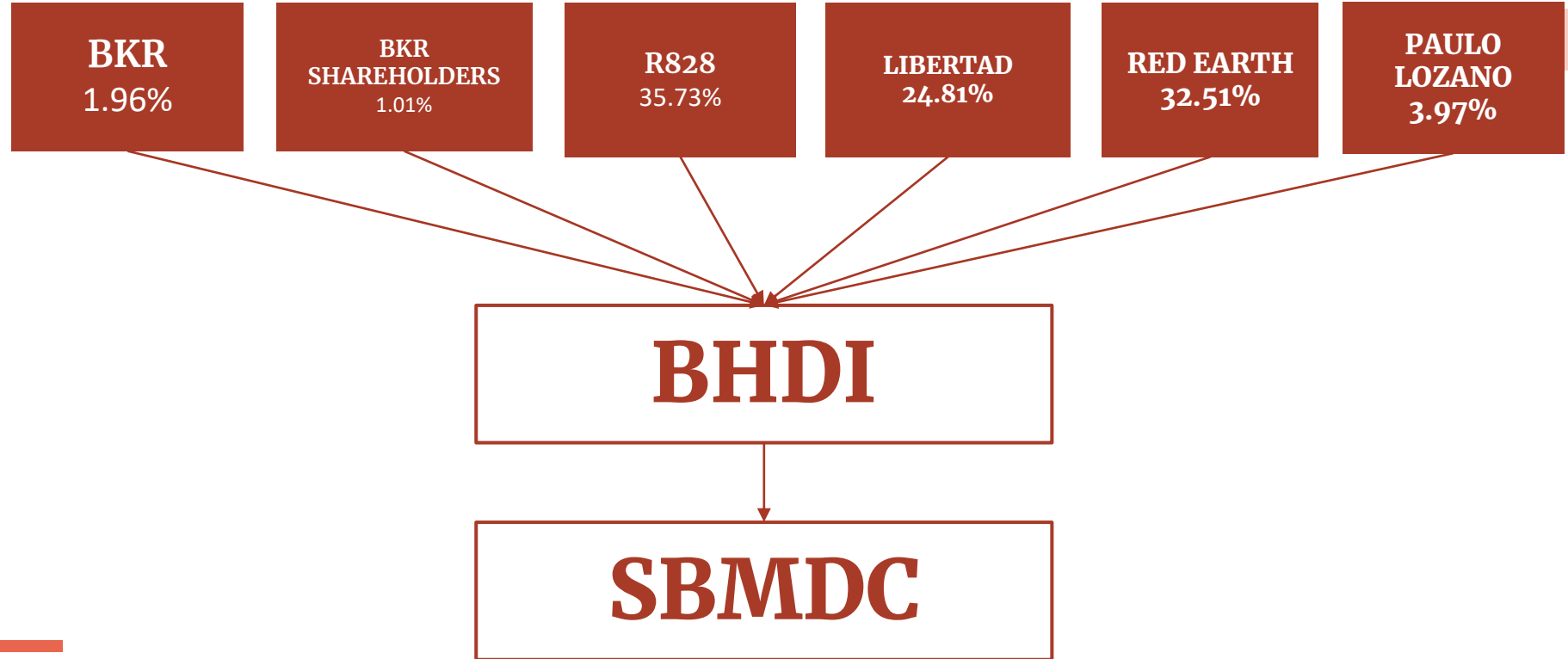
# AFTER PROPERTY DIVIDENDS & BEFORE SBMDC TRANSACTION



# AFTER SBMDC TRANSACTION (Overview)



# AFTER SBMDC TRANSACTION (Detailed)





**DEED OF ASSIGNMENT**  
**(Real Property for Shares of Stocks)**

This Deed of Exchange ("Deed") is made and entered into on this \_\_\_\_ of \_\_\_\_\_, 2022 by and between:

**BRIGHT KINDLE RESOURCES AND INVESTMENTS INC.** (BKR), a domestic corporation a domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 16<sup>th</sup> Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City, Philippines, herein represented by its President, Mr. Augusto C. Serafica, Jr. and hereinafter referred to as "BKR";

and

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT, INC.,** a domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 16<sup>th</sup> Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City, Philippines, herein represented by its Chairman, Atty. Hermogene H. Real and hereinafter referred to as "BHDI".

BKR and the BHDI are referred to individually as a "*Party*" and collectively as the "*Parties*".

**RECITALS:**

1. On 3 March 2022, the Board of Directors of BKR resolved to authorize the creation and incorporation of a wholly owned subsidiary of the company.
2. On 8 April 2022, the Board of Directors of BKR approved the transfer of certain assets of the corporation in exchange of shares in the corporation's wholly-owned subsidiary or a "property-for-share swap" transaction.
3. On 27 May 2022, the Securities and Exchange Commission issued the certificate of registration of BHDI, which has an authorized capital stock with 1,500,000,000 common shares equivalent to P150,000,000.00 at P0.1 par value.
4. On 31 May 2022, the Stockholders representing 100% of the issued and outstanding capital stock of BHDI and all of the members of the Board of Directors of BHDI conducted a joint meeting resolving to approve property-for-share swap between BKR and BHDI.

NOW, THEREFORE, for and in consideration of the foregoing premises, the Parties agree that:

**1. Property-for-Share Swap**

- 1.1. BKR hereby subscribes to a total of ONE BILLION ONE HUNDRED TWENTY-ONE MILLION FIVE HUNDRED FIVE THOUSAND (1,121,505,000) common shares (the "Subscription Shares") out of the authorized capital stock of BHDI, with par value of PESOS: TEN CENTAVOS (P0.10) per share equivalent to a subscription price of PESOS: ONE HUNDRED TWELVE MILLION ONE HUNDRED FIFTY THOUSAND FIVE HUNDRED (P112,150,500.00), Philippine Currency (the "Subscription Price").
- 1.2. As full and complete payment of the Subscription Price, BKR hereby CEDES, TRANSFERS, ASSIGNS, and CONVEYS in favor of the BHDI a certain





condominium unit covered by Condominium Certificate of Title (CCT) No. 006-2014013061 and four (4) parking slots CCT No. 006-2014013062 of which BKR is the true and registered owner with a fair value of P112,150,500.00 (the "Subject Properties"), and more particularly described as follows:

**CCT No. 006-2014013061**

Unit 16-B, located on the 16th floor, BDO Towers Valero Condominium, Valero Street corner Villar Street, Salcedo Village, Barangay Bel-Air, Makati City

**CCT No. 006-2014013062**

Parking Units A-519, A-520, A-521 and A-522, on the 5th floor, within BDO Towers Valero Condominium, Valero Street corner Villar Street, Salcedo Village, Barangay Bel-Air, Makati City

- 1.3. BHDI hereby accepts the assignment, transfer and conveyance of the Subject Properties and agrees to apply the same as full and complete payment of the Subscription Price.
- 1.4. The Parties agree that the fair value of Subject Properties stated in this Deed shall be subject to a confirmation of valuation by the SEC and the Subscription Price shall be automatically adjusted based on any adjustment thereon.
2. **Taxes and Other Charges**
  - 2.1. All taxes, fees and expenses that may be imposed on or incurred in connection with the assignment of the Subject Properties contemplated herein shall be for the account of BKR.
  - 2.2. All taxes, costs and expenses related to the issuance of the Subscription of Shares shall be for the account of BKR.
  - 2.3. The Parties undertake that they shall comply with the provisions of BIR Revenue Regulations No. 18-2001 and other related issuances on Tax-Free Exchange under Section 40(C)(2) of the NIRC, as amended by R.A. No. 11534 or the CREATE Act.
3. **Supporting Documents and Additional Acts**
  - 3.1. The Parties hereby undertake to execute such other documents as are reasonable and necessary for the proper implementation of the Deed as well as to secure any and all consents from third parties pertinent hereto.
4. **Representation and Warranties of the Parties.** The Parties hereby represent and warrant to each other that:
  - 4.1. It has full power and authority to execute and deliver this Deed, and has obtained all corporate actions, consents and approvals necessary for the execution, delivery and performance hereof; and
  - 4.2. This Deed is its legal, valid and binding obligation, and enforceable against it in accordance with the terms hereof.
5. **Issuance of Subscription Shares.** BHDI shall issue the Subscription Shares immediately upon issuance by the SEC of the confirmation of valuation of the Subject Properties and cause the recording thereof in its books.
6. **Amendments.** The Parties agree that the terms and conditions of this Deed shall not be changed or modified unless upon express and written agreement of the Parties.
7. **Successors and Assigns.** The provisions of this Deed shall be binding upon and accrue to the benefit of the Parties and their respective successors and assigns.



8. **Waiver.** No waiver by any Party of any breach of this Deed will be a waiver of any preceding or succeeding breach. No Party is required to give notice to enforce strict adherence to all terms of this Deed.
9. **Counterparts.** This Deed may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same Deed that shall be binding upon the Parties.
10. **Governing Law.** This Deed shall be governed by the Philippine laws.

IN WITNESS WHEREOF, I have hereunto affixed my signature, this \_\_\_\_\_ at \_\_\_\_\_, Philippines.

BRIGHT KINDLE RESOURCES AND INVESTMENTS INC.  
By:

Mr. Augusto C. Serafica, Jr.  
President

BRIGHTSTAR HOLDINGS AND DEVELOPMENT, INC  
By:

Atty. Hermogene H. Real  
Chairman

Witnesses:

ACKNOWLEDGMENT

Republic of the Philippines)  
City of \_\_\_\_\_ }

MAKATI CITY JAN 20 2023

BEFORE ME, a Notary Public in and for the City of \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, personally appeared:

Name	Identification Card	Valid Until

Who have satisfactorily proven to me their identity that they are the same person who executed and voluntarily signed the foregoing DEED OF ASSIGNMENT which they acknowledged before me as their own free and voluntarily act and deed.

The foregoing instrument which relates to a Deed of Assignment consisting of three (3) pages including this page on which the acknowledgment is written, has been duly signed on the left margin of each and every page by the parties and the witnesses.

WITNESS MY HAND AND SEAL, this \_\_\_\_\_ day of \_\_\_\_\_ in the City of \_\_\_\_\_, Philippines.

Doc No. 211  
Page No. 44  
Book No. 4  
Series of 2023

ATTY. JOEL REYER FLORES  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2023 (2023-2024)  
APPOINTMENT NO. 12-05  
ROLL NO. 77376 / FILE (JENIFF)  
PTR NO. 9563564 / JAN. 03, 2023 / MAKATI CITY  
IBP NO. 261994 / JAN. 03, 2023 / PASIG CITY  
1107 D. BATAAN ST., GUADALUPE NUEVO, MAKATI CITY







REPUBLIC OF THE PHILIPPINES  
SECURITIES AND EXCHANGE COMMISSION  
Ground Floor, Secretariat Building, PICC Complex,  
Pasay City, Metro Manila



COMPANY REG. NO.: 2022050053857-02

## CERTIFICATE OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Articles of Incorporation and By Laws of:

### **BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**

were duly approved by the Commission on this date upon the issuance of this Certificate of Incorporation in accordance with the Revised Corporation Code of the Philippines (Republic Act No. 11232), which took effect on February 23, 2019 and copies of said Articles of Incorporation and By Laws are hereto attached.

This Certificate grants juridical personality to the corporation but does not authorize it to issue, sell or offer for sale to the public, securities such as but not limited to, shares of stock, investment contracts, debt instruments and virtual currencies without prior Registration Statement approved by the Securities and Exchange Commission; nor to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing/lending company, and time shares/club shares/membership certificate issuers or selling agents thereof; nor to operate a fiat money to virtual currency exchange. Neither does this Certificate constitute a permit to undertake activities for which other government agencies require a license or permit.

**This Certificate DOES NOT AUTHORIZE INVESTMENT SOLICITATION AND INVESTMENT-TAKING WITHOUT A SECONDARY LICENSE FROM THIS COMMISSION.**

As a registered corporation, it shall submit annually to this Commission the reports indicated at the back of this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed to this Certificate at Ground Floor, Secretariat Building, PICC Complex, Pasay City, Metro Manila, Philippines, this day of 27 May Two Thousand Twenty Two.

**GERARDO F. DEL ROSARIO**

Director

Company Registration and Monitoring Department

For SEC use only  
K642 (PSIC as reserved)  
Stock Corporation  
Less Than 5 Incorporators

*This is a computer generated certificate,  
signature is not required.*

DOCUMENTARY STAMP TAX PAID





REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**  
Ground Floor, Secretariat Building, PICC Complex,  
Pasay City, Metro Manila

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Gentlemen:

Please be informed that upon the approval of the application in the Electronic Simplified Processing of Application for Registration of Company (ESPARC) this Commission does not automatically generate the **BIR Corporate Tax Identification Number (Corporate TIN)** and the **PAG-IBIG, PHILHEALTH** and **SSS Employer Registration Number (ERN)**.

However, you may login to the **Central Business Portal (CBP)** link shown on the notification sent to the email you provided in the ESPARC.

# COVER SHEET

## COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application

**REGISTRATION - ESPARC**

SEC Registration Number

COMPANY NAME

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**

Principal Office (No./Street/Barangay/City/Town/Province)

**16TH FLOOR BDO TOWERS VALERO (FORMERLY CITIBANK TOWER) 8741 PASEO DE ROXAS  
BEL-AIR 1ST DISTRICT, CITY OF MAKATI, FOURTH DISTRICT, NATIONAL CAPITAL REGION  
(NCR), 1209**

COMPANY INFORMATION

Industry Code

**K642**

Industry Description

**Activities of holding companies**

Company's Email

**kenneth.molave@marcventures.com.ph**

Company's  
Telephone  
Number/s

**88314479 N/A**

Company's Mobile  
Number

**09454887884**

CONTACT PERSON INFORMATION

Name of Contact

**KENNETH  
PETER  
DOLLANO  
MOLAVE**

Email Address

**joanna.manzano@marcventures.com.ph**

Telephone  
Number/s

**88314479**

Mobile Number/s

**09454887884**

To be accomplished by CRMD Personnel

Assigned

Date

Signature

Document I.D.

Received by Corporate Filing and Records Division:

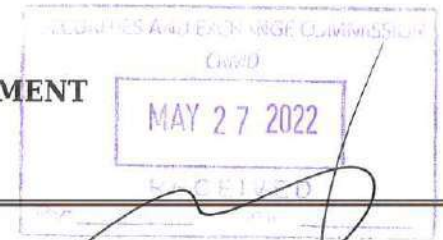
Forwarded to:

- ☐ Corporate and Partnership Registration
- ☐ Green Lane Unit
- ☐ Financial Analysis and Audit Division
- ☐ Licensing Unit





Articles of Incorporation  
of  
**BRIGHTSTAR HOLDINGS AND DEVELOPMENT  
INC.**



KNOW ALL MEN BY THESE PRESENTS:

The undersigned incorporators, all of legal age and majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Republic of the Philippines;

AND WE HEREBY CERTIFY:

First: That the name of said corporation shall be

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**

Second: That the purpose or purposes for which such corporation is incorporated are:

Primary:

To acquire by purchase, exchange, assignment, gift, or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in, and with, and otherwise operate, enjoy, and dispose of, any and all properties of every kind and description and wherever situated including land as and to the extent permitted by law, including but not limited to buildings, tenements, warehouses, factories, edifices, and structures and other improvements and bonds, debentures, promissory notes, shares of stock or other securities or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic and while the owner, holder or possessors thereof to exercise all the rights, powers and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all rentals, dividends, interest and income derived therefrom and the right to vote on any proprietary or other interest, on any shares of the capital stock and upon any bonds, debentures or other securities having voting power, so owned or held; and provided that it shall not engage in the business of an open-end or close-end investment company as defined in the Investment Company Act (Republic Act No. 2629) or act as securities broker or dealer; to aid either by guaranty and/or surety, any subsidiary and/or affiliate of the corporation. Provided that the Corporation shall not solicit, accept or take investments/placements from





the public neither shall it issue investment contracts.;

Secondary:

1. To engage in, operate, manage, and/or carry on the business of ~~prospecting, exploration, mining, extracting, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling, exchanging and/or otherwise producing and dealing in mineral exploration, industrial development, acquisition of mining and mineral claims/rights, quarry and building construction, rock materials and aggregates, claims for purposes of mineral, oil, and petroleum exploration, development, operation, exploration, management, construction, and operation of mining, milling, metallurgical projects and installations including processing, smelting, converting, or refining mineral ores such as, but not limited to iron, nickel, chromite, copper, gold, manganese, coal, magnetite sand, and in all other kinds of ores, metals or other similar ores and/or natural metallic or non-metallic resource from the earth, into finished products and minerals, mineral oils, petroleum, hydrocarbons, acids and chemicals, and in the products and by-products of every kind and description and by whatsoever process, the same can be or may hereafter be produced;~~ 2. To provide technical and/or financial assistance for large scale exploration, development, utilization of minerals, to purchase, acquire, hold, own, license, maintain, work, exploit, use, develop, improve, manage, sell, let, surrender, exchange, hire, convey, or otherwise deal in rights involving the exploration, development, and/or utilization of minerals and exercise auxiliary rights; 3. To market, sell, export, convey, utilize mineral ores and mineral products, and in this connection to acquire, own lease, establish, found, construct, install maintain plants, mills, apparatus, machineries and equipment for the treatment and concentration of mineral ores and mineral products for their economic utilization and to do all of the things necessary, essential, useful and convenient as incidental to or proper in its business 4. To purchase, lease, option, locate, or otherwise acquire, own, exchange, sell, or otherwise dispose of, pledge, mortgage, deed in trust, hypothecate, and deal in mines, mining claims, mineral lands, coal lands, timber lands, water and water rights, and other property, both real and personal. 5. To give financial assistance to local mining enterprises or entities, extend financial assistance to local mineral explorations entities and tenement owners through appropriate contractual arrangements without engaging in financing activities. 6. To erect, construct, rebuild, enlarge, repair, improve and alter buildings, tenements, warehouses, factories, edifices and structures of every kind and description necessary for the operation and development of its business. 7. To borrow or raise money from not more than nineteen (19) lenders including its stockholders necessary to meet the financial requirements of its business by the issuance of bonds, promissory notes and other evidences of indebtedness and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the





corporation or to issue pursuant to law shares of its capital stock, debentures and other evidences of indebtedness in payment for properties acquired by the corporation or for money borrowed in the prosecution of its lawful business; 8. To invest, enter into joint venture agreements with any company, partnership, persons or government entities, domestic or foreign, and deal with the money and properties of the corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interest and to sell, dispose of or transfer the business, properties and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fit to accept; 9. To aid in any manner any corporation, association, or trust estate, domestic or foreign, or any firm or individual, any shares of stock in which or any bonds, debentures, notes, securities, evidences of indebtedness, contracts, or obligations of which are held by or for this corporation, directly or indirectly or through other corporations or otherwise. 10. To enter into any lawful arrangement for sharing profits, union of interests, utilization or farmout agreement, reciprocal concession, or cooperation, with any corporation, association, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign, in the carrying on of any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of this corporation; 11. To acquire or obtain from any government or authority, national, provincial, municipal or otherwise or any corporation, company or partnership or person, such charter, contracts, franchises, privileges, exemption, licenses and concessions as may be conducive to any of the objects of the corporation; 12. To establish and operate one or more branch offices of agencies and to carry on any of all its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge, and convey or otherwise deal in and with real and personal property anywhere within the Philippines; and, 13. To make donations of property or money to local government units or public or private charities so far as it may deem necessary or helpful in connection with the accomplishment of the purpose herein stated or in the public or community interests. 14. To conduct and transact any and all lawful business, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of this corporation.;

Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts.

Third: That the principal office of the corporation is located in **16TH FLOOR BDO TOWERS VALERO (FORMERLY CITIBANK TOWER) PASEO DE ROXAS**



**BEL-AIR CITY OF MAKATI, CITY OF MAKATI, FOURTH DISTRICT,  
NATIONAL CAPITAL REGION (NCR), 1226;**

Fourth: That the corporation shall have perpetual existence;

~~Fifth: That the names, nationalities and residences of the incorporators are as follows:~~

<b>Name</b>	<b>Nationality</b>	<b>Residence</b>
HERMOGENE H. REAL	Philippine, Filipino	10 Mirasol Street Tahanan Village B. F. Homes , CITY OF PARAÑAQUE, FOURTH DISTRICT, NATIONAL CAPITAL REGION (NCR), 1720
ROLANDO S. SANTOS	Philippine, Filipino	No. 2 James St Filinvest Homes San Isidro (Pob.) , CITY OF ANTIPOLLO, RIZAL, REGION IV-A (CALABARZON), 1870
MINDA P. DE PAZ	Philippine, Filipino	2003 Purple Road Camella Homes 2 Talon Dos , CITY OF LAS PIÑAS, FOURTH DISTRICT, NATIONAL CAPITAL REGION (NCR), 1747
AUGUSTO JR. C. SERAFICA	Philippine, Filipino	No. 23 Argentina Loyola Grand Villa Pansol , QUEZON CITY, SECOND DISTRICT, NATIONAL CAPITAL REGION (NCR), 1108

Sixth: That the number of directors of the corporation shall be five (5); and the names, nationalities and residences of the first directors of the corporation are as follows:

<b>Name</b>	<b>Nationality</b>	<b>Residence</b>
HERMOGENE H. REAL	Philippine, Filipino	10 Mirasol Street Tahanan Village B. F. Homes , CITY OF PARAÑAQUE, FOURTH DISTRICT, NATIONAL CAPITAL REGION (NCR), 1720
ROLANDO S. SANTOS	Philippine, Filipino	No. 2 James St Filinvest Homes San Isidro (Pob.) , CITY OF ANTIPOLLO, RIZAL, REGION IV-A (CALABARZON), 1870





MINDA P. DE PAZ

Philippine, Filipino

2003 Purple Road Camella Homes  
2 Talon Dos , CITY OF LAS  
PIÑAS, FOURTH DISTRICT,  
NATIONAL CAPITAL REGION  
(NCR), 1747

AUGUSTO JR. C.  
SERAFICA

Philippine, Filipino

No. 23 Argentina Loyola Grand  
Villa Pansol , QUEZON CITY,  
SECOND DISTRICT, NATIONAL  
CAPITAL REGION (NCR), 1108

MAILA LOURDES G. DE  
CASTRO

Philippine, Filipino

14 E Gilmore Townhomes  
Valencia , QUEZON CITY,  
SECOND DISTRICT, NATIONAL  
CAPITAL REGION (NCR), 1112

Seventh: That the authorized capital stock of the corporation is One Hundred Fifty Million Pesos (P150,000,000.00), divided into:

a. One Billion Five Hundred Million (1,500,000,000) common voting shares with par value of Ten Centavos (P0.10) per share.

Eighth: That the authorized capital stock above has been subscribed and paid as follows:

Name	Nationality	Share Type	No. of Shares Subscribed	Amount Subscribed
HERMOGENE H. REAL	Philippine, Filipino	Common - Voting - with Par	10	P1.00
ROLANDO S. SANTOS	Philippine, Filipino	Common - Voting - with Par	10	P1.00
MINDA P. DE PAZ	Philippine, Filipino	Common - Voting - with Par	10	P1.00
AUGUSTO JR. C. SERAFICA	Philippine, Filipino	Common - Voting - with Par	10	P1.00
MAILA LOURDES G. DE CASTRO	Philippine, Filipino	Common - Voting - with Par	10	P1.00
BRIGHT KINDLE RESOURCES AND INVESTMENTS, INC. Represented by: AUGUSTO JR. C. SERAFICA	Philippine, Filipino  Philippine, Filipino	Common - Voting - with Par	374,999,950	P37,499,995.00
TOTAL			375,000,000	P37,500,000.00



Name	Share Type	Mode of Payment	Amount Paid	Add'l Paid-in Capital
HERMOGENE H. REAL	Common - Voting - with Par	Cash	P1.00	P0.00
ROLANDO S. SANTOS	Common - Voting - with Par	Cash	P1.00	P0.00
MINDA P. DE PAZ	Common - Voting - with Par	Cash	P1.00	P0.00
AUGUSTO JR. C. SERAFICA	Common - Voting - with Par	Cash	P1.00	P0.00
MAILA LOURDES G. DE CASTRO	Common - Voting - with Par	Cash	P1.00	P0.00
BRIGHT KINDLE RESOURCES AND INVESTMENTS, INC. Represented by: AUGUSTO JR. C. SERAFICA	Common - Voting - with Par	Cash	P9,374,995.00	P0.00
<b>TOTAL</b>			<b>P9,375,000.00</b>	<b>P0.00</b>

Ninth: That ROLANDO S. SANTOS has been elected by the subscribers as Treasurer of the Corporation to act as such until after the successor is duly elected and qualified in accordance with the bylaws, that as Treasurer, authority has been given to receive in the name and for the benefit of the corporation, all subscriptions, contributions or donations paid or given by the subscribers or members, who certifies the information set forth in the seventh and eighth clauses above, and that the paid-up portion of the subscription in cash and/or property for the benefit and credit of the corporation has been duly received.

Tenth: That no transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the corporation and this restriction shall be indicated in all the stock certificates issued by the corporation.

Eleventh: That the incorporators undertake to change the name of the corporation, as herein provided or as amended thereafter, immediately upon receipt of notice from the Commission that another corporation, partnership or person has acquired a prior right to the use of such name, that the name has been declared not distinguishable from a name already registered or reserved for the use of another corporation, or that it is contrary to law, public morals, customs or public policy.

#### **BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**

IN WITNESS WHEREOF, we have hereunto signed these Articles of Incorporation, this APR 28, 2022 day of April, 2022 in the City/Municipality of Makati, Province of Metro Manila, Republic of the Philippines.



Name	TIN	Signature
HERMOGENE H. REAL	122-295-404-000	
ROLANDO S. SANTOS	127-551-054-000	
MINDA P. DE PAZ	122-301-174-000	
AUGUSTO JR. C. SERAFICA	102-097-338-000	
ROLANDO S. SANTOS Treasurer	127-551-054-000	





## ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

**MAKATI CITY** S.S)

BEFORE ME, a Notary Public, for and in **MAKATI CITY**, Philippines, this  
\_\_\_\_ day of APR 28 2022, personally appeared the following persons:


Name	TIN/Passport No.	Date and Place Issued
HERMOGENE H. REAL	122-295-404-000	
ROLANDO S. SANTOS	127-551-054-000	
MINDA P. DE PAZ	122-301-174-000	
AUGUSTO JR. C. SERAFICA	102-097-338-000	
ROLANDO S. SANTOS <i>Treasurer</i>	127-551-054-000	

known to me and to me known to be the same persons who executed the foregoing Articles of Incorporation constituting of 8 pages, including this page where the acknowledgement is written, and they acknowledged to me that the same is their free act and voluntary deed.

**WITNESS MY HAND AND SEAL** on the day first above-written.

Doc. No. 489 ;  
Page. No. 101 ;  
Book. No. I ;  
Series Of 2022 .

**NOTARY PUBLIC**

  
**ATTY. KENNETH PETER D. MOLAVE**  
Notary Public for Makati City  
Appt. No. M-38 until 6/30/22 per BM3795, 9/28/21  
Roll of Atty. No. 70029  
MCLE Compliance No. VI-0027998; 5/22/2019  
IBP Membership No. 198992; 01/11/2022  
PTR No. MKT 8857895MJ; 01/14/2022  
4F Citi Center/BDO Towers, Paseo de Roxas, Makati City





BY-LAWS  
OF  
**BRIGHTSTAR HOLDINGS AND DEVELOPMENT  
INC.**

**I. THE TIME, PLACE AND MANNER OF CALLING AND CONDUCTING REGULAR OR SPECIAL MEETINGS OF THE DIRECTORS OR TRUSTEES.**

- a) Regular meetings of the board of directors or trustees or trustees of the corporation shall be held monthly unless the by-laws provide otherwise.
- b) Special meetings of the board of directors or trustees may be held at any time upon the call of the president or as provided in the by-laws.
- c) Meetings of directors or trustees of corporations may be held anywhere in or outside of the Philippines, unless the by-laws provide otherwise. Notice of regular or special meetings stating the date, time and place of the meeting must be sent to every director or trustee at least two (2) days prior to the scheduled meeting, unless a longer time is provided in the by-laws. A director or trustee may waive this requirement, either expressly or impliedly.
- d) Directors or trustees who cannot physically attend or vote at board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate. Directors or trustees cannot attend or vote by proxy at board meetings.

**II. THE TIME AND MANNER OF CALLING AND CONDUCTING REGULAR OR SPECIAL MEETINGS OF THE STOCKHOLDERS OR MEMBERS.**

- a) Regular or annual meetings of stockholders or members shall be held annually on **4th Friday of May**.
- b) Written notice of regular meetings shall be sent to all stockholders of record or members at least twenty-one (21) days prior to the meeting, unless a different period is required in the by-laws, law, or regulation: Provided, further, That written notice of regular meetings may be sent to all stockholders of record or members through electronic mail or such other manner as the Commission shall allow under its guidelines.
- c) Special meetings of Stockholders or members shall be held at any time deemed necessary or as provided in the by-laws: Provided, however, That at least one (1) week written notice shall be sent to all Stockholders or members, unless a different period is provided in the by-laws, law or regulation.
- d) Written notice of special meetings shall be sent to all stockholders or





members at least one week prior to the meeting.

e) Stockholders or members' meetings, whether regular or special, shall be held in the city or municipality where the principal office of the corporation is located, Provided, That any city or municipality in Metro Manila, Metro Cebu, Metro Davao, and other Metropolitan areas shall, for purposes of this section, be considered a city or municipality.

### III. THE REQUIRED QUORUM IN MEETINGS OF STOCKHOLDERS OR MEMBERS

The required quorum in meetings of Stockholders or members shall consist of the stockholder/s representing a majority of the outstanding capital stock or a majority of the members in the case of non-stock corporations.

### IV. THE FORM FOR PROXIES OF STOCKHOLDERS OR MEMBERS AND THE MANNER OF VOTING THEM

Stockholders or members may vote in person or by proxy in all meetings of Stockholders or members. Proxies shall be in writing, signed and filed, by the stockholder or member, in any form authorized in the by-laws and received by the corporate secretary within a reasonable time before the scheduled meeting. Unless otherwise provided in the proxy form, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time.

### V. THE QUALIFICATIONS, DUTIES, TERM AND COMPENSATION OF DIRECTORS OR TRUSTEES

a) A person shall be disqualified from being a director, trustee or officer of any corporation if, within five (5) years prior to the election or appointment as such, the person was:

(a) Convicted by final judgment:

(1) Of an offense punishable by imprisonment for a period exceeding six (6) years;

(2) For violating this Code; and

(3) For violating Republic Act No. 8799, otherwise known as "The Securities Regulation Code";

(b) Found administratively liable for any offense involving fraudulent acts; and

(c) By a foreign court or equivalent foreign regulatory authority for acts, violations or misconduct similar to those enumerated in paragraphs (a) and (b) above.

Directors shall be elected for a term of one (1) year from among the holders of





stocks registered in the corporation's books, while trustees shall be elected for a term not exceeding three (3) years from among the members of the corporation. Each director and trustee shall hold office until the successor is elected and qualified. A director who ceases to own at least one (1) share of stock or a trustee who ceases to be a member of the corporation shall cease to be such.

b) The corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation be controlled and held by the board of directors or trustees to be elected from among the holders of stocks, who shall hold office for one (1) year and until their successors are elected and qualified.

c) The directors or trustees shall not receive any compensation, as such directors or trustees, except for reasonable per diems. Any compensation may be granted to directors or trustees by the vote of the stockholders representing at least a majority of the outstanding capital stock or by majority of the members at a regular or special meeting. In no case shall the total yearly compensation of directors, as such directors, exceed ten (10%) percent of the net income before income tax of the corporation during the preceding year.

#### VI. THE MANNER OF ELECTION OR APPOINTMENT, QUALIFICATION AND THE TERM OF OFFICE OF ALL OFFICERS OTHER THAN DIRECTORS OR TRUSTEES

Immediately after their election, the directors or trustees of a corporation must formally organize by the election of a PRESIDENT, who shall be a director or member, a TREASURER who must be a resident, a SECRETARY who shall be a citizen and resident of the Philippines, and such other officers as may be provided in the by-laws. Two (2) or more positions may be held concurrently by the same officer, however no one shall act as PRESIDENT and SECRETARY or as PRESIDENT and TREASURER at the same time. The officers of the corporation shall hold office for one (1) year and until the successors are elected and qualified. The officers shall manage the corporation and perform such duties as may be provided in the bylaws and/or as resolved by the board of directors or trustees.

#### VII. FISCAL YEAR

The fiscal year of the corporation shall begin on **January 1** and shall end **December 31** of each year.

#### VIII. SEAL



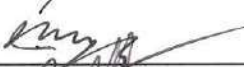

The corporate seal shall be determined by the Board of directors or trustees.

#### IX. MISCELLANEOUS PROVISIONS:

Matters not covered by the provisions of these by-laws shall be governed by the provisions of the Revised Corporation Code of the Philippines.



IN WITNESS WHEREOF, we, the undersigned incorporators present at said meeting and voting thereat in favor of the adoption of said by-laws, have hereunto subscribed our names this \_\_\_\_\_ day of APR 28 2020 in the City/Municipality of MAKATI CITY, Province of \_\_\_\_\_, Republic of the Philippines.

Name	TIN	Signature
HERMOGENE H. REAL	122-295-404-000	
ROLANDO S. SANTOS	127-551-054-000	
MINDA P. DE PAZ	122-301-174-000	
AUGUSTO JR. C. SERAFICA	102-097-338-000	





REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**  
 CEBU EXTENSION OFFICE  
 Cebu City

COMPANY REG. NO. C199900878

**CERTIFICATE OF FILING  
 OF  
 AMENDED ARTICLES OF INCORPORATION**

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the amended articles of incorporation of the  
**STRONG BUILT (MINING) DEVELOPMENT CORPORATION**  
 (Formerly: STRONG BUILT MINING AND DEVELOPMENT CORP.)  
 (Amending Articles III and VII of the amended articles of incorporation thereof)

copy annexed, adopted on December 10, 2004 by a majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/ broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Cebu City, Philippines, this 29th day of September, Two Thousand Eight.



CERTIFIED PHOTOCOPY

Page 1 of 16 Page(s)

Verified by:

**LORNA N. FICK-CUBERO**  
 Officer In Charge  
 SEC CEBU OFFICE

and Original Received by  
AED/LFC/ras

I at:

29, 2008

# COVER SHEET

C 1 9 9 9 0 0 8 7 8

SEC Registration Number

STRONG BUILT (MINING)  
DEVELOPMENT CORPORATION  
FORMERLY: STRONG BUILT MINING  
XPO DEVELOPMENT CORPORATION  
(Company's Full Name)

202 LILANGS BLDG. M. L. QUEZON  
AVENUE PAJO, LAPU-LAPU CITY  
(Business Address: No. Street City / Town / Province)

MARIA AIMEE S. SANTOS  
Contact Person

341-4406  
Company Telephone Number

1 2 - 3 1  
Month Day  
Calendar Year

FORM TYPE

1 2 1 0  
Month Day  
Annual Meeting

Secondary License Type, If Applicable

SEC  
Dept. Requiring this Doc.

ARTICLE 327  
Amended Articles Number/Section

7  
Total No. of Stockholders

Total Amount of Borrowings  
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier


STAMPS

Remarks = pls. Use black ink for scanning purposes



CERTIFIED PHOTOCOPY

Page 2 of 16 Page(s)

Verified by: 

12/19/07  
**AMENDED ARTICLES OF CORPORATION**  
**OF**

**STRONG BUILT (MINING) DEVELOPMENT CORPORATION**

(As amended on December 5, 1999)

Formerly: Strong Built Mining And Development Corporation

**FILING FEE:** ₱500.00

**HANDLING:** 20.00

**LRF:** 10.00

**O.R. No.:** 0497090

**DATE:** 12-19-07

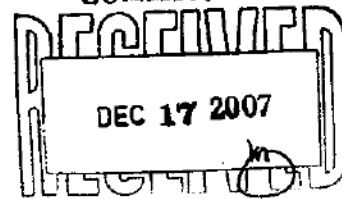
**Know All Men By These Presents:**

The undersigned incorporators, all of legal age and majority of whom are residents of the Philippines, have this day voluntarily agreed to amend this stock corporation under the laws of the Republic of the Philippines,

**THAT WE HEREBY CERTIFY:**

**FIRST:** The name of this corporation shall be:

**SECURITIES & EXCHANGE  
COMMISSION**



**CEBU EXCHANGE OFFICE**

**STRONG BUILT (MINING) DEVELOPMENT CORPORATION**

(As amended on December 05, 1999) Formerly, Strong Built Mining And Development Corporation

**SECOND:** A. That the primary purpose of this corporation is

1. TO CARRY ON THE BUSINESS OF OPERATING METALLIC AND NON-METALLIC MINES, AND OF MINING, MILLING, CONCENTRATING, CONVERTING, SMELTING, TREATING, REFINING, PREPARING FOR MARKET, MANUFACTURING, BUYING, SELLING, EXCHANGING AND OTHERWISE PRODUCING AND DEALING IN ALL OTHER KINDS OF ORES, METALS, AND MINERALS, HYDROCARBONS, ACIDS AND CHEMICALS, AND IN THE PRODUCTS AND BY-PRODUCTS OF EVERY KIND AND DESCRIPTION AND BY WHATSOEVER PROCESS, THE SAME CAN BE OR MAY HEREAFTER BE PRODUCED; TO PURCHASE, LEASE, OPTION, LOCATE OR OTHERWISE ACQUIRE, OWN EXCHANGE, SELL OR OTHERWISE DISPOSE OF, PLEDGE, MORTGAGE, DEED IN TRUST, HYPOTHECATE, AND DEAL IN MINES, MINING

**PRESENTED BY:**

**NAME:** HARVEY S. TAC-AN  
**ADDRESS:** BGC, PRCO, Cebu City  
**TEL. NO.** 335-3670



**CERTIFIED PHOTOCOPY**

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Verified by: [Signature]

CLAIMS, MINERAL LANDS, COAL LANDS, TIMBER LANDS, WATER AND WATER RIGHTS AND OTHER PROPERTY, BOTH REAL AND PERSONAL.

### SECONDARY PURPOSE

1. To engage in general construction and other allied businesses including the constructing, enlarging, repairing, removing, developing, or otherwise engaging in any work upon buildings, roads, highways, manufacturing plants, bridges, airfields, piers, docks, mines, shafts, waterworks, railroads, railway structures, all iron, steel, wood, masonry and earth construction, and to make, execute, bid for and take or receive any contracts or assignment of contracts therefore, or in relation thereto, or connected therewith and to manufacture and furnish building materials and supplies connected therewith and doing of any and all other business and contracting incidental thereto or connected therewith, and the doing and performing of any and all acts and things necessary, proper or convenient for and incidental to the furtherance and/or implementation of the purposes therein mentioned. And in the pursuit of the foregoing, the corporation shall engage, hire, appoint, commission and/or contract the services of duly qualified and licensed electrical, structural, mechanical engineers, architects, surveyors and other technical professions, and as incident thereto, to undertake the planning, surveying, designing, supervising, engineering and consulting in industrial, commercial and residential buildings and structures of every nature and descriptions. (As amended on December 05,1999)
2. To purchase, acquire, own, lease, sell and convey real properties such as land, buildings, factories and warehouses and machinerics, equipment and other personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, shares of its capital stock, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient, for any business or property acquired by the corporation.
3. To engage in, carry on, conduct manage and/or undertake the business of consulting in all fields, including total planning, economic evaluation and



CERTIFIED PHOTOCOPY

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Verified by: YMW



development, conduct of environmental studies leading to initial environmental examination, environmental impact assessment and other related environmental studies, financial management and planning, construction management, preparation and evaluation of engineering and design proposals and investments in public and private sectors to determine the optimum solution to both technical and economic problems; including but not limited to the financing of the projects. (As amended on December 05, 1999)

4. To invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities and obligations of any other corporation, partnership or association domestic or foreign, for whatever lawful purpose or purposes the same may have been organized, and to pay therefor in money or by exchanging therefore stocks, bonds securities or other evidences of indebtedness of this or any other corporation, partnership or association and while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts or obligations to receive, collect and dispose of the interest, dividends and income arising from such property, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership. (As amended on December 05, 1999)

5. To engage in, operate, conduct and maintain the business of manufacturing, buying and selling, importing, bartering and otherwise dealing in all other goods, and to act as manufacturers' representatives, agents commission merchants, investors, merchandise brokers, factors, or in any other representative capacity for natural or juridical persons and other entities, either domestic or foreign. (As amended on December 05, 1999)

6. To act as commercial agents or brokers for any person, firm or corporation whether domestic or foreign, and to undertake and perform subcontracts, and also to act in any of the businesses of the corporation, through or by means of agents, brokers, subcontractors or others. (As amended on Decemeber 05, 1999)



CERTIFIED PHOTOCOPY

Page 5 of 16 Page(s)

Verified by: [Signature]

AND IN FURTHERANCE OF THE PURPOSES AS AFORESAID, the corporation shall have the following incidental powers: (As amended on December 05, 1999)

- a. To acquire by purchase, lease, contract, concession or otherwise any and all real and personal properties of every kind and description whatsoever which the corporation may deem necessary or appropriate in connection with the conduct of any business in which the corporation may lawfully engage, and to own, hold, operate, improve, develop, manage, grant, lease, sell, exchange or otherwise dispose of the whole or any part thereof; (As amended on December 05, 1999)
- b. To borrow or raise money for any of the purposes of the Corporation, and from time to time draw, make, accept, endorse, transfer, assign, execute and issue promissory notes, draft bills of exchange, warrants, bonds, debentures and other negotiable and transferable instruments and evidences of indebtedness, and for the purpose of securing any of its obligations or contracts to convey, transfer, assign, deliver, mortgage and/or pledge all or any part of the property or assets at any time held or owned by the Corporation on such terms and conditions, as the Board of Directors of the Corporation or its duly authorized officers or agents shall determine and as may be permitted by law; (As amended on December 05, 1999)
- c. Insofar as may be permitted by law, to purchase or otherwise acquire the stocks, bonds, and other securities or evidences of indebtedness of any other corporation, association, firm, or entity, domestic or foreign, and to issue in exchange therefore, *its own stocks, bonds or other obligations to pay therefore* in cash or otherwise, to hold for investment or otherwise, own, use, sell, deal in, dispose of, and turn to account any such stocks, bonds, or other securities, and while the owner or holder thereof to exercise all the rights and powers of ownership, including the right to vote thereon for any purpose; (As amended on December 05, 1999)



CERTIFIED PHOTOCOPY

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Verified by: [Signature]



- d. Insofar as may be permitted by law, to do any act or thing necessary or useful for the protection, development, improvement or operation of any person, corporation, association, firm or entity in with which the corporation has an interest or any kind, whether as stockholder, manager, investment adviser, technical consultant or otherwise, including among others, the power to extend all kinds of financial assistance by loan, guaranty, surety or subsidy such corporation, association, firm or entity without engaging in surety business; (As amended on December 05, 1999)
- e. To purchase, hold, cancel, re-issue, sell, exchange, transfer or otherwise deal in shares of its own capital stock, bonds or other obligations from time to time to such an extent and in such manner and upon such terms as its Board of Directors shall determine; Provided that the Corporation shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital stock, except to the extent permitted by laws; (As amended on December 05, 1999)
- f. To merge, consolidate, combine or amalgamate with any corporation, firm association or entity heretofore or hereafter created in such manner as may be permitted by law; (As amended on December 05, 1999)
- g. To acquire, take over, hold and control all or any part of the business, goodwill, property and other assets, and to assume or undertake the whole or any part of the liabilities and obligations of any person, firm, association or corporation, whether domestic or foreign, and whether a growing concern or not, engaging in or previously engaged in a business which the Corporation is or may become authorized to carry on or which may be appropriate or suitable for the purposes of the Corporation, and for the same to pay in cash or in stock, bonds, or securities of the Corporation or otherwise, and to hold, manage, operate, conduct and dispose of, in any manner, the whole or part of any such acquisitions, and to exercise all the powers necessary of convenient for the conduct and management thereof; and (As amended on December 05, 1999)



CERTIFIED PHOTOCOPY

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Verified by: MT

- h. To enter into contract and arrangements of every kind and description for a lawful purpose with any person, firm, association, corporation, municipality, body politic, country, territory, province, state, government or authority any rights privileges, contracts and concessions which the Corporation may deem desirable to obtain, carry out, perform or comply with such contracts or arrangements and exercise any such rights, privileges and concessions. (As amended on December 05, 1999)

- B. That the corporation shall have all the express powers of a corporation as provided for under Section 36 of the Corporation Code of the Philippines.

**THIRD:** That the place where the principal office of the corporation is to be established is at:

No./Street: SUITE 202 LILANG'S BUILDING, M.L. QUEZON AVE.  
PAJO,

City/Town: LAPU - LAPU CITY Province: CEBU  
*(As amended on December 10, 2004)*

**FOURTH:** That the term for which the corporation is to exist is fifty (50) years from and after the date of issuance of the certificate of the incorporation.



CERTIFIED PHOTOCOPY

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Verified by: [Signature]

**FIFTH:** That the names, nationalities, and residences of the incorporators are as follows:

Name	Nationality	Residence
RUEL P. BUESER	FILIPINO	91 J.P. RIZAL ST.,MANGGAHAN RODRIGUEZ, RIZAL
ALICE A. ABASTILLAS	FILIPINO	70-4 ESTEBAN ABAD ST., LOYOLA HEIGHTS, QUEZON CITY
TEODORO A. REYES	FILIPINO	301 C. CULMAT BLDG., E.RODRIGUEZ AVENUE QUEZON CITY
DOMINGO B. CABANGCA	FILIPINO	131 INAYAWAN, CEBU CITY
FORTUNATO B. LAZARO	FILIPINO	SPLENDOR HILLS SUBD., PARDO, CEBU CITY
JOSE B. VILLA	FILIPINO	848 G.T. VILLA,PRIVATE ROAD, M.J. CUENCO, CEBU CITY
JEROME Y. BARROQUILLO	FILIPINO	321-C ESCARIO ST., CEBU CITY
CHANDRAN R. RAMA	FILIPINO	146 VIRGIN ISLAND ST., VISTA BELLA SUBD., BASAK, LAPU-LAPU CITY
MARIE AIMEE A. SANTOS	FILIPINO	146 VIRGIN ISLAND ST., VISTA BELLA SUBD., BASAK, LAPU-LAPU CITY



CERTIFIED PHOTOCOPY

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Verified by: [Signature]

**SIXTH:** That the number of directors of said corporations shall be **NINE (9)** and that the names, nationalities and residences of the first directors who are to serve until their successors are elected and qualified as provided by the by-laws are as follows:

Name	Nationality	Residence
RUEL P. BUESER	FILIPINO	91 J.P. RIZAL ST.,MANGGAHAN, RODRIGUEZ, RIZAL
ALICE A. ABASTILLAS	FILIPINO	70-4 ESTEBAN ABAD ST. LOYOLA HEIGHTS. QUEZON CITY
TEODORO A. REYES	FILIPINO	301 C. CULMAT BLDG., E.RODRIGUEZ AVENUE QUEZON CITY
DOMINGO B. CABANGCA	FILIPINO	131 INAYAWAN CEBU CITY
FORTUNATO B. LAZARO	FILIPINO	SPLENDOR HILLS SUBD.PARDO CEBU CITY
JOSE B. VILLA	FILIPINO	848 G.T. VILLA,PRIVATE ROAD, M.J. CUENCO, CEBU CITY
JEROME Y. BARROQUILLO	FILIPINO	321-C ESCARIO ST., CEBU CITY
CHANDRAN R. RAMA	FILIPINO	146 VIRGIN ISLAND ST., VISTA BELLA SUBD., BASAK, LAPU - LAPU CITY
MARIA AIMEE A. SANTOS	FILIPINO	146 VIRGIN ISLAND ST., VISTA BELLA SUBD., BASAK, LAPU - LAPU CITY

**SEVEN:** That the authorized capital stock of the corporation is **ONE HUNDRED MILLION (PHP100,000,000.00)** pesos in lawful money of the Philippines, divided into **ONE HUNDRED MILLION (100,000,000)** shares with the par value of **ONE (PHP1.00)** pesos per share. (As amended on December 10, 2004)



CERTIFIED PHOTOCOPY

Page 10 of 16 Page (s)

Verified by: 

**EIGHT:** That at least 25% of the authorized capital stock has been subscribed and at least 25% of the total subscription has been paid as follows:

Name	Nationality	No. of Shares Subscribed	Amount Subscribed	Amount Paid
RUEL P. BUESER	FILIPINO	1,000,000	P1,000,000.00	P 250,000.00
ALICE A. ABASTILLAS	FILIPINO	1,000,000	1,000,000.00	250,000.00
TEODORO A. REYES	FILIPINO	1,000,000	1,000,000.00	250,000.00
DOMINGO B. CABANGCA	FILIPINO	1,000,000	1,000,000.00	250,000.00
FORTUNATO B. LAZARO	FILIPINO	1,000,000	1,000,000.00	250,000.00
JOSE B. VILLA	FILIPINO	1,000,000	1,000,000.00	250,000.00
JEROME Y. BARROQUILLO	FILIPINO	1,000,000	1,000,000.00	250,000.00
CHANDRAN R. RAMA	FILIPINO	1,000,000	1,000,000.00	250,000.00
MARIA AIMEE A. SANTOS	FILIPINO	2,000,000	2,000,000.00	500,000.00
<b>Total</b>		<b>10,000,000</b>	<b>P10,000,000.00</b>	<b>P 2,500,000.00</b>

**NINTH:** No transfer of stock or interest which would reduce the stock ownership of Filipino citizens to less than the require percentage of the capital stock as provided by the existing laws shall be allowed or permitted to be recorded in the proper books of corporation and this restriction shall be indicated in the stocks certificates issued by the corporation.

**TENTH:** That **MARIA AIMEE A. SANTOS** has been elected by the subscribers as treasurer of the corporation to act as such until his/her successor is duly elected and qualified in accordance with the by-laws; and that as such Treasurer, he/she has been authorized to receive for and in the name and for the benefit of the corporation, all subscriptions paid by the subscribers.



**CERTIFIED PHOTOCOPY**

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Verified by: [Signature]

**ELEVENTH:** That the corporation manifests its willingness to change its corporate name in the event another person, firm or entity has acquired a prior right to use the said firm name or one deceptively or confusingly similar to it.

In Witness whereof, we have set our hands this 6<sup>th</sup> day of September 1999 at Basak, Lapu – Lapu City.

Sgd.  
RUEL P. BUESER

Sgd.  
ALICE A. ABASTILLAS

Sgd.  
TEODORO A. REYES

Sgd.  
DOMINGO B. CABANGCA

Sgd.  
FORTUNATO B. LAZARO

Sgd.  
JOSE B. VILLA

Sgd.  
JEROME Y. BARROQUILLO

Sgd.  
CHANDRAN R. RAMA

Sgd.  
MA. AIMEE A. SANTOS

**WITNESSES:**

Sgd.  
Illigible

Sgd.  
Illigible



CERTIFIED PHOTOCOPY

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Verified by: 

## ACKNOWLEDGEMENT

Republic of the Philippines)  
Cebu City )S.S.

BEFORE ME, a Notary Public in and for Cebu City, Philippines, this 10<sup>th</sup> day of September 1999 personally appeared:

Name	Comm. Tax Cert. No.	Date & Place Issued
RUEL P. BUESER	04255748	04/15/1999, Montalban, Rizal
ALICE A. ABASTILLAS	08427061	03/27/1999, Quezon City
TEODORO A. REYES	08423265	02/08/1999, Quezon City
DOMINGO B. CABANGCA	3149259-C	02/02/1999, Cebu City
FORTUNATO B. LAZARO	4872001	01/08/1999, Cebu City
JOSE B. VILLA	15519832-C	02/08/1999, Bogo, Cebu
JEROME Y. BARROQUILLO	3554025	01/05/1999, Cebu City
CHANDRAN R. RAMA	2869455	02/08/1999, Lapu-Lapu City
MARIA AIMEE S. RAMA	18994500	03/23/1999, Lapu-Lapu City

All known to me and to me known to be the same persons who executed the foregoing Articles of Incorporation and they acknowledged to me that the same is their free voluntary act and deed.

**IN TESTIMONY WHEREOF,** I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

Doc. No. 486  
Page No. 99  
CAPITOL  
Book No. 14  
Series of 1999

Sgd.  
MANUEL D. MONTEJO, JR.  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2000  
PTR No. 6607105 CEBU.

JANUARY 05, 1999  
TIN No. 650-155-597



CERTIFIED PHOTOCOPY

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Verified by: 

TREASURER' AFFIDAVIT

REPUBLIC OF THE PHILIPPINES)  
CITY OF CEBU )S.S.  
PROVINCE OF CEBU )

I, **MARIA AIMEE A. SANTOS** being duly sworn, depose and say:

That I have been elected by the subscribers of the corporation as Treasurer thereof. To act as such until my successor has been duly elected and qualified in accordance with the by-laws of the corporation, and that as such Treasurer, I hereby certify under oath that at least 25% of the authorized capital stock of the corporation has been subscribed and at least 25% of the subscription has been paid, and received by me in cash for the benefit and credit of the corporation.

This is also to authorize the Securities and Exchange Commission and Bangko Sentral Ng Pilipinas to examine and verify the deposit in the **METROPOLITAN BANK & TRUST COMPANY, LAPU - LAPU CITY BRANCH, CEBU**, in my name as treasurer in Trust for the **STRONG BUILT MINING AND DEVELOPMENT CORPORATION** in the amount of **TWO MILLION FIVE HUNDRED THOUSAND PESOS (PHP2,500,000.00)** representing the paid-up capital of the said corporation which is in the process of incorporation. This authority is valid and inspection of said deposit may be made even after the issuance of the Certificate of Incorporation to the corporation. Should the deposit be transferred to another bank prior to or after incorporation, this will also serve as authority to verify and examine the same. The representative of the Securities and Exchange Commission is also authorized to examine the pertinent books and records of accounts of the corporation as well as all supporting papers to determine the utilization and disbursement of the said paid-up capital.

Sgd.

**MARIA AIMEE A. SANTOS**

~~TREASURER~~

SUBSCRIBED AND SWORN to before me this 10<sup>th</sup> day of September 1999 at CEBU CITY, Philippines, affiant exhibiting to me his Community Tax Certificate No. 18994500 issued at LAPU - LAPU CITY, on March 23, 1999.

Doc. No. 487  
Page No. 99  
Book No. 14  
Series of 1999

Sgd.

**MANUEL D. MONTELO, JR.**  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2000  
PTR No. 6607105, CEBU, CAPITOL  
JANUARY 05, 1999  
TIN No. 650-155-597



CERTIFIED PHOTOCOPY

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Verified by: [Signature]

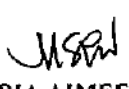


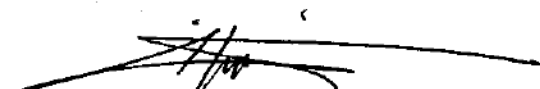
## DIRECTOR'S CERTIFICATE


We, the undersigned majority members of the Board of Directors and the Corporate Secretary, hereby certify that the Articles of Incorporation of **STRONG BUILT (MINING) DEVELOPMENT CORPORATION** was amended by an affirmative vote of the stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock at a meeting held for that purpose at the principal office of the corporation on **DECEMBER 10, 2004** and approved likewise by the majority of the directors on **DECEMBER 10, 2004**. *The amendment refers to Article seven and Article three.*

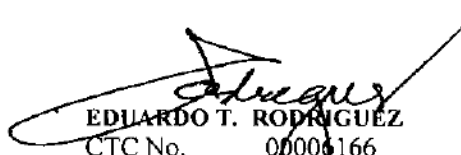
IN WITNESS WHEREOF, we have hereunto set our hands this 27 day of NOV 27 2007, at Lapu - Lapu City, Philippines.

  
**CHANDRAN R. RAMA**  
CTC No. 22609807  
Issued on 01/16/2007 at Lapu-Lapu City

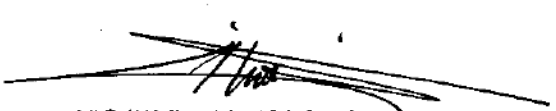
  
**MARIA AIMEE S. RAMA**  
CTC No. 22609806  
Issued on 01/16/2007 at Lapu-Lapu City

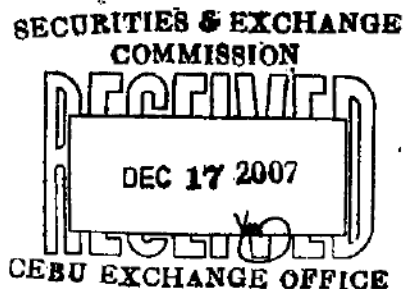
  
**JORGE R. ALVERO, JR.**  
CTC No. 15846941  
Issued on 01/24/1007 at Abuyog, Leyte

  
**CEDRIC A. SANTOS**  
CTC No. 19812158  
Issued on 01/18/2007 at Lapu-Lapu City

  
**EDUARDO T. RODRIGUEZ**  
CTC No. 00006166  
Issued on 04/12/2007 at Quezon City


COUNTERSIGNED:

  
**JORGE R. ALVERO, JR.**  
CORPORATE SECRETARY



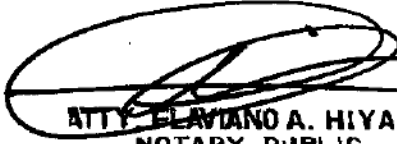
CERTIFIED PHOTOCOPY

Page 15 of 16 Page(s)


Verified by: 



SUBSCRIBED AND SWORN to before me this NOV 27 2007 day of 20  
at LAPU-LAPU CITY, affiants exhibited to me their Community Tax Certificates with  
numbers, place and date of issue indicated below their signatures.

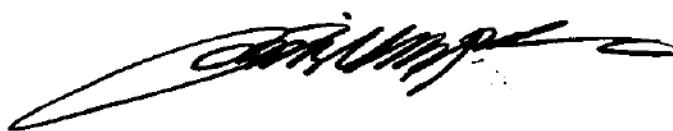
Doc. No. 928 ;  
Page No. 66 ;  
Book No. VIII ;  
Series of 2007.

  
**ATTY. FLAVIANO A. HIYAS JR.**  
NOTARY PUBLIC  
COMMISSION NO. 169-L  
UNTIL DECEMBER 31, 2008  
ROLL OF ATTORNEY NO. 50022  
PTR NO. 1429075, 1/2/07, LLC  
IBP NO. 686515, 12/21/06, C.C.  
ACROSS HALL OF JUSTICE, PUSOK, LLC



CERTIFIED PHOTOCOPY  
Page 14 of 16 Page (s)  
Verified by: 

  
N. Gen. 







**SECURITIES AND EXCHANGE COMMISSION**

Cebu Extension Office

Cebu City

I HEREBY CERTIFY that the foregoing is true and correct machine copy of the Official file(s) thereof in the custody of this Commission consisting of SIXTEEN ( 16 ) pages.

MARIE IVY B. GICALE  
SEC Support/Clerical

Noted by: JOCELYN C. LAGADO  
Securities Specialist/Officer of the day

Fees : Php 150.00

O.R. No. : 5735107

Date : 5/22/2013





## SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City  
1209 Trunk Line No: 02-5322-7696 Email Us: [www.sec.gov.ph/messaging@sec.gov.ph](mailto:www.sec.gov.ph/messaging@sec.gov.ph)



The following document has been received:

Receiving: JAYSON ALDAY

Receipt Date and Time: April 11, 2024 10:49:13 AM

### Company Information

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SEC Registration No.: 2023020085658-01

Company Name: R828 STRATEGIC INC.

Industry Classification: K642

Company Type: Stock Corporation

### Document Information

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Document ID: OST10411202482186900

Document Type: General Information Sheet

Document Code: GIS

Period Covered: March 15, 2024

Submission Type: Annual Meeting

Remarks: None

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Acceptance of this document is subject to review of forms and contents

# GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2024

## STOCK CORPORATION

### GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. DO NOT LEAVE ANY ITEM BLANK. WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE CORPORATE SECRETARY OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

===== PLEASE PRINT LEGIBLY =====

CORPORATE NAME: <b>R828 STRATEGIC INC.</b>		DATE REGISTERED: <b>2/10/2023</b>	
BUSINESS/TRADE NAME: <b>R828 STRATEGIC INC.</b>		FISCAL YEAR END: <b>December 31</b>	
SEC REGISTRATION NUMBER: <b>2023020085658-01</b>			
DATE OF ANNUAL MEETING PER BY-LAWS: <b>EVERY MARCH 15</b>		CORPORATE TAX IDENTIFICATION NUMBER (TIN) <b>622-121-930-000</b>	
ACTUAL DATE OF ANNUAL MEETING: <b>MARCH 15, 2024</b>		WEBSITE/URL ADDRESS:	
COMPLETE PRINCIPAL OFFICE ADDRESS: <b>UNIT 202, PERFEITA HARMONIA BLDG., ML QUEZON HIGHWAY, BRGY. PAJO LAPU-LAPU CITY, CEBU 6015</b>		E-MAIL ADDRESS: <b><a href="mailto:masr.r828@gmail.com">masr.r828@gmail.com</a></b>	
COMPLETE BUSINESS ADDRESS: <b>UNIT 202, PERFEITA HARMONIA BLDG., ML QUEZON HIGHWAY, BRGY. PAJO LAPU-LAPU CITY, CEBU 6015</b>		FAX NUMBER: <b>N/A</b>	
OFFICIAL E-MAIL ADDRESS <b><a href="mailto:masr.r828@gmail.com">masr.r828@gmail.com</a></b>	ALTERNATE E-MAIL ADDRESS <b><a href="mailto:aprilsemlante.lmc@gmail.com">aprilsemlante.lmc@gmail.com</a></b>	OFFICIAL MOBILE NUMBER <b>09176359245</b>	ALTERNATE MOBILE NUMBER <b>0908-8736587</b>
NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: <b>ATTY. RENGIE C. GALO</b>		SEC ACCREDITATION NUMBER (if applicable):	TELEPHONE NUMBER(S):
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: <b>HOLDINGS</b>		INDUSTRY CLASSIFICATION:	GEOGRAPHICAL CODE:

===== INTERCOMPANY AFFILIATIONS =====

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
SUBSIDIARY/AFFILIATE	SEC REGISTRATION NO.	ADDRESS

NOTE: USE ADDITIONAL SHEET IF NECESSARY



<b>GENERAL INFORMATION SHEET</b> <b>STOCK CORPORATION</b> <b>===== PLEASE PRINT LEGIBLY =====</b>	
<b>Corporate Name:</b> <span style="float: right;"><b>R828 STRATEGIC INC.</b></span>	
<b>A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365)</b> <span style="float: right;"> <input type="radio"/> Yes    <input checked="" type="radio"/> No         </span>	
<b>Please check the appropriate box:</b>	
<b>1.</b> <input type="checkbox"/> a. Banks <input type="checkbox"/> b. Offshore Banking Units <input type="checkbox"/> c. Quasi-Banks <input type="checkbox"/> d. Trust Entities <input type="checkbox"/> e. Non-Stock Savings and Loan Associations <input type="checkbox"/> f. Pawnshops <input type="checkbox"/> g. Foreign Exchange Dealers <input type="checkbox"/> h. Money Changers <input type="checkbox"/> i. Remittance Agents <input type="checkbox"/> j. Electronic Money Issuers <input type="checkbox"/> k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.	<b>4.</b> <input type="checkbox"/> Jewelry dealers in precious metals, who, as a business, trade in precious metals
<b>2.</b> <input type="checkbox"/> a. Insurance Companies <input type="checkbox"/> b. Insurance Agents <input type="checkbox"/> c. Insurance Brokers <input type="checkbox"/> d. Professional Reinsurers <input type="checkbox"/> e. Reinsurance Brokers <input type="checkbox"/> f. Holding Companies <input type="checkbox"/> g. Holding Company Systems <input type="checkbox"/> h. Pre-need Companies <input type="checkbox"/> i. Mutual Benefit Association <input type="checkbox"/> j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)	<b>5.</b> <input type="checkbox"/> Jewelry dealers in precious stones, who, as a business, trade in precious stone
<b>3.</b> <input type="checkbox"/> a. Securities Dealers <input type="checkbox"/> b. Securities Brokers <input type="checkbox"/> c. Securities Salesman  <input type="checkbox"/> d. Investment Houses <input type="checkbox"/> e. Investment Agents and Consultants <input type="checkbox"/> f. Trading Advisors <input type="checkbox"/> g. Other entities managing Securities or rendering similar services <input type="checkbox"/> h. Mutual Funds or Open-end Investment Companies <input type="checkbox"/> i. Close-end Investment Companies <input type="checkbox"/> j. Common Trust Funds or Issuers and other similar entities <input type="checkbox"/> k. Transfer Companies and other similar entities <input type="checkbox"/> l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on <input type="checkbox"/> m. Entities administering or otherwise dealing in valuable objects <input type="checkbox"/> n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)	<b>6.</b> Company service providers which, as a business, provide any of the following services to third parties:  <input type="checkbox"/> a. acting as a formation agent of juridical persons <input type="checkbox"/> b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons  <input type="checkbox"/> c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement  <input type="checkbox"/> d. acting as (or arranging for another person to act as) a nominee shareholder for another person
	<b>7.</b> Persons who provide any of the following services: <input type="checkbox"/> a. managing of client money, securities or other assets <input type="checkbox"/> b. management of bank, savings or securities accounts <input type="checkbox"/> c. organization of contributions for the creation, operation or management of companies <input type="checkbox"/> d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities
	<b>8.</b> <input checked="" type="checkbox"/> None of the above <div style="display: flex; border-top: 1px solid black; margin-top: 5px;"> <div style="width: 20%; border-right: 1px solid black; padding-right: 5px; font-size: small;">Describe nature of business:</div> <div style="flex-grow: 1; height: 20px;"></div> </div>
<b>B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS?</b> <span style="float: right;"> <input type="radio"/> Yes    <input checked="" type="radio"/> No         </span>	

# GENERAL INFORMATION SHEET

STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b>		<b>R828 STRATEGIC INC.</b>					
<b>CAPITAL STRUCTURE</b>							
<b>AUTHORIZED CAPITAL STOCK</b>							
	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (PhP) (No. of shares X Par/Stated Value)</b>			
	COMMON CLASS A	200,000	10.00	2,000,000.00			
<b>TOTAL</b>		<b>200,000</b>	<b>TOTAL P</b>	<b>2,000,000.00</b>			
<b>SUBSCRIBED CAPITAL</b>							
<b>FILIPINO</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (PhP)</b>	<b>% OF OWNERSHIP</b>
	3	COMMON CLASS A	100,000		10.00	1,000,000.00	100%
<b>TOTAL</b>		<b>100,000</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>1,000,000.00</b>		
<b>FOREIGN (INDICATE BY NATIONALITY)</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (PhP)</b>	<b>% OF OWNERSHIP</b>
N/A		N/A					
<b>Percentage of Foreign Equity :</b>			<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>0.00</b>	
					<b>TOTAL SUBSCRIBED P</b>	<b>1,000,000.00</b>	
<b>PAID-UP CAPITAL</b>							
<b>FILIPINO</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (PhP)</b>	<b>% OF OWNERSHIP</b>	
	3	COMMON CLASS A	100,000	10.00	1,000,000.00	100%	
<b>TOTAL</b>		<b>100,000</b>	<b>TOTAL P</b>	<b>1,000,000.00</b>			
<b>FOREIGN (INDICATE BY NATIONALITY)</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (PhP)</b>	<b>% OF OWNERSHIP</b>	
N/A		N/A					
<b>0.00 %</b>		<b>TOTAL</b>	<b>TOTAL P</b>	<b>0.00</b>			
			<b>TOTAL PAID-UP P</b>	<b>1,000,000.00</b>			

NOTE: USE ADDITIONAL SHEET IF NECESSARY

\* Common, Preferred or other classification

\*\* Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

# GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME:		R828 STRATEGIC INC.						
DIRECTORS / OFFICERS								
NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. CHANDRAN R. RAMA [REDACTED]	FILIPINO	Y	M	M	Y	TREASURER	N/A	[REDACTED]
2. MARIA AIMEE S. RAMA [REDACTED]	FILIPINO	Y	C	F	Y	PRESIDENT	N/A	[REDACTED]
3. SHREENA S. RAMA [REDACTED]	FILIPINO	Y	M	F	Y	DIRECTOR	N/A	[REDACTED]
4. NOTHING FOLLOWS								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
<p>INSTRUCTION:</p> <p>FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.</p> <p>FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.</p> <p>FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.</p> <p>FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.</p> <p>FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.</p> <p>FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.</p>								

**GENERAL INFORMATION SHEET**  
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====						
<b>CORPORATE NAME:</b>		R828 STRATEGIC INC.				
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>		3		<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SH/</b>		3
<b>TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:</b>						
STOCKHOLDER'S INFORMATION						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER- SHIP		
1. CHANDRAN R. RAMA FILIPINO [REDACTED]	common	50,000	500,000.00	50%	500,000.00	[REDACTED]
	class A					
	<b>TOTAL</b>	50,000	500,000.00			
2. MARIA AIMEE S. RAMA FILIPINO [REDACTED]	common	30,000	300,000.00	30%	300,000.00	[REDACTED]
	class A					
	<b>TOTAL</b>	30,000	300,000.00			
3. SHREENA S. RAMA FILIPINO [REDACTED]	common	20,000	200,000.00	20%	200,000.00	[REDACTED]
	class A					
	<b>TOTAL</b>	20,000	200,000.00			
4. 0 0 NOTHING FOLLOWS			0.00			
	<b>TOTAL</b>					
5. 0 0 0			0.00			
	<b>TOTAL</b>					
6. 0 0 0			0.00			
	<b>TOTAL</b>					
7. 0 0 0			0.00			
	<b>TOTAL</b>					
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>			1,000,000.00	<b>100%</b>	1,000,000.00	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS
<i>Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.</i>

GENERAL INFORMATION SHEET  
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b>		<b>R828 STRATEGIC INC.</b>				
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>		3		<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:</b>		3
<b>TOTAL ASSETS BASED ON LATEST AUDITED FS:</b>		0.00				
<b>STOCKHOLDER'S INFORMATION</b>						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER- SHIP		
8. N/A			0.00			
	<b>TOTAL</b>		0.00			
9. N/A						
	<b>TOTAL</b>					
10. N/A						
	<b>TOTAL</b>					
11. N/A						
	<b>TOTAL</b>					
12. N/A						
	<b>TOTAL</b>					
13. N/A						
	<b>TOTAL</b>					
14. N/A						
	<b>TOTAL</b>					
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>				<b>0.00%</b>	<b>0.00</b>	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>					<b>1,000,000.00</b>	
INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS						
<i>Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.</i>						



## GENERAL INFORMATION SHEET

STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b>		<b>R828 STRATEGIC INC.</b>				
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>		<b>3</b>		<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:</b>		<b>3</b>
<b>TOTAL ASSETS BASED ON LATEST AUDITED FS:</b>		<b>0.00</b>				
<b>STOCKHOLDER'S INFORMATION</b>						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
15. N/A						
	<b>TOTAL</b>					
16. N/A						
	<b>TOTAL</b>					
17. N/A						
	<b>TOTAL</b>					
18. N/A						
	<b>TOTAL</b>					
19. N/A						
	<b>TOTAL</b>					
20. N/A						
	<b>TOTAL</b>					
21. OTHERS (Indicate the number of the remaining stockholders)						
	<b>TOTAL</b>					
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>				<b>0.00%</b>	<b>0.00</b>	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>						
INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS						
Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.						

# GENERAL INFORMATION SHEET

STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====			
<b>CORPORATE NAME:</b>			
R828 STRATEGIC INC.			
<b>1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION</b>	<b>AMOUNT (PhP)</b>	<b>DATE OF BOARD RESOLUTION</b>	
1.1 STOCKS	N/A		
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	N/A		
1.3 LOANS/ CREDITS/ ADVANCES	N/A		
1.4 GOVERNMENT TREASURY BILLS	N/A		
1.5 OTHERS	N/A		
<b>2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)</b>		<b>DATE OF BOARD RESOLUTION</b>	<b>DATE OF STOCKHOLDERS RATIFICATION</b>
N/A			
<b>3. TREASURY SHARES</b>		<b>NO. OF SHARES</b>	<b>% AS TO THE TOTAL NO. OF SHARES ISSUED</b>
<b>4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR</b>			
<b>5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:</b>			
<b>TYPE OF DIVIDEND</b>	<b>AMOUNT (PhP)</b>	<b>DATE DECLARED</b>	
5.1 CASH	N/A		
5.2 STOCK	N/A		
5.3 PROPERTY	N/A		
<b>TOTAL</b>	<b>P</b>		
<b>6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:</b>			
<b>DATE</b>	<b>NO. OF SHARES</b>	<b>AMOUNT</b>	
N/A	N/A	N/A	
<b>SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:</b>			
<b>NAME OF AGENCY:</b>	<b>SEC</b>	<b>BSP</b>	<b>IC</b>
<b>TYPE OF LICENSE/REGN.</b>			
<b>DATE ISSUED:</b>			
<b>DATE STARTED OPERATIONS:</b>			
<b>TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)</b>	<b>TOTAL NO. OF OFFICERS</b>	<b>TOTAL NO. OF RANK &amp; FILE EMPLOYEES</b>	<b>TOTAL MANPOWER COMPLEMENT</b>
	3	0	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, SHREENA S. RAMA, Corporate Secretary of **R828 STRATEGIC INC.** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (Section 177, RA No. 11232 ).

Done this \_\_\_\_\_ day of APR 11 2024, 20 \_\_\_\_\_ in LAPU-LAPU CITY.



**SHREENA S. RAMA**

(Signature over printed name)

**SUBSCRIBED AND SWORN TO** before me in LAPU-LAPU CITY on APR 11 2024 by affiant who personally appeared before me and exhibited to me his/her competent evidence of identity consisting of \_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_.



**NOTARY PUBLIC**

**ATTY. YVONNE MARIE A. RIVERA-SERATE**

**Notary Public**

Commission No. 616-L until 12/31/2024

Roll of Attorney No. 58978

IBP Lifetime No. 012094/January 3, 2013

PTR No. 0673332A/1/2/2024/Lapu-Lapu City

Across Hall of Justice, Pusok, Lapu-Lapu City

MCLE Comp Cert No. VII-0006538/June 28, 2021

76  
17  
XXVII  
2024

**BENEFICIAL OWNERSHIP DECLARATION****FOR THE YEAR 2024**SEC REGISTRATION NUMBER: **2023020085658-01**CORPORATE NAME: **R828 STRATEGIC INC.****Instructions:**

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

**Category****Description**

- A** Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
- B** Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
- C** Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
- D** Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
- E** Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
- F** Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
- G** Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
- H** Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
- I** Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III)	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP <sup>1</sup> / % OF VOTING RIGHTS <sup>2</sup>	TYPE OF BENEFICIAL OWNER <sup>3</sup>  Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
CHANDRAN R. RAMA		FILIPINO			50%	D	A to I - Treasurer
MARIA AIMEE S. RAMA		FILIPINO			30%	D	A to I - President
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: This page is not for uploading on the SEC IVIEW.

<sup>1</sup> For Stock Corporations.

<sup>2</sup> For Non-Stock Corporations.

<sup>3</sup> For Stock Corporations.



# SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PCC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines

Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



**The following document has been received:**

**Receiving:** Anthonio Kwong

**Receipt Date and Time:** March 31, 2023 09:41:20 AM

## Company Information

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**SEC Registration No.:** CS201817090

**Company Name:** RED EARTH BAUXITE RESOURCES Corporation

**Industry Classification:** B08990

**Company Type:** Stock Corporation

## Document Information

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**Document ID:** OST1033120238988951

**Document Type:** General Information Sheet

**Document Code:** GIS

**Period Covered:** March 30, 2023

**Submission Type:** Annual Meeting

**Remarks:** None

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Acceptance of this document is subject to review of forms and contents



# GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2023

## STOCK CORPORATION

### GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN MEETING BE HELD, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE MEETING.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE CORPORATE SECRETARY OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM A CHANGE IN THE INFORMATION, THE CORPORATION SHALL SUBMIT A CORRECTED GIS WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE CHANGE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. A CORRECTED GIS SHALL BE SUBMITTED TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE.
6. ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS.

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b> RED EARTH MINERAL RESOURCES CORPORATION (formerly RED EARTH BAUXITE RESOURCES CORPORATION)		<b>DATE REGISTERED:</b> 8/31/2018	
<b>BUSINESS/TRADE NAME:</b> RED EARTH MINERAL RESOURCES CORPORATION		<b>FISCAL YEAR END:</b> December 31	
<b>SEC REGISTRATION NUMBER:</b> CS201817090		<b>CORPORATE TAX IDENTIFICATION NUMBER (TIN):</b> 10100963	
<b>DATE OF ANNUAL MEETING PER BY-LAWS:</b> 3rd Friday of March		<b>WEBSITE/URL ADDRESS:</b>	
<b>ACTUAL DATE OF ANNUAL MEETING:</b> 30-Mar-23		<b>E-MAIL ADDRESS:</b> dcc.chinglaw@gmail.com	
<b>COMPLETE PRINCIPAL OFFICE ADDRESS:</b> 16th Floor Citibank Tower (now BDO Towers - Valero) Paseo de Roxas Bel-Air, City of Makati		<b>FAX NUMBER:</b>	
<b>COMPLETE BUSINESS ADDRESS:</b> 16th Floor Citibank Tower (now BDO Towers - Valero) Paseo de Roxas Bel-Air, City of Makati		<b>ALTERNATE MOBILE NUMBER:</b> 0945-4887884	
<b>OFFICIAL E-MAIL ADDRESS:</b> dcc.chinglaw@gmail.com	<b>ALTERNATE E-MAIL ADDRESS:</b> corpsec-redearth@marcventures.com.ph	<b>OFFICIAL MOBILE NUMBER:</b> 0966-7625393	<b>ALTERNATE MOBILE NUMBER:</b> 0945-4887884
<b>NAME OF EXTERNAL AUDITOR &amp; ITS SIGNING PARTNER:</b>		<b>SEC ACCREDITATION NUMBER (if applicable):</b>	<b>TELEPHONE NUMBER(S):</b> 831-4479
<b>PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN:</b> To engage in surface mining.		<b>INDUSTRY CLASSIFICATION:</b> Mining	<b>GEOGRAPHICAL CODE:</b>

===== INTERCOMPANY AFFILIATIONS =====

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
SUBSIDIARY/AFFILIATE	SEC REGISTRATION NO.	ADDRESS

NOTE: USE ADDITIONAL SHEET IF NECESSARY

**GENERAL INFORMATION SHEET (GIS)**

**STOCK CORPORATION**

===== PLEASE PRINT LEGIBLY =====

**Corporate Name:** Red Earth Mineral Resources Corporation

**A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365)**

☐ Yes ☒ No

**Please check the appropriate box:**

<p><b>1.</b></p> <ul style="list-style-type: none"> <li>a. Banks</li> <li>b. Offshore Banking Units</li> <li>c. Quasi-Banks</li> <li>d. Trust Entities</li> <li>e. Non-Stock Savings and Loan Associations</li> <li>f. Pawnshops</li> <li>g. Foreign Exchange Dealers</li> <li>h. Money Changers</li> <li>i. Remittance Agents</li> <li>j. Electronic Money Issuers</li> <li>k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.</li> </ul>	<p><b>4.</b> Jewelry dealers in precious metals, who, as a business, trade in precious metals</p>		
<p><b>2.</b></p> <ul style="list-style-type: none"> <li>a. Insurance Companies</li> <li>b. Insurance Agents</li> <li>c. Insurance Brokers</li> <li>d. Professional Reinsurers</li> <li>e. Reinsurance Brokers</li> <li>f. Holding Companies</li> <li>g. Holding Company Systems</li> <li>h. Pre-need Companies</li> <li>i. Mutual Benefit Association</li> <li>j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)</li> </ul>	<p><b>5.</b> Jewelry dealers in precious stones, who, as a business, trade in precious stone</p>		
<p><b>3.</b></p> <p>45015. Securities Dealers</p> <ul style="list-style-type: none"> <li>b. Securities Brokers</li> <li>c. Securities Salesman</li> <li>d. Investment Houses</li> <li>e. Investment Agents and Consultants</li> <li>f. Trading Advisors</li> <li>g. Other entities managing Securities or rendering similar services</li> <li>h. Mutual Funds or Open-end Investment Companies</li> <li>i. Close-end Investment Companies</li> <li>j. Common Trust Funds or Issuers and other similar entities</li> <li>k. Transfer Companies and other similar entities</li> <li>l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on</li> <li>m. Entities administering of otherwise dealing in valuable objects</li> <li>n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)</li> </ul>	<p><b>6.</b> Company service providers which, as a business, provide any of the following services to third parties:</p> <ul style="list-style-type: none"> <li>a. acting as a formation agent of juridical persons</li> <li>b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons</li> <li>c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement</li> <li>d. acting as (or arranging for another person to act as) a nominee shareholder for another person</li> </ul>		
<p><b>B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS?</b></p>	<p><b>7.</b> Persons who provide any of the following services:</p> <ul style="list-style-type: none"> <li>a. managing of client money, securities or other assets</li> <li>b. management of bank, savings or securities accounts</li> <li>c. organization of contributions for the creation, operation or management of companies</li> <li>d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities</li> </ul> <p><b>8.</b> None of the above</p> <table border="1"> <tr> <td data-bbox="879 1727 1015 1850">Describe nature of business:</td> <td data-bbox="1015 1727 1536 1850">Mining</td> </tr> </table>	Describe nature of business:	Mining
Describe nature of business:	Mining		

☐ Yes ☒ No

**GENERAL INFORMATION SHEET**  
**STOCK CORPORATION**

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b>		Red Earth Mineral Resources Corporation					
<b>CAPITAL STRUCTURE</b>							
<b>AUTHORIZED CAPITAL STOCK</b>							
	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php) (No. of shares X Par/Stated Value)</b>			
	Common	100,000,000	1.00	100,000,000.00			
<b>TOTAL</b>		<b>100,000,000</b>	<b>TOTAL P</b>	<b>100,000,000.00</b>			
<b>SUBSCRIBED CAPITAL</b>							
<b>FILIPINO</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php)</b>	<b>% OF OWNERSHIP</b>
	5	Common	25,000,000		1.00	25,000,000.00	100.00%
<b>TOTAL</b>		<b>25,000,000</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>25,000,000.00</b>		<b>100.00%</b>
<b>FOREIGN (INDICATE BY NATIONALITY)</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php)</b>	<b>% OF OWNERSHIP</b>
<b>Percentage of Foreign Equity :</b>			<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>0.00</b>	
			<b>TOTAL SUBSCRIBED P</b>			<b>25,000,000.00</b>	<b>100.00%</b>
<b>PAID-UP CAPITAL</b>							
<b>FILIPINO</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php)</b>	<b>% OF OWNERSHIP</b>	
	5	Common	6,250,000	1.00	6,250,000.00	100.00%	
<b>TOTAL</b>		<b>6,250,000</b>	<b>TOTAL P</b>	<b>6,250,000.00</b>		<b>100.00%</b>	
<b>FOREIGN</b>	<b>NO. OF</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php)</b>	<b>% OF</b>	
<b>0.00 %</b>			<b>TOTAL</b>	<b>TOTAL P</b>			
			<b>TOTAL PAID-UP P</b>		<b>6,250,000.00</b>	<b>100.00%</b>	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

\* Common, Preferred or other classification

\*\* Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

## GENERAL INFORMATION SHEET

STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b> Red Earth Mineral Resources Corporation								
<b>DIRECTORS / OFFICERS</b>								
NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. <b>Edgar Dennis A. Padernal</b> [REDACTED]	Filipino	Y	C	M	Y	President and Chairman		[REDACTED]
2. <b>Imelda C. Cabading</b> [REDACTED]	Filipino	Y	M	M	Y	Treasurer		[REDACTED]
3. <b>Diane Madelyn C. Ching</b> [REDACTED]	Filipino	Y	M	F	Y	Corporate Secretary		[REDACTED]
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								

**INSTRUCTION:**

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.

FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.

FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.

FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.

FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.

FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

# GENERAL INFORMATION SHEET

## STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====						
<b>CORPORATE NAME:</b> Red Earth Mineral Resources Corporation						
<b>TOTAL NUMBER OF STOCKHOLDERS:</b> 3			<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES:</b> 3			
<b>TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:</b>						
STOCKHOLDER'S INFORMATION						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
1. Edgar Dennis A. Padernal Filipino [REDACTED]	Common	21,750,000	21,750,000.00	87.0%	5,437,500.00	[REDACTED]
<b>TOTAL</b>		21,750,000	21,750,000.00			
2. Imelda C. Cabading Filipino [REDACTED]		2,875,000	2,875,000.00	11.5%	718,750.00	[REDACTED]
<b>TOTAL</b>		2,875,000	2,875,000.00			
3. Diane Madelyn C. Ching Filipino [REDACTED]	Common	375,000	375,000.00	1.5%	93,750.00	[REDACTED]
<b>TOTAL</b>		375,000	375,000.00			
4.	Common					
<b>TOTAL</b>						
5.						
<b>TOTAL</b>						
6.						
<b>TOTAL</b>						
7.						
<b>TOTAL</b>						
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>				<b>100.00%</b>	<b>6,250,000.00</b>	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.



**GENERAL INFORMATION SHEET (GIS)**  
**STOCK CORPORATION**

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b>		Red Earth Mineral Resources Corporation				
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>		3		<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:</b> 3		
<b>TOTAL ASSETS BASED ON LATEST AUDITED FS:</b>						
<b>STOCKHOLDER'S INFORMATION</b>						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (Php)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (Php)	% OF OWNERSHIP		
8.						
	<b>TOTAL</b>					
9.						
	<b>TOTAL</b>					
10.						
	<b>TOTAL</b>					
11.						
	<b>TOTAL</b>					
12. ###						
	<b>TOTAL</b>					
13.						
	<b>TOTAL</b>					
14.						
	<b>TOTAL</b>					
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>				<b>0.00%</b>	<b>0.00</b>	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>						
<b>INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS</b>						
<i>Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.</i>						

**GENERAL INFORMATION SHEET**  
**STOCK CORPORATION**

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b>		Red Earth Mineral Resources Corporation				
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>		3		<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:</b>		3
<b>TOTAL ASSETS BASED ON LATEST AUDITED FS:</b>						
<b>STOCKHOLDER'S INFORMATION</b>						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (Php)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (Php)	% OF OWNERSHIP		
15.						
	TOTAL					
16.						
	TOTAL					
17.						
	TOTAL					
18.						
	TOTAL					
19.						
	TOTAL					
20.						
	TOTAL					
21. OTHERS (Indicate the number of the remaining stockholders)						
	TOTAL					
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>				0.00%	<b>0.00</b>	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>						
INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS						
<i>Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.</i>						

## GENERAL INFORMATION SHEET

### STOCK CORPORATION

PLEASE PRINT LEGIBLY			
<b>CORPORATE NAME:</b>			
Red Earth Mineral Resources Corporation			
<b>1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION</b>	<b>AMOUNT (Php)</b>	<b>DATE OF BOARD RESOLUTION</b>	
1.1 STOCKS			
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)			
1.3 LOANS/ CREDITS/ ADVANCES			
1.4 GOVERNMENT TREASURY BILLS			
1.5 OTHERS			
<b>2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)</b>	<b>DATE OF BOARD RESOLUTION</b>	<b>DATE OF STOCKHOLDERS RATIFICATION</b>	
<b>3. TREASURY SHARES</b>	<b>NO. OF SHARES</b>	<b>% AS TO THE TOTAL NO. OF SHARES ISSUED</b>	
<b>4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR</b>			
<b>5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:</b>			
<b>TYPE OF DIVIDEND</b>	<b>AMOUNT (Php)</b>	<b>DATE DECLARED</b>	
5.1 CASH			
5.2 STOCK			
# 5.3 PROPERTY			
<b>TOTAL</b>	<b>P</b>		
<b>6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:</b>			
<b>DATE</b>	<b>NO. OF SHARES</b>	<b>AMOUNT</b>	
<b>SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:</b>			
<b>NAME OF AGENCY:</b>	<b>SEC</b>	<b>BSP</b>	<b>IC</b>
<b>TYPE OF LICENSE/REGN.</b>			
<b>DATE ISSUED:</b>			
<b>DATE STARTED OPERATIONS:</b>			
<b>TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in Php)</b>	<b>TOTAL NO. OF OFFICERS</b>	<b>TOTAL NO. OF RANK &amp; FILE EMPLOYEES</b>	<b>TOTAL MANPOWER COMPLEMENT</b>

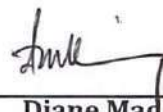
NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **Diane Madelyn C. Ching**, Corporate Secretary of **Red Earth Mineral Resources Corporation** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this \_\_\_\_ day of MAR 30 2023, 20 \_\_\_\_ in Makati City.



**Diane Madelyn C. Ching**  
Corporate Secretary

MAR 30 2023

**SUBSCRIBED AND SWORN TO** before me in \_\_\_\_\_ on \_\_\_\_\_ by affiant who personally appeared before me and exhibited to me her competent evidence of identity consisting of TIN No. [REDACTED]

Doc No. 498  
Page No. 101  
Book No. 5  
Series of 2023.

**ATTY. JOLIE P. PUBLICS**  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2023 (2023-2024)  
APPOINTMENT NO. MA-115  
ROLL NO. 77376 // MCUE (EXEMPT)  
PTR NO. 9563564 // JAN. 03, 2023 // MAKATI CITY  
IBP NO. 261994 // JAN. 03, 2023 // MAKATI CITY  
1107 D. BATAAN ST., GUADALUPE NUEVO, MAKATI CITY

**BENEFICIAL OWNERSHIP DECLARATION  
FOR THE YEAR: 2023**

**SEC REGISTRATION NUMBER:**  
**CORPORATE NAME:**

**CS201817090**  
**Red Earth Mineral Resources Corporation**

**Instructions:**

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

**Beneficial Owner** refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

**Category**

**Description**

- A** Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
- B** Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
- C** Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
- D** Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
- E** Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
- F** Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
- G** Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
- H** Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
- #####** Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for exemption.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III))	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP <sup>1</sup> / % OF VOTING RIGHTS <sup>2</sup>	TYPE OF BENEFICIAL OWNER <sup>3</sup> Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
Edgar Dennis A. Pademel		Filipino	N/A		87.00%	Direct	A,B,C,D,E,G,H,I
Imelda C. Cabeding		Filipino	N/A		11.50%	Direct	B,C,D,E,G,H,I
Diane Madelyn C. Ching		Filipino	N/A		1.50%	Direct	B,C,D,E,G,H,I

**Note:** This page is not for uploading on the SEC IView.

- 1 For Stock Corporations.
- 2 For Non-Stock Corporations.
- 3 For Stock Corporations.



<b>AMENDED GENERAL INFORMATION SHEET (GIS)</b> FOR THE YEAR <u>2023</u> <b>STOCK CORPORATION</b>			
<b>GENERAL INSTRUCTIONS:</b> 1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. <b>DO NOT LEAVE ANY ITEM BLANK.</b> WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING. 2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED. 3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE <b>CORPORATE SECRETARY</b> OF THE CORPORATION. 4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE. 5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE 6. <b>ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.</b> 7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS <div style="text-align: center; font-size: small; margin-top: 5px;">===== PLEASE PRINT LEGIBLY =====</div>			
<b>CORPORATE NAME:</b>  <div style="text-align: center;">Libertad Value Holdings Inc.</div>		<b>DATE REGISTERED:</b>  <div style="text-align: center;">December 28, 2023</div>	
<b>BUSINESS/TRADE NAME:</b>  <div style="text-align: center;">Libertad Value Holdings Inc.</div>		<b>FISCAL YEAR END:</b>  <div style="text-align: center;">Dec-31</div>	
<b>SEC REGISTRATION NUMBER:</b>  <div style="text-align: center;">2023120129290-00</div>			
<b>DATE OF ANNUAL MEETING PER BY-LAWS:</b>  <div style="text-align: center;">Second Thursday of June</div>		<b>CORPORATE TAX IDENTIFICATION NUMBER (TIN)</b>  <div style="text-align: center;">641-302-289-00000</div>	
<b>ACTUAL DATE OF ANNUAL MEETING:</b>  <div style="text-align: center;">12/28/2023 ( as amended on May 23, 2024)</div>		<b>WEBSITE/URL ADDRESS:</b>  	
<b>COMPLETE PRINCIPAL OFFICE ADDRESS:</b>  <div style="text-align: center;">16th Floor, BDO Towers Valero Paseo de Roxas, Salcedo Village, Bel-Air, City of Makati,</div>		<b>E-MAIL ADDRESS:</b>  	
<b>COMPLETE BUSINESS ADDRESS:</b>  <div style="text-align: center;">16th Floor BDO Towers Valero, Paseo de Roxas, Salcedo Village, Bel-Air, City of Makati</div>		<b>FAX NUMBER:</b>  	
<b>OFFICIAL E-MAIL ADDRESS</b> <div style="text-align: center;">bernard.baluda@gmail.com</div>	<b>ALTERNATE E-MAIL ADDRESS</b> <div style="text-align: center;">rfmacabidang@gmail.com</div>	<b>OFFICIAL MOBILE NUMBER</b> <div style="text-align: center;">09189198284</div>	<b>ALTERNATE MOBILE NUMBER</b> 
<b>NAME OF EXTERNAL AUDITOR &amp; ITS SIGNING PARTNER:</b>		<b>SEC ACCREDITATION NUMBER (if applicable):</b>	
<b>TELEPHONE NUMBER(S):</b>			
<b>PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN:</b>  <div style="text-align: center;">Activities of Holding Companies</div>		<b>INDUSTRY CLASSIFICATION:</b>  <div style="text-align: center;">K642</div>	<b>GEOGRAPHICAL CODE:</b>  
<div style="text-align: center; font-size: small;">===== INTERCOMPANY AFFILIATIONS =====</div>			
<b>PARENT COMPANY</b>	<b>SEC REGISTRATION NO.</b>	<b>ADDRESS</b>	
<b>SUBSIDIARY/AFFILIATE</b>	<b>SEC REGISTRATION NO.</b>	<b>ADDRESS</b>	
<div style="text-align: center; font-size: x-small;">NOTE: USE ADDITIONAL SHEET IF NECESSARY</div>			

<b>GENERAL INFORMATION SHEET</b> <b>STOCK CORPORATION</b> <b>===== PLEASE PRINT LEGIBLY =====</b>		
<b>Corporate Name:</b> <span style="float: right;">Libertad Value Holdings Inc.</span>		
<b>A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365)</b> <span style="float: right;"> <input type="radio"/> Yes    <input checked="" type="radio"/> No         </span>		
<b>Please check the appropriate box:</b>		
<b>1.</b> <input type="checkbox"/> a. Banks <input type="checkbox"/> b. Offshore Banking Units <input type="checkbox"/> c. Quasi-Banks <input type="checkbox"/> d. Trust Entities <input type="checkbox"/> e. Non-Stock Savings and Loan Associations <input type="checkbox"/> f. Pawnshops <input type="checkbox"/> g. Foreign Exchange Dealers <input type="checkbox"/> h. Money Changers <input type="checkbox"/> i. Remittance Agents <input type="checkbox"/> j. Electronic Money Issuers <input type="checkbox"/> k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.	<b>4.</b> <input type="checkbox"/> Jewelry dealers in precious metals, who, as a business, trade in precious metals	
<b>2.</b> <input type="checkbox"/> a. Insurance Companies <input type="checkbox"/> b. Insurance Agents <input type="checkbox"/> c. Insurance Brokers <input type="checkbox"/> d. Professional Reinsurers <input type="checkbox"/> e. Reinsurance Brokers <input type="checkbox"/> f. Holding Companies <input type="checkbox"/> g. Holding Company Systems <input type="checkbox"/> h. Pre-need Companies <input type="checkbox"/> i. Mutual Benefit Association <input type="checkbox"/> j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)	<b>5.</b> <input type="checkbox"/> Jewelry dealers in precious stones, who, as a business, trade in precious stone  <b>6.</b> Company service providers which, as a business, provide any of the following services to third parties:  <input type="checkbox"/> a. acting as a formation agent of juridical persons <input type="checkbox"/> b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons  <input type="checkbox"/> c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement  <input type="checkbox"/> d. acting as (or arranging for another person to act as) a nominee shareholder for another person	
<b>3.</b> <input type="checkbox"/> a. Securities Dealers <input type="checkbox"/> b. Securities Brokers <input type="checkbox"/> c. Securities Salesman  <input type="checkbox"/> d. Investment Houses <input type="checkbox"/> e. Investment Agents and Consultants <input type="checkbox"/> f. Trading Advisors <input type="checkbox"/> g. Other entities managing Securities or rendering similar services <input type="checkbox"/> h. Mutual Funds or Open-end Investment Companies <input type="checkbox"/> i. Close-end Investment Companies <input type="checkbox"/> j. Common Trust Funds or Issuers and other similar entities <input type="checkbox"/> k. Transfer Companies and other similar entities <input type="checkbox"/> l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on <input type="checkbox"/> m. Entities administering or otherwise dealing in valuable objects <input type="checkbox"/> n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)	<b>7.</b> Persons who provide any of the following services:  <input type="checkbox"/> a. managing of client money, securities or other assets <input type="checkbox"/> b. management of bank, savings or securities accounts <input type="checkbox"/> c. organization of contributions for the creation, operation or management of companies <input type="checkbox"/> d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities  <b>8.</b> <input checked="" type="checkbox"/> None of the above	
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <b>B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS?</b> </div> <div style="width: 35%; text-align: right;"> <input type="radio"/> Yes    <input checked="" type="radio"/> No         </div> </div>		
Describe nature of business:		Activities of Holding Companies



# GENERAL INFORMATION SHEET

STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b>		Libertad Value Holdings Inc.					
<b>CAPITAL STRUCTURE</b>							
<b>AUTHORIZED CAPITAL STOCK</b>							
	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (PhP) (No. of shares X Par/Stated Value)</b>			
	Common	100,000,000	1.00	100,000,000.00			
<b>TOTAL</b>		<b>100,000,000</b>	<b>TOTAL P</b>	<b>100,000,000.00</b>			
<b>SUBSCRIBED CAPITAL</b>							
<b>FILIPINO</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (PhP)</b>	<b>% OF OWNERSHIP</b>
	3	Common	25,000,000		1.00	25,000,000.00	100.00%
<b>TOTAL</b>		<b>25,000,000</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>25,000,000</b>		
<b>FOREIGN (INDICATE BY NATIONALITY)</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (PhP)</b>	<b>% OF OWNERSHIP</b>
<b>Percentage of Foreign Equity :</b>			<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL P</b>		
				<b>TOTAL SUBSCRIBED P</b>	<b>25,000,000.00</b>		
<b>PAID-UP CAPITAL</b>							
<b>FILIPINO</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (PhP)</b>	<b>% OF OWNERSHIP</b>	
	3	Common	25,000,000	1.00	25,000,000.00	100%	
<b>TOTAL</b>		<b>25,000,000</b>	<b>TOTAL P</b>	<b>25,000,000.00</b>			
<b>FOREIGN (INDICATE BY NATIONALITY)</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (PhP)</b>	<b>% OF OWNERSHIP</b>	
<b>0.00 %</b>			<b>TOTAL</b>	<b>TOTAL P</b>			
			<b>TOTAL PAID-UP P</b>	<b>25,000,000.00</b>			

NOTE: USE ADDITIONAL SHEET IF NECESSARY

\* Common, Preferred or other classification

\*\* Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

# GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: Libertad Value Holdings Inc.								
DIRECTORS / OFFICERS								
NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. Bernard P. Baluda [REDACTED]	Filipino	Y	C	M	Y	President		[REDACTED]
2. Raymund Christopher B. Cuesico [REDACTED]	Filipino	N	M	M	Y			[REDACTED]
3. Ric F. Macabidang [REDACTED]	Filipino	Y	M	M	Y	Treasurer		[REDACTED]
4. Lorraine A. Partoza [REDACTED]	Filipino	Y		F	N	Corporate Secretary		[REDACTED]
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
<b>INSTRUCTION:</b> FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE. FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR. FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT. FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT. FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON. FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.								

**GENERAL INFORMATION SHEET**  
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====						
<b>CORPORATE NAME:</b>		Libertad Value Holdings Inc.				
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>		3		<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:</b>		1
<b>TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:</b>						
STOCKHOLDER'S INFORMATION						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	TYPE	NUMBER	AMOUNT (PhP)	% of OWNERSHI P	AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
1. Bernard P. Baluda Filipino [REDACTED]				40%	10,000,000.00	[REDACTED]
	Common	10,000,000	10,000,000.00			
	<b>TOTAL</b>	10,000,000	10,000,000.00			
2. Raymund Christopher B. Cuesico Filipino [REDACTED]				32%	8,000,000.00	[REDACTED]
	Common	8,000,000	8,000,000.00			
	<b>TOTAL</b>	8,000,000	8,000,000.00			
3. Ric F. Macabidang Filipino [REDACTED]				28%	7,000,000.00	[REDACTED]
	Common	7,000,000	7,000,000.00			
	<b>TOTAL</b>	7,000,000	7,000,000.00			
4.						
5.						
	<b>TOTAL</b>					
6.						
	<b>TOTAL</b>					
7.						
	<b>TOTAL</b>					
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>			25,000,000	<b>100%</b>	<b>25,000,000.00</b>	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

*Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.*



GENERAL INFORMATION SHEET  
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b> Libertad Value Holdings Inc.						
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>				<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:</b>		
<b>TOTAL ASSETS BASED ON LATEST AUDITED FS:</b>						
<b>STOCKHOLDER'S INFORMATION</b>						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8.						
	<b>TOTAL</b>					
9.						
	<b>TOTAL</b>					
10.						
	<b>TOTAL</b>					
11.						
	<b>TOTAL</b>					
12.						
	<b>TOTAL</b>					
13.						
	<b>TOTAL</b>					
14.						
	<b>TOTAL</b>					
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>				<b>0.00%</b>	<b>0.00</b>	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>						
INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS						
<i>Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.</i>						

GENERAL INFORMATION SHEET  
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b>		Libertad Value Holdings Inc.				
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>			<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:</b>			
<b>TOTAL ASSETS BASED ON LATEST AUDITED FS:</b>						
STOCKHOLDER'S INFORMATION						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER- SHIP		
15.						
	<b>TOTAL</b>					
16.						
	<b>TOTAL</b>					
17.						
	<b>TOTAL</b>					
18.						
	<b>TOTAL</b>					
19.						
	<b>TOTAL</b>					
20.						
	<b>TOTAL</b>					
21. OTHERS (Indicate the number of the remaining stockholders)						
	<b>TOTAL</b>					
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>				0.00%	<b>0.00</b>	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>						
INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS						
<i>Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.</i>						

**GENERAL INFORMATION SHEET**  
**STOCK CORPORATION**

===== PLEASE PRINT LEGIBLY =====			
<b>CORPORATE NAME:</b> Libertad Value Holdings Inc.			
<b>1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION</b>	<b>AMOUNT (PhP)</b>	<b>DATE OF BOARD RESOLUTION</b>	
1.1 STOCKS			
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)			
1.3 LOANS/ CREDITS/ ADVANCES			
1.4 GOVERNMENT TREASURY BILLS			
1.5 OTHERS			
<b>2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)</b>	<b>DATE OF BOARD RESOLUTION</b>	<b>DATE OF STOCKHOLDERS RATIFICATION</b>	
<b>3. TREASURY SHARES</b>	<b>NO. OF SHARES</b>	<b>% AS TO THE TOTAL NO. OF SHARES ISSUED</b>	
<b>4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR</b>			
<b>5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:</b>			
<b>TYPE OF DIVIDEND</b>	<b>AMOUNT (PhP)</b>	<b>DATE DECLARED</b>	
5.1 CASH			
5.2 STOCK			
5.3 PROPERTY			
<b>TOTAL</b>	<b>P</b>		
<b>6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:</b>			
<b>DATE</b>	<b>NO. OF SHARES</b>	<b>AMOUNT</b>	
<b>SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:</b>			
<b>NAME OF AGENCY:</b>	<b>SEC</b>	<b>BSP</b>	<b>IC</b>
<b>TYPE OF LICENSE/REGN.</b>			
<b>DATE ISSUED:</b>			
<b>DATE STARTED OPERATIONS:</b>			
<b>TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)</b>	<b>TOTAL NO. OF OFFICERS</b>	<b>TOTAL NO. OF RANK &amp; FILE EMPLOYEES</b>	<b>TOTAL MANPOWER COMPLEMENT</b>

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **Lorraine A. Partoza**, Corporate Secretary of Libertad Value Holdings Inc. declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (Section 177, RA No. 11232 ).

Done this \_\_\_\_\_ day of MAY 28 2024 in MAKATI CITY.



LORRAINE A. PARTOZA

(Signature over printed name)

**SUBSCRIBED AND SWORN TO** before me in MAKATI CITY on MAY 28 2024 by affiant who personally appeared before me and exhibited to me his/her competent evidence of identity consisting of \_\_\_\_\_  
\_\_\_\_\_ at CS on \_\_\_\_\_.

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 6457565; 01/03/2024  
4F BDO Towers, 8741 Paseo de Roxas, Makati City

DOC NO. 269;  
Page NO. 55;  
BOOK NO. 111;  
Series Of 2024.



**BENEFICIAL OWNERSHIP DECLARATION  
FOR THE YEAR: 2024**

SEC REGISTRATION NUMBER:

**2023120129290-00**

CORPORATE NAME:

Libertad Value Holdings Inc.

**Instructions:**

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

**Category**

**Description**

- A** Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
- B** Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
- C** Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
- D** Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
- E** Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
- F** Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
- G** Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
- H** Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
- I** Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III))	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP <sup>1</sup> / % OF VOTING RIGHTS <sup>2</sup>	TYPE OF BENEFICIAL OWNER <sup>3</sup> Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
Bernard P. Baluda		Filipino			40.00%	D	A
Raymund Christopher B. Cuesico		Filipino			32%	D	A
Ric F. Macabidang		Filipino			28%	D	A

*Note: This page is not for uploading on the SEC iView.*

<sup>1</sup> For Stock Corporations.

<sup>2</sup> For Non-Stock Corporations.

<sup>3</sup> For Stock Corporations.





## SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines

Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



**The following document has been received:**

**Receiving:** REGGIENALD DE CASTRO

**Receipt Date and Time:** August 30, 2023 03:59:43 PM

### Company Information

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**SEC Registration No.:** 2022050053857-02

**Company Name:** BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.

**Industry Classification:** K642

**Company Type:** Stock Corporation

### Document Information

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**Document ID:** OST10830202381590659

**Document Type:** Financial Statement

**Document Code:** FS

**Period Covered:** December 31, 2022

**Submission Type:** Annual

**Remarks:** None

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Acceptance of this document is subject to review of forms and contents

# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2 0 2 2 0 5 0 0 5 3 8 5 7 - 0 2

**COMPANY NAME**

B	R	I	G	H	T	S	T	A	R		H	O	L	D	I	N	G	S		A	N	D		D	E	V	E	L	O	P	M	E	N	T		I	N	C
.		(	A		W	h	o	l	l	y	-	o	w	n	e	d		S	u	b	s	i	d	i	a	r	y		o	f		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	.	)		

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

1	6	t	h		F	l	o	o	r		B	D	O		T	o	w	e	r	s		V	a	l	e	r	o	,		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**

Company's Email Address

kenneth.molave@marcventures.com.ph

Company's Telephone Number/s

8831-4479

Mobile Number

0945-4887884

No. of Stockholders

6

Annual Meeting (Month / Day)

Last Friday of May

Fiscal Year (Month / Day)

December 31

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

Name of Contact Person

Mr. Kenneth Peter D. Molave

Email Address

kenneth.molave@marcventures.com.ph

Telephone Number/s

8831-4479

Mobile Number

0945-4887884

**CONTACT PERSON'S ADDRESS**

16th Floor BDO Towers, 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.



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Brightstar Holdings and Development Inc.  
16th Floor BDO Towers Valero  
8741 Paseo de Roxas, Makati City

### *Opinion*

We have audited the financial statements of Brightstar Holdings and Development Inc. (a wholly-owned subsidiary of Bright Kindle Resources and Investments, Inc.) (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

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

### *Basis for Opinion*

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

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

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

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

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



*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

**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

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 9564562

Issued January 3, 2023, Makati City

March 9, 2023

Makati City, Metro Manila



**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**  
(A Wholly-owned Subsidiary of Bright Kindle Resources and Investments, Inc.)

**STATEMENT OF FINANCIAL POSITION**

December 31, 2022

	Note	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	4	₱9,377,917
Advances to suppliers		11,900
		<b>₱9,389,817</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Due to a related party	6	₱1,397,146
Accrued expense		100,000
Total Liabilities		1,497,146
<b>Equity</b>		
Capital stock		9,375,000
Deficit		(1,482,329)
Total Equity		7,892,671
		<b>₱9,389,817</b>

*See accompanying Notes to Financial Statements.*

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**  
(A Wholly-owned Subsidiary of Bright Kindle Resources & Investments, Inc.)

**STATEMENT OF COMPREHENSIVE INCOME**  
For the Period May 27, 2022 to December 31, 2022\*

	Note	
<b>EXPENSES</b>		
Taxes and licenses		₱710,946
Outside services		339,731
Professional fees		110,000
Director's Fee		50,000
Miscellaneous		275,069
		<u>1,485,746</u>
<b>INTEREST INCOME</b>	4	<u>(3,417)</u>
<b>LOSS BEFORE INCOME TAX</b>		<u>1,482,329</u>
<b>PROVISION FOR INCOME TAX</b>	5	<u>—</u>
<b>NET LOSS</b>		<u>1,482,329</u>
<b>TOTAL COMPREHENSIVE LOSS</b>		<u><u>₱1,482,329</u></u>

*See accompanying Notes to Financial Statements.*

\* The Company was incorporated in the Philippines and registered with the Securities and Exchange Commission on May 27, 2022.

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**  
**(A Wholly-owned Subsidiary of Bright Kindle Resources & Investments, Inc.)**

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**STATEMENT OF CHANGES IN EQUITY**  
**For the Period May 27, 2022 to December 31, 2022\***

**CAPITAL STOCK** - ₱0.10 par value

Authorized - 1,500,000,000 shares

Subscribed - 375,000,000 shares

₱37,500,000

Less subscription receivable

(28,125,000)

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9,375,000

**DEFICIT**

Net loss

(1,482,329)

Balance at end of year

(1,482,329)

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₱7,892,671

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*See accompanying Notes to Financial Statements.*

\* The Company was incorporated in the Philippines and registered with the Securities and Exchange Commission on May 27, 2022.

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**  
**(A Wholly-owned Subsidiary of Bright Kindle Resources & Investments, Inc.)**

**STATEMENT OF CASH FLOWS**  
**For the Period May 27, 2022 to December 31, 2022\***

	Note	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax		(₱1,482,329)
Adjustment for interest income	4	(3,417)
Operating loss before working capital changes		(1,485,746)
Increase in advances to suppliers		(11,900)
Increase in accrued expenses		100,000
Net cash used for operations		(1,397,646)
Interest received		3,417
Net cash used in operating activities		(1,394,229)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipt from issuance of share capital		9,375,000
Receipt of advances from related party	6	1,397,146
Net cash provided by financing activities		10,772,146
<b>CASH AT END OF YEAR</b>		<b>₱9,377,917</b>

*See accompanying Notes to Financial Statements.*

\* The Company was incorporated in the Philippines and registered with the Securities and Exchange Commission on May 27, 2022.

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**  
**(A Wholly-owned Subsidiary of Bright Kindle Resources & Investments, Inc.)**

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**NOTES TO FINANCIAL STATEMENTS**  
**For the Period May 27, 2022 to December 31, 2022**

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**1. Corporate Information**

Brightstar Holdings and Development Inc. (the Company) is a holding company, incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 27, 2022 to primarily engage 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.

The Company is a wholly-owned by Bright Kindle Resources & Investments, Inc. (BKRI or the Parent Company), which is incorporated in the Philippines.

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

**Approval of Financial Statements**

The financial statements of the Company as at and for the year ended December 31, 2022 were approved and authorized for issuance by the Board of Directors (BOD) on March 9, 2023.

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**2. Summary of Significant Accounting Policies**

**Basis of Preparation and Statement of Compliance**

The 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 (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council (formerly Financial Reporting Standards Council) and adopted by the SEC, including SEC pronouncements.

The Company availed of the exemption from reporting under the Philippine Financial Reporting Standard for Small Entities because the Company is a subsidiary of BKRI who prepares its financial statements in accordance with PFRS.

**Measurement Bases**

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

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

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further disclosures are included in Note 7, *Financial Risk Management Objectives and Policies*.

**Amended PFRS in Issue But Not Yet Effective or Adopted**

Relevant amended PFRS, which are not yet effective as at December 31, 2022 and have not been applied in preparing the financial statements, are summarized below.

Effective for annual periods beginning on or after 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. The amendments should be applied prospectively. Earlier application is permitted.

- 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. Earlier application is permitted.
- Effective for annual periods beginning on or after January 1, 2024:
  - Amendments to PAS 1, *Presentation of Financial Statements - 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. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Noncurrent Liabilities with Covenants* for that period.

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

### **Financial Assets and Liabilities**

*Date of Recognition.* The Company recognizes a financial asset or a financial liability in the statement 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.

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

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

As at December 31, 2022, the Company does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

*Financial Assets at Amortized Cost.* Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL), if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2022, the Company's cash is classified under this category.

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

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

As at December 31, 2022, the Company's accrued expenses and due to a related party are classified under this category.

### **Reclassification**

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

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

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

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

#### **Impairment of Financial Assets at Amortized Cost**

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

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

#### **Derecognition of Financial Assets and Liabilities**

*Financial Assets.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

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

**Offsetting of Financial Assets and Liabilities**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

**Classification of Financial Instrument between Liability and Equity**

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

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

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

**Advances to Suppliers**

Advances to suppliers represent the down payment for the technical consultancy activities which were not yet completed as at reporting period. These are noninterest bearing and are charged to the proper asset or expense account when the goods or services for which the advances were made are received. Advances to suppliers are applied from the supplier's billings as specified in the provisions of the contract.

**Equity**

*Capital Stock.* Capital stock is measured at par value for all shares issued.

*Deficit.* Deficit represents the net loss of the Company for the year.

**Other Income Recognition**

The specific recognition criteria must be met before other income is recognized.

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

**Expense Recognition**

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

**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 and tax laws used to compute the amount are those that are enacted or substantially enacted at reporting date.



*Deferred Tax.* Deferred tax is provided on 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 that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all deductible temporary differences and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused NOLCO can be utilized.

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 and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and tax 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.

#### **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 directly to the substance of the relationship and not merely on the legal form.

#### **Provisions**

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

#### **Contingencies**

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

### **Events After the Reporting Date**

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

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### **3. Significant Judgment, Accounting Estimates and Assumptions**

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

The significant judgment, accounting estimates and assumptions made by the Company is as follows:

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

The Company's unrecognized deferred tax asset are disclosed in Note 5 to the financial statement.

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### **4. Cash in bank**

This account consist of cash in bank amounting to ₱9,377,917.

Cash in bank earn interest at the prevailing bank deposit rates. Interest income earned from cash in banks amounted to ₱3,417 in 2022.

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### **5. Income Taxes**

There is no provision for current income tax in 2022 due to the Company's net taxable loss position.

The Company will be subjected to minimum corporate income tax (MCIT) in 2026.

Deferred tax asset relating to NOLCO amounting to ₱297,149 as at December 31, 2022 remains unrecognized as management assessed that it may not be probable that future taxable profit will be available in the near future against which the deferred tax asset can be utilized.

The reconciliation of income tax benefit computed at statutory income tax rate to provision for current income tax follows:

	2022
Income tax at statutory rate	(P296,466)
Unrecognized deferred tax assets	297,149
Deduct: Interest income subject to final tax	(683)
	P=

The Company incurred NOLCO during the year amounting to P1,485,746, which will expire in 2025. This can be carried forward and claimed as deduction against future taxable income.

## 6. Related Party Transactions

The Company, in the normal course of business, has the following transactions with the related party:

	Outstanding Balance 2022	Terms and Nature	Conditions
<b>Due to a related party</b>			
Parent Company	P1,397,146	Working capital advances	Unsecured; noninterest bearing; payable in cash and on demand

### Compensation of Key Management Personnel

The Company has no key management personnel. The accounting and administrative functions of the Company are being handled by the Parent Company at no cost.

## 7. Financial Risk Management Objectives and Policies

### General

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, accrued expenses and advances from related party. The primary purpose of these financial instruments is to finance the Company's operations. The main risk arising from the use of these financial instruments is credit and liquidity risk. Management reviews and approves the policies for managing this risk which is summarized below.

*Credit Risk.* Credit risk arising from the inability of counterparty to meet the terms of the Company's financial instrument is generally limited to the amount, if any, by which the counterparty's obligations exceed the obligation of the Company. With respect to credit risk arising from the financial asset of the Company, which consist primarily of cash in banks, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this instrument.

The credit quality of the financial assets is managed by the Company using internal credit quality ratings.

As at December 31, 2022, the Company's exposure to credit risk relates to its cash in bank.

The Company's cash in bank amounting to ₱9,377,917 as at December 31, 2022, is classified as high grade accounts since this was deposited in reputable banks with good credit rating and low probability of insolvency. Impairment loss is limited to 12-month ECL.

*Liquidity Risk.* The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements, including debt principal. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves and reserve borrowing facilities as necessary in accordance with internal policies.

As at December 31, 2022, the Company's accrued expense and due to a related party amounting to ₱100,000 and ₱1,397,146, respectively, are due and demandable.

### **Fair Value of Financial Assets and Liabilities**

The carrying amounts of cash in bank, accrued expenses and advances from related party approximate their fair values due to their short-term maturities.

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## **8. 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 the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or by conversion of related party advances to an equity component item.

The Company considers capital stock amounting to ₱9,375,000 as at December 31, 2022 as its capital employed.



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

The Stockholders and the Board of Directors  
Brightstar Holdings and Development Inc.  
16th Floor BDO Towers Valero  
8741 Paseo de Roxas, Makati City

We have audited the accompanying financial statements of Brightstar Holdings and Development Inc. (a wholly-owned subsidiary of Bright Kindle Resources and Investments, Inc.) (the Company) as at and for the year ended December 31, 2022, on which we have rendered our report dated March 9, 2023.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has one (1) stockholder owning 100 or more shares.

**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

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 9564562

Issued January 3, 2023, Makati City

March 9, 2023  
Makati City, Metro Manila



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

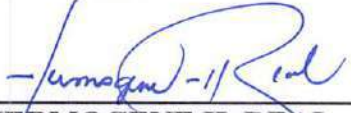
The Management of **Brightstar Holdings and Development Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2022 and 2021**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

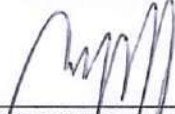
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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, 2022 and 2021**, 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.

  
\_\_\_\_\_  
**HERMOGENE H. REAL**  
Chairman of the Board

  
\_\_\_\_\_  
**AUGUSTO C. SERAFICA, JR.**  
President

  
\_\_\_\_\_  
**ROLANDO S. SANTOS**  
Treasurer

Signed this \_\_\_\_ day of \_\_\_\_\_


APR 13 2023

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

NAMES	Competent Evidence of Identity (TIN)	DATE OF ISSUE	PLACE OF ISSUE
Hermogene H. Real	122-295-404		
Augusto C. Serafica, Jr.	102-097-338		
Rolando S. Santos	127-551-054		

Doc. No. 87;  
Page No. 19;  
Book No. 5;  
Series of 2023.

Notary Public

  
ATTY. JOE FERRER FLORES  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2023 (2023-2024)  
APPOINTMENT NO. M-415  
ROLL NO. 77376 / MCLE (EXEMPT)  
PTR NO. 9563564 / JAN. 03, 2023 / MAKATI CITY  
IDP NO. 261994 / JAN. 03, 2023 / PASIG CITY  
1107 D. BATAAN ST., GUADALUPE NUEVO, MAKATI CITY



Jordan Bajamonde <jordan.bajamonde@marcventures.com.ph>

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## Your BIR AFS eSubmission uploads were received

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**eafs@bir.gov.ph** <eafs@bir.gov.ph>

Mon, Apr 17, 2023 at 8:26 AM

To: JORDAN.BAJAMONDE@marcventures.com.ph

Cc: JORDAN.BAJAMONDE@marcventures.com.ph

Hi BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.,

### Valid files

- EAFS609485057ITRTY122022.pdf
- EAFS609485057AFSTY122022.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-7FC66CK503PQTVNZXQVNP2NPR0NWPV2MNQ**

Submission Date/Time: **Apr 17, 2023 08:26 AM**

Company TIN: **609-485-057**

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

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

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# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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### COMPANY NAME

B	R	I	G	H	T	S	T	A	R		H	O	L	D	I	N	G	S		A	N	D		D	E	V	E	L	O	P	M	E	N	T		I	N	C
.		(	A		W	h	o	l	i	y	-	o	w	n	e	d		S	u	b	s	i	d	i	a	r	y		o	f		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	.	)		

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

1	6	t	h		F	l	o	o	r		B	D	O		T	o	w	e	r	s		V	a	l	e	r	o	,		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
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Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N	/	A
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### COMPANY INFORMATION

Company's Email Address

rommel.casipe@marcventures.com.ph

Company's Telephone Number/s

(02) 8-831-4479

Mobile Number

0917-187-5742

No. of Stockholders

5

Annual Meeting (Month / Day)

Last Friday of May

Fiscal Year (Month / Day)

December 31

### CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Mr. Rommel T. Casipe

Email Address

rommel.casipe@marcventures.com.ph

Telephone Number/s

(02) 8-831-4479

Mobile Number

0917-187-5742

### CONTACT PERSON'S ADDRESS

4th Floor, BDO Towers Paseo, 8471 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.



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Brightstar Holdings and Development Inc.  
16th Floor BDO Towers Valero  
8741 Paseo de Roxas, Makati City

### *Opinion*

We have audited the financial statements of Brightstar Holdings and Development Inc. (a wholly-owned subsidiary of Bright Kindle Resources & Investments, Inc.) (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including a summary of material accounting policies.

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

### *Basis for Opinion*

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

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

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

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

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



*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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

**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

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**  
**(A Wholly-owned Subsidiary of Bright Kindle Resources & Investments, Inc.)**

**STATEMENTS OF FINANCIAL POSITION**

		<b>December 31</b>	
	Note	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	4	<b>₱16,723,457</b>	₱9,377,917
Due from a related party	9	<b>13,249,978</b>	–
Other current assets	5	<b>2,605,504</b>	11,900
		<b>₱32,578,939</b>	₱9,389,817
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and statutory payables	6	<b>₱336,689</b>	₱100,000
Due to related parties	9	<b>11,150</b>	1,397,146
Total Liabilities		<b>347,839</b>	1,497,146
<b>Equity</b>			
Capital stock	11	<b>37,500,000</b>	9,375,000
Deficit		<b>(5,268,900)</b>	(1,482,329)
Total Equity		<b>32,231,100</b>	7,892,671
		<b>₱32,578,939</b>	₱9,389,817

*See accompanying Notes to Financial Statements.*

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**  
**(A Wholly-owned Subsidiary of Bright Kindle Resources & Investments, Inc.)**

**STATEMENTS OF INCOME**

		<b>Years Ended December 31</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>EXPENSES</b>			
Outside services		<b>₱1,907,313</b>	₱339,731
Taxes and licenses		<b>1,656,251</b>	710,946
Professional fees		<b>1,228,675</b>	110,000
Travel and transportation		<b>434,815</b>	190,343
Rent expense	7	<b>113,240</b>	—
Others		<b>510,538</b>	134,726
		<b>5,850,832</b>	1,485,746
<b>RENT INCOME</b>	7	<b>(2,059,908)</b>	—
<b>INTEREST INCOME</b>	4	<b>(4,353)</b>	(3,417)
<b>LOSS BEFORE INCOME TAX</b>		<b>3,786,571</b>	1,482,329
<b>PROVISION FOR INCOME TAX</b>	8	<b>—</b>	—
<b>NET LOSS</b>		<b>₱3,786,571</b>	₱1,482,329

*See accompanying Notes to Financial Statements.*

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**  
**(A Wholly-owned Subsidiary of Bright Kindle Resources & Investments, Inc.)**

**STATEMENTS OF CHANGES IN EQUITY**

	<b>Years Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>CAPITAL STOCK</b> - ₱0.10 par value		
Authorized - 1,500,000,000 shares		
Subscribed - 375,000,000 shares	<b>₱37,500,000</b>	₱37,500,000
Less subscription receivable	–	(28,125,000)
	<b>37,500,000</b>	9,375,000
<b>DEFICIT</b>		
Balance at beginning of year	<b>(1,482,329)</b>	–
Net loss	<b>(3,786,571)</b>	(1,482,329)
Balance at end of year	<b>(5,268,900)</b>	(1,482,329)
	<b>₱32,231,100</b>	₱7,892,671

*See accompanying Notes to Financial Statements.*

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**  
**(A Wholly-owned Subsidiary of Bright Kindle Resources & Investments, Inc.)**

**STATEMENTS OF CASH FLOWS**

		<b>Years Ended December 31</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		<b>(P3,786,571)</b>	(P1,482,329)
Adjustment for interest income	4	<b>(4,353)</b>	(3,417)
Operating loss before working capital changes		<b>(3,790,924)</b>	(1,485,746)
Increase in other current assets		<b>(2,593,604)</b>	(11,900)
Increase in accrued expenses and statutory payables		<b>236,689</b>	100,000
Net cash used for operations		<b>(6,147,839)</b>	(1,397,646)
Interest received		<b>4,353</b>	3,417
Net cash used in operating activities		<b>(6,143,486)</b>	(1,394,229)
<b>CASH FLOWS FROM AN INVESTING ACTIVITY</b>			
Advances to a related party	9	<b>(13,249,978)</b>	—
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipt from subscription of share capital		<b>28,125,000</b>	9,375,000
Receipt (payment) of due to related parties		<b>(1,385,996)</b>	1,397,146
Net cash provided by financing activities		<b>26,739,004</b>	10,772,146
<b>NET INCREASE IN CASH</b>		<b>7,345,540</b>	9,377,917
<b>CASH AT BEGINNING OF YEAR</b>		<b>9,377,917</b>	—
<b>CASH AT END OF YEAR</b>		<b>P16,723,457</b>	<b>P9,377,917</b>

*See accompanying Notes to Financial Statements.*

**BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.**  
(A Wholly-owned Subsidiary of Bright Kindle Resources & Investments, Inc.)

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**NOTES TO FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**1. Corporate Information**

Brightstar Holdings and Development Inc. (the Company) is a holding company, incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 27, 2022 to primarily engage 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.

The Company is a wholly-owned subsidiary of Bright Kindle Resources & Investments, Inc. (BKRI or the Parent Company), which is incorporated in the Philippines.

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

**Approval of Financial Statements**

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

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**2. Summary of Material Accounting Policy Information**

**Basis of Preparation and Statement of Compliance**

The 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 (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

The Company availed of the exemption from reporting under the Philippine Financial Reporting Standard for Small Entities because the Company is a subsidiary of BKRI who prepares its financial statements in accordance with PFRS.

**Measurement Bases**

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

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

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further disclosures are included in Note 10, *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:

- 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.

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

#### **Amended PFRS in Issue but Not Yet Effective**

Relevant amendments to PFRS, which are not yet effective as at December 31, 2023, is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

### **Financial Assets and Liabilities**

The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using 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, rent receivable, and due from a related party are 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 and due to related parties are classified as financial liabilities at amortized cost.

### **Equity**

*Capital Stock.* Capital stock is measured at par value for all shares issued, less subscription receivable, if any.

*Deficit.* Deficit represents the cumulative net loss of the Company.

### **Expenses Recognition**

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

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

### **Leases**

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, the customers has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company also assesses whether a contract contains a lease for each potential separate lease component.

### **Company as Lessor**

Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments are recognized on a straight-line basis over the term of the lease unless either:

- Another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis, or
- The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **Company as Lessee**

*Short-term Leases.* The Company applies the recognition exemption to its lease which was considered short-term lease or with lease term of 12 months or less from the commencement date. Lease payments on its short-term leases are recognized as expense on a straight-line basis over the lease term.

### **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 and tax laws used to compute the amount are those that are enacted or substantially enacted at reporting date.

*Deferred Tax.* Deferred tax is provided on 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 that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all deductible temporary differences and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused NOLCO can be utilized.

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 and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and tax 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.

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### 3. Significant Judgment, Accounting Estimates and Assumptions

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

The significant judgment, accounting estimates and assumptions made by the Company is as follows:

*Evaluation of Lease Commitments - Company as Lessor.* The Company has entered into an operating lease agreement with a third party for the lease of office space. Considering that there will be no transfer of ownership of the leased properties to the lessees, the Company has determined that it retains all the significant risks and benefits of ownership of these properties. Accordingly, the leases are accounted for as operating leases.

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

The Company's unrecognized deferred tax asset is disclosed in Note 8 to the financial statements.

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### 4. Cash

This account consist of:

	2023	2022
Cash on hand	<b>₱10,000</b>	<b>₱-</b>
Cash in banks	<b>16,713,457</b>	9,377,917
	<b>₱16,723,457</b>	<b>₱9,377,917</b>

Cash in bank earn interest at the prevailing bank deposit rates. Interest income earned from cash in banks amounted to ₱4,353 and ₱3,417 in 2023 and 2022, respectively.

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## 5. Other Current Assets

This account consist of:

	2023	2022
Rent receivable	<b>₱2,307,097</b>	₱—
Advances to employees	<b>193,300</b>	—
Input VAT	<b>93,207</b>	—
Advances to suppliers	<b>11,900</b>	11,900
	<b>₱2,605,504</b>	<b>₱11,900</b>

Rent receivable represents rent income to be collected from the lessee. This is non-interest bearing which are expected to be collected the following month.

Advances to employees are cash advances to be liquidated by the employees used for the operations and other expenses.

Advances to suppliers are noninterest bearing advances for technical consultancy activities.

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## 6. Accrued Expenses and Statutory Payables

This account consists of:

	2023	2022
Statutory payables	<b>₱252,689</b>	₱—
Accrued expenses	<b>84,000</b>	100,000
	<b>₱336,689</b>	<b>₱100,000</b>

Statutory payables include other taxes payable and mandatory contributions. These are normally settled within one (1) month after the end of the reporting period.

Accrued expenses pertain to accrual of professional fees which are expected to be settled in the next reporting period.

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## 7. Lease Commitments

### **Company as a Lessor**

In 2023, the Company has entered into an operating lease agreement with a third party for the lease of an office space which the Company has an exclusive and undisputed ownership and/or possessory rights. The lease agreement has a term of one (1) year and renewable for a period of another year under the same terms and conditions. Considering that there will be no transfer of ownership of the leased property to the lessee, the Company has determined that it retains all the significant risks and benefits of ownership of the property. Accordingly, the lease is accounted for as an operating lease.

The rental income and future minimum lease receivables within one (1) year under the operating lease amounted to ₱2,059,908 as at December 31, 2023.

### **Company as a Lessee**

In August 2023, the Company entered into one-time lease of transportation equipment. Rent expense arising from the short-term lease amounted to ₱113,240 in 2023.

## **8. Income Taxes**

There is no provision for current income tax in 2023 and 2022 due to the Company's net taxable loss position.

The Company will be subjected to minimum corporate income tax (MCIT) in 2026.

Deferred tax asset relating to NOLCO amounting to ₱1,055,334 and ₱297,149 as at December 31, 2023 and 2022, respectively, remains unrecognized as management assessed that it may not be probable that future taxable profit will be available in the near future against which the deferred tax asset can be utilized.

The details of the Company's NOLCO, which can be carried forward and claimed as deductible against future taxable income, are as follows:

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Expiry Date
2023	₱—	₱3,790,924	₱—	₱3,790,924	2026
2022	1,485,746	—	—	1,485,746	2025
	₱1,485,746	₱3,790,924	₱—	₱5,276,670	

The reconciliation of income tax benefit computed at statutory income tax rate to provision for current income tax follows:

	2023	2022
Income tax at statutory rate	(₱757,314)	(₱296,466)
Unrecognized deferred tax assets	758,185	297,149
Interest income subject to final tax	(871)	(683)
	₱—	₱—

In 2023 and 2022, the income tax rate used in preparing the financial statements is 20% for regular corporate income tax (RCIT).



## 9. Related Party Transactions

The Company, in the normal course of business, has the following transactions with its related parties:

	Transactions during the Year		Outstanding Balances		Nature	Terms and Conditions
	2023	2022	2023	2022		
Due from a related party						
Entity under common management	₱13,249,978	₱—	₱13,249,978	₱—	Advances for working capital	Unsecured; noninterest-bearing; payable in cash and on demand and settlement occurs
Due to related parties						
Parent Company	₱—	₱1,397,146	₱6,000	₱1,397,146	Advances for working capital	Unsecured; noninterest-bearing; payable in cash and on demand and settlement occurs
Entity under common control	5,150	—	5,150	—	Advances for working capital	Unsecured; noninterest-bearing; payable in cash and on demand and settlement occurs
			₱11,150	₱1,397,146		

### **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 Parent Company at no cost.

### **Submission of Information Return on Related Party Transactions**

On July 8, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 19-2020, prescribing the use of the new BIR Form 1709, *Information Return on Related Party Transactions*, and the required documentary attachments, which include but not limited to transfer pricing documentation.

On December 18, 2020, the BIR issued RR No. 34-2020 prescribing the guidelines and procedures for the submission of BIR Form 1709, criteria for taxpayers who are required to file such form, transfer pricing documentation, and other supporting documentations. According to this RR, the Company is not covered by the requirements and is not required to file such form.

### **Deed of Assignment from BKRI**

On January 20, 2023, the Company and BKRI executed a Deed of Assignment under which the Company is assigned to be in favor of BKRI'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 the Company. The transaction is pursuant to the approval by the Company of a property-for-share swap wherein the property will be exchanged for shares of the Company, and subject to the confirmation of valuation by the SEC and tax-free exchange application with the Bureau of Internal Revenue (BIR).

As at December 31, 2023, the Company has yet to receive the approval of SEC on the confirmation of valuation to execute the property-for-share swap transaction.

## 10. Financial Risk Management Objectives and Policies

### General

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, rent receivable, accrued expenses, due from a related party, and due to related parties. The primary purpose of these financial instruments is to finance the Company's operations. The main risk arising from the use of these financial instruments is credit and liquidity risk. Management reviews and approves the policies for managing this risk which is summarized below.

*Credit Risk.* Credit risk arising from the inability of counterparty to meet the terms of the Company's financial instrument is generally limited to the amount, if any, by which the counterparty's obligations exceed the obligation of the Company. With respect to credit risk arising from the financial asset of the Company, which consist primarily of cash in banks, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this instrument.

The credit quality of the financial assets is managed by the Company using internal credit quality ratings.

The carrying amount of financial assets at amortized cost recorded in the financial statements represents the Company's maximum exposure to credit risk:

	Note	2023	2022
Cash*	4	<b>₱16,713,457</b>	₱9,377,917
Rent receivable	5	<b>2,307,097</b>	—
Due from a related party	7	<b>13,249,978</b>	—
		<b>₱32,270,532</b>	<b>₱9,377,917</b>

\*Excluding cash on hand amounting to ₱10,000 as at December 31, 2023.

The Company's financial assets are categorized by credit risk rating grades based on the Company's collection experience with the counterparties as follows:

- High Grade - settlements are obtained from counterparty following the terms of the contracts without much collection effort.
- Standard Grade - other financial assets not belonging to high grade financial assets and are not past due are included in this category.
- Past Due - items with history of frequent default.

Cash (excluding cash on hand) and rent receivable are classified as high grade since these are deposited in reputable banks and reputable counterparty having good credit rating and low probability of insolvency. Due from related party is classified under high grade since the Company only enters to reputable related parties with low credit risk.

*Liquidity Risk.* The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements, including debt principal. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves and reserve borrowing facilities as necessary in accordance with internal policies.

As at December 31, 2023 and 2022, the Company's accrued expenses and due to related parties aggregating to ₱347,839 and ₱1,497,146, respectively, are due and demandable.

**Fair Value of Financial Assets and Liabilities**

The carrying amounts of cash in bank, accrued expenses, due from a related party, and due to related parties approximate their fair values due to their short-term maturities.

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**11. 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 the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or by conversion of related party advances to an equity component item.

The Company considers capital stock amounting to ₱37,500,000 and ₱9,375,000 as at December 31, 2023 and 2022, respectively, as its capital employed. There were no changes in the Company's objectives, policies or processes in 2023 and 2022.



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

The Stockholders and the Board of Directors  
Brightstar Holdings and Development Inc.  
16th Floor BDO Towers Valero  
8741 Paseo de Roxas, Makati City

We have audited the accompanying financial statements of Brightstar Holdings and Development Inc. (a wholly-owned subsidiary of Bright Kindle Resources & Investments, Inc.) (the Company) as at and for the years ended December 31, 2023 and 2022, on which we have rendered our report dated March 18, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has one (1) stockholder owning 100 or more shares.

**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

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

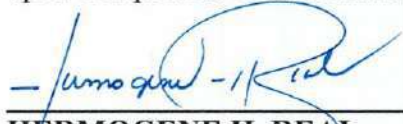
The Management of **Brightstar Holdings and Development Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended **December 31, 2023 and 2022**, in accordance with the prescribed financial reporting framework 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.



**HERMOGENE H. REAL**  
Chairman of the Board



**AUGUSTO C. SERAFICA, JR.**  
President



**ROLANBO S. SANTOS**  
Treasurer

Signed this APR 15 day of 2024

SUBSCRIBED AND SWORN to before me this APR day 26 2024  
affiant(s) exhibiting to their evidence of identity, as follows:

NAMES	Competent Evidence of Identity (TIN)	DATE OF ISSUE	PLACE OF ISSUE
Hermogene H. Real	122-295-404		
Augusto C. Serafica, Jr.	102-097-338		
Rolando S. Santos	127-551-054		

Doc. No. 142 ;  
Page No. no ;  
Book No. IV ;  
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  
ISP Membership No. 414799; 01/10/2024  
PTR No. PC 8457506; 01/03/2024  
4F BDO Towers, 8741 Paseo de Roxas, Makati City





Jordan Bajamonde <jordan.bajamonde@marcventures.com.ph>

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## Your BIR AFS eSubmission uploads were received

1 message

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**eafs@bir.gov.ph** <eafs@bir.gov.ph>

Tue, Apr 16, 2024 at 10:03 PM

To: JORDAN.BAJAMONDE@marcventures.com.ph

Cc: JORDAN.BAJAMONDE@marcventures.com.ph

Hi BRIGHTSTAR HOLDINGS AND DEVELOPMENT INC.,

### Valid files

- EAFS609485057AFSTY122023.pdf
- EAFS609485057ITRTY122023.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-QT1Q14SM0BF6A9F79QRM4QQX10JCEEJDF**

Submission Date/Time: **Apr 16, 2024 10:03 PM**

Company TIN: **609-485-057**

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

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

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



## SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines

Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



**The following document has been received:**

**Receiving:** JOSEMARI MANABAT

**Receipt Date and Time:** June 15, 2022 02:43:49 PM

### Company Information

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**SEC Registration No.:** C199900878

**Company Name:** STRONG BUILT (MINING) DEVELOPMENT CORPORATION

**Industry Classification:** C11100

**Company Type:** Stock Corporation

### Document Information

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**Document ID:** OST1061520228502955

**Document Type:** Financial Statement

**Document Code:** FS

**Period Covered:** December 31, 2021

**Submission Type:** Annual

**Remarks:** None

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	1	9	9	9	0	0	8	7	8
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Company Name

S	T	R	O	N	G		B	U	I	L	T		M	I	N	I	N	G											
D	E	V	E	L	O	P	M	E	N	T			C	O	R	P													

Principal Office ( No./Street/Barangay/City/Town)Province)

R	M	2	0	2		L	I	L	A	N	S		G	U	I	T	A	R		B	L	D	G		M	L			
Q	U	E	Z	O	N		A	V	E		P	A	J	O		L	A	P	U		L	A	P	U		C	I	T	Y

Form Type

A	F	S	
---	---	---	--

Department requiring the report

--	--	--	--

Secondary License Type, If Applicable

--	--	--	--

## COMPANY INFORMATION

Company's Email Address

[sbmhc2018@gmail.com](mailto:sbmhc2018@gmail.com)

Company's Telephone Number/s



Mobile Number

09266652138

No. of Stockholders

7

Annual Meeting  
Month/Day

10-Mar

Fiscal Year  
Month/Day

12/31/2021

## CONTACT PERSON INFORMATION

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

Name of Contact Person

APRIL P. SEMBLANTE

Email Address

[sbmhc2018@gmail.com](mailto:sbmhc2018@gmail.com)

Telephone Number/s



Mobile Number

09266652138

Contact Person's Address

CEBU CITY


**Note:** 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.

TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the financial statements of **STRONGBUILT (MINING) DEVELOPMENT CORPORATION** for the fiscal year ended December 31, 2021 which are to be submitted to the Commission, I hereby represent the following:

1. That I am in active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);
2. That said financial statements are presented in conformity with Philippine Reporting Standards for SEs in all cases where I shall express an unqualified opinion; except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statements, if such is a fact;
3. That I shall fully meet the requirements of independence as provided under the Code of Professional Ethics for CPAs;
4. That in the conduct of the audit, I shall comply with the generally accepted auditing standards promulgated by the Board of Accountancy; in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion; and
5. That I shall comply with the applicable rule and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements;
6. That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under Code of Professional Ethics for CPAs.

As a CPA engaged in public practice, I make these representations in my individual capacity.

  
BRIAN L. BALUYA, CPA, MBA  
U2617 City Suites, F Ramos St., Cebu City  
PTR No. 2152794 February 11, 2022 Cebu City  
BOA no. 4731 valid until February 18, 2024  
BIR no. 13-005053-1-2019

April 13, 2022



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**Supplemental Statement of Independent Auditor**

Board of Directors

**STRONGBUILT (MINING) DEVELOPMENT CORPORATION**

Rm 202 Lilang's Guitar Bldg., ML Quezon Ave., Pajo  
Lapu – Lapu City, Cebu

I/We have examined the financial statements of **Strongbulit (Mining) Development Corporation** for the years ended December 31, 2021 and 2020, on which I have rendered the attached report dated April 13, 2022.

In compliance with SRC Rule 68, I/We are stating that the said company has a total number of Seven (7) stockholder owning one hundred (100) or more shares each.



BRIAN L. BALUYA, CPA, MBA  
U2617 City Suites, F Ramos St., Cebu City  
PTR No. 2152794 February 11, 2022 Cebu City  
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April 13, 2022



## **STRONG BUILT (MINING) DEVELOPMENT CORPORATION.**

Rm 202 Lilang's Guitar Bldg., ML Quezon Ave., Pajo  
Lapu – Lapu, Cebu

### **STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**


The management of **STRONG BUILT (MINING) DEVELOPMENT CORP.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, 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 for 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.

Brian L. Baluya, CPA, MBA, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with the 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.

  
**CHANDRAN R. RAMA**  
Chairman of the Board / President

  
**MARIA AIMEE S. RAMA**  
Treasurer

Date: April 13, 2022



## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors and Shareholders of **STRONGBUILT (MINING) DEVELOPMENT CORPORATION**

Rm 202 Lilang's Guitar Bldg., ML Quezon Ave., Pajo  
Lapu – Lapu, Cebu

#### Opinion

I have audited the financial statements of **STRONGBUILT (MINING) DEVELOPMENT CORPORATION**, which comprise the statement of financial position as of December 31, 2021, and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and (of) its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRSs for SEs).

#### Basis for Opinion

I conducted my audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SEs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have communicated 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 I have identified during my audit.

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**Report on the Supplementary Information required Under Revenue Regulations 15-2010**

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 16 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



BRIAN L. BALUYA, CPA, MBA  
U2617 Citysuits., F Ramos St., Cebu City  
PTR No. 2152794 February 11, 2022 Cebu City  
BOA no. 4731 valid until February 18, 2024  
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April 13, 2022

# **STRONG BUILT (MINING) DEVELOPMENT CORPORATION.**

Rm 202 Lilang's Guitar Bldg., ML Quezon Ave., Pajo  
Lapu – Lapu, Cebu

## **STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN**

The management of **STRONG BUILT (MINING) DEVELOPMENT CORPORATION.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2021. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, Management affirms that the attached audited financial statements for the year ended December 31, 2021 and the accompanying Annual Income Tax Return are in accordance with the books and records of **Strong Built (Mining) Development Corporation**, complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the **Strong Built (Mining) Development Corporation** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

  
**CHANDRAN RAMA**

President

  
**MARIA AIMEE S. RAMA**

Treasurer

April 13, 2022

**STRONG BUILT (MINING) DEVELOPMENT CORPORATION****BALANCE SHEETS**

As of December 31

*(Amounts Expressed in Philippine Pesos)*

	Notes	2021	2020
<b>ASSETS</b>			
CURRENT ASSETS:			
Cash	3	8,205,391	50,919,728
Receivables	4	791,686	2,233,561
Inventory	5	0	-
Prepayments	6	344,576	349,966
Other current assets	7	5,179,030	7,516,659
Total current assets		14,520,682	61,019,914
NON-CURRENT ASSETS			
Land, Property and equipment - net	8	1,333,332	1,382,812
Deferred mining exploration/development cost	9	31,839,496	31,839,496
Other non current assets	10	4,720,090	7,384,220
Total non-current assets		37,892,918	40,606,528
<b>TOTAL ASSETS</b>		<b>52,413,600</b>	<b>101,626,442</b>
<b>LIABILITIES AND CAPITAL DEFICIENCY</b>			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	11	138,428	764,585
Income tax payable	11,15	2,236	8,512,306
Other current liabilities	11	56,315,815	28,468,007
Total current liability		56,456,479	37,744,898
NON-CURRENT LIABILITIES			
Advances from shareholders	12	19,161,455	77,838,457
Total non-current liability		19,161,455	77,838,457
<b>TOTAL LIABILITIES</b>		<b>75,617,934</b>	<b>115,583,355</b>
CAPITAL DEFICIENCY			
Share capital	17	32,500,000	32,500,000
Retained earnings		(55,704,334)	(46,456,913)
Total shareholders' equity		(23,204,334)	(13,956,913)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>52,413,600</b>	<b>101,626,442</b>

See accompanying notes to financial statements.

**STRONG BUILT (MINING) DEVELOPMENT CORPORATION****INCOME STATEMENTS**

For the years ended December 31

*(Amounts Expressed in Philippine Pesos)*

	Notes	2021	2020
REVENUE		<b>7,508,704</b>	45,267,857
COST OF SERVICE		<b>2,470,245</b>	
GROSS PROFIT		<b>5,038,459</b>	45,267,857
OPERATING EXPENSE	13	<b>(20,639,487)</b>	(19,155,518)
INCOME/(LOSS) FROM OPERATIONS		<b>(15,601,028)</b>	26,112,339
OTHER INCOME/(LOSS)	14	<b>223,586</b>	27,813
INTEREST INCOME	14	<b>192,660</b>	46,323
GAIN (LOSS) IN FOREIGN EXCHANGE		<b>2,623,408</b>	(3,066,068)
NET INCOME/(LOSS) before Tax		<b>(12,561,373)</b>	23,120,407
Income Tax Benefit/(Expense)	15	<b>3,313,953</b>	(8,515,165)
NET INCOME/(LOSS) After Tax		<b>(9,247,421)</b>	14,605,242

See accompanying notes to financial statements.



**STRONG BUILT (MINING) DEVELOPMENT CORPORATION**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
For the years ended December 31

*(Amounts Expressed in Philippine Pesos)*

		<i>Notes</i>	<b>2021</b>	<b>2020</b>
<b>SHARE CAPITAL</b>				
Common share	: P 1.00 par value	17	32,500,000	32,500,000
Authorized	: 100,000,000 shares			
Paid-up	: 32,500,000 shares			
<b>RETAINED EARNINGS</b>				
Balance, beginning of the year			<b>(46,456,913)</b>	(61,062,155)
Net Income/(Loss) after tax			<b>(9,247,421)</b>	14,605,242
Balance, end of the year			<b>(55,704,334)</b>	(46,456,913)
<b>TOTAL SHAREHOLDERS' EQUITY</b>			<b>(23,204,334)</b>	(13,956,913)

See accompanying notes to financial statements.

**STRONG BUILT (MINING) DEVELOPMENT CORPORATION****STATEMENTS OF CASH FLOWS**

For the years ended December 31

*(Amounts Expressed in Philippine Pesos)*

	Notes	2021	2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Income/(Loss) before income tax		<b>(9,247,421)</b>	14,605,242
Adjustments for:			
Depreciation	8	<b>49,480</b>	133,778
Interest income		<b>(192,660)</b>	(46,323)
Operating loss before working capital changes		<b>(9,390,600)</b>	14,692,697
Decrease (increase) in:			
Receivables		<b>1,441,875</b>	1,423,806
Other assets (current/noncurrent)		<b>5,001,759</b>	7,054,532
Increase (decrease) in:			
Accounts payable and accrued expenses		<b>(626,156)</b>	599,404
Income Tax Payable		<b>(8,510,070)</b>	8,509,447
Other current liabilities		<b>27,847,807</b>	21,127,343
Cash used in operations		<b>15,770,004</b>	53,320,054
Interest income		<b>192,660</b>	46,323
Net cash used in operating activities		<b>15,962,664</b>	53,366,376
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition/adjustment in property and equipment		-	(69,072)
Deferral/adjustments in DMDC/Property Rights		<b>0</b>	(1,580,383)
Net cash used for investing activities		<b>0</b>	(1,649,455)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase(Decrease) in advances from stockholders		<b>(58,677,002)</b>	(1,421,742)
Net cash provided by/(used for) financing activities		<b>(58,677,002)</b>	(1,421,742)
NET INCREASE/(DECREASE) IN CASH		<b>(42,714,338)</b>	50,295,179
<b>CASH</b>			
Beginning		<b>50,919,728</b>	624,549
End		<b>8,205,391</b>	50,919,728

See accompanying notes to financial statements.

**STRONG BUILT (MINING) DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2021**

**1. CORPORATE INFORMATION**

Strong Built (Mining) Development Corporation, formerly Strong Built Mining and Development Corporation, was originally registered and incorporated with Philippine Securities and Exchange Commission (SEC) on September 17, 1999 with Registration No. C199900878. It started operations in 2004.

Its primary purpose is to carry on the business of operating metallic and non-metallic mines, and of mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying selling, exchanging, and otherwise producing and dealing in all other kinds of ores, metals, and minerals, hydrocarbons, acids and chemicals, and in the products and by-products of every kind and description and by whatsoever process, the same can be or may hereafter be produced; to purchase, lease, option, locate or otherwise acquire, own exchange, sell or otherwise dispose of, pledge, mortgage, deed in trust.

The Company is a grantee of the right to undertake commercial mining operations from the Philippine government under a Mineral Production Sharing Agreement (MPSA), MPSA 254-2007VIII. The agreement was executed last July 28, 2007 covering a contract area of 7,411.5570 hectares situated in Dulag, Mayorga, macArthur, Javier and Abuyog, Leyte under a term of twenty five (25) years from effective date, and may be renewed thereafter for another term not exceeding twenty five (25) years.

Its head office is located in Suite 202, Lilang's Guitar Bldg., ML Quezon, National Highway, Pajo, Lapu-Lapu City, Cebu.

Since 2018, the Company has temporarily stopped operations due to unfavorable market conditions and is looking for prospective investors or partnership agreements.

In 2020, the Company has entered into a service agreement with an operator to undertake the mining of iron sand deposits within the area covered by the Mineral Product Sharing Agreement.

The financial statements of the Company were authorized for issue by the Board of Directors on April 13, 2022.

**2. SIGNIFICANT ACCOUNTING POLICIES**

***2.1 Basis of Preparation***

The financial statements of the Company have been prepared in accordance with the PFRS for Small Entities (the "Framework") as approved by the Financial Reporting Standards Council, Board

of Accountancy and Securities and Exchange Commission (SEC). They have been prepared on a historical cost basis, except for investment property that has been measured at fair value.

## **2.2 Investment in Associates**

Associates are all entities over which an entity has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

The Company has no investment in associates as of reporting date.

## **2.3 Financial Instruments**

A financial instrument is any contract that gives rise to both financial asset of one entity and financial liability or equity instrument of another entity. A financial instrument is recognized when the entity becomes a party to its contractual provisions. The Company classifies its financial instruments into the following categories: a) basic financial instruments and b) complex financial instruments.

The Company's basic financial statements consist of cash and cash equivalents, trade and other receivables, borrowings, trade and other payables. The Company does not have complex financial instruments.

## **2.4 Basic Financial Instruments**

### **Initial Measurement**

On initial recognition, a debt financial instrument is measured at transaction price (including transaction costs), unless the arrangement is in effect a financing transaction. In this case, it is measured at present value of the future payment discounted using a market rate of interest for a similar debt instrument.

### **Subsequent Measurement**

The Company's debt financial instruments are subsequently measured at amortized cost using the effective interest method.

### **Impairment of financial instruments measured at amortized cost**

At each reporting date, the Company assesses whether there is objective evidence of impairment on any financial assets that are measured at amortized cost. Where there is any objective evidence of impairment, an impairment loss is recognized immediately in profit or loss.

The impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

## **Derecognition of financial assets**

An entity only derecognizes a financial asset when the contractual rights to the cash flows from the asset have expired or are settled, or the entity has transferred to another party substantially all the risks and rewards of ownership relating to the financial asset.

## **Derecognition of financial liabilities**

Financial liabilities are derecognized only when these are extinguished – that is , when the obligation is discharged, cancelled or has expired.

## **2.5 Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits and other short term highly liquid investments with an original maturities of three months or less.

## **2.6 Trade Receivables**

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortized costing using the effective interest method. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

## **2.7 Merchandise Inventories**

Merchandise inventories are stated at the lower of cost or market value (i.e. the probable selling price to willing buyers as the reporting date). Cost is determined using the first in, first out (FIFO) method.

## **2.8 Property , Plant and Equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other classes of property, plant and equipment is charged so as to allocate cost of assets less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives of the Company's depreciable assets are as follows:

<u>Property Classification</u>	<u>Estimated Life</u>
Transportation equipment	5 years
Furniture and fixtures	5 years
Office equipments	3 to 5 years
Small tools and other fixed assets	3 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

## **2.9 Investment Property**

Investment property is initially recognized at cost. Subsequently investment property is carried at fair value with changes in fair value recognized in profit or loss.

## **2.10 Deferred Mining Exploration and Development Costs**

Deferred mining exploration development costs comprised of initial property acquisition costs and other costs incurred to exploit or extract the natural resources that had been located. All costs related to the development of mineral properties are deferred until commencement of commercial production. The recoverability of the amounts recorded for mineral properties and deferred costs are dependent on the existence of economically recoverable reserves and future profitable production from the mineral properties.

When properties are brought into commercial production, mineral properties and deferred costs will be amortized on a straight line basis over the estimated useful life of the mining property.

The deferred mining exploration and development cost are as follows:

Deferred Mining Exploration Cost ---- 10 years

Deferred Mining Development Cost ---- 5 years

Mineral properties and deferred costs are written down when properties are abandoned or when cost exceeds net realizable value.

## **2.11 Intangible Assets**

Intangible assets are carried at cost less accumulated amortization and any impairment losses. Amortization is calculated using the straight line method over the estimated useful life or a maximum of 10 years.

The Company has no intangible asset recorded as of reporting date.

## **2.12 Impairment of Assets other than Inventories**

Assets such as property , plant and equipment, investment property , intangible assets and investment in associate are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When an impairment indicator is identified, the carrying value of the asset is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. If the recoverable amount cannot be estimated for an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are independent of the cash flows from other assets within the Company.



If an impairment indicator no longer exists or the recoverable amount has increased subsequently, the Company will determine the amount of impairment loss that can be reversed to the extent that the reversal should not result in a carrying amount of the asset that is higher had no impairment loss was recognized in the prior years.

### ***2.13 Borrowing and Borrowing Costs***

Borrowings are recognized initially at transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortized cost. Interest expense is recognized on the basis of effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All borrowing costs are expensed as incurred.

### ***2.14 Trade and Other Payables***

Trade and other payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

### ***2.15 Provisions***

Provisions are recognized when the Company has an obligation as a result of past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

When the effect of time value is material, provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in the provisions due to passage of time are recognized in profit or loss.

### ***2.16 Retirement Benefits***

The company is yet to establish and a formal retirement plan for its employees. The Company's retirement benefit obligation is measured using the accrual approach based on the minimum retirement benefits required under Republic Act No. 7641 otherwise known as The Philippine Retirement Pay Law. Accrual approach is applied by calculating the expected liability as at reporting date using the current salary of the entitled employees and the employees' years of service, with consideration of future changes in salary rates and service periods.

## **2.17 Equity**

Share capital and additional paid in capital

Share capital is measured at par value for all shares issued. Any amount received by the Company in excess of par value of its shares is credited to additional paid in capital. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained earnings

Retained Earnings consist of accumulated profits less any amounts distributed to the shareholders

Cash dividend distribution

Cash dividends to shareholders are recognized as a liability and deducted from equity when approved by the Company's Board of Directors.

## **2.18 Revenue Recognition**

Revenue is measured as the fair value of the consideration received or receivable excluding discounts, returns and value added tax. The Company recognizes revenue to the extent that it is probable that the future benefits will flow to the entity and that the amount of revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sales of goods

Sales of goods are recognized as revenue when the Company has delivered the products to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Rendering of services

Service income is recognized upon rendering of service to the customer.

Interest Income

Interest income is recognized using the effective interest method.

## **2.19 Income tax expense**

The Company uses the deferred income taxes method to account for income taxes. Under this method, the Company recognizes the current and future tax consequences of transactions and other events that have been recognized in the financial statements.

## **2.20 Leases**

The Company leases certain items of property, plant and equipment. Payments made under leases are charged to profit or loss when incurred.

### **2.21 Events after the reporting date**

Post year end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year end events that are not adjusting events are disclosed in the notes to the financial statements when material.

#### **3. CASH**

	<b>2021</b>	<b>2020</b>
Cash in bank	<b>8,192,391</b>	<b>50,902,072</b>
Petty cash fund	<b>13,000</b>	<b>13,000</b>
Cash on hand	<b>-</b>	<b>4,656</b>
Total	<b>8,205,391</b>	<b>50,919,728</b>

#### **4. RECEIVABLES**

This account as of December 31 consists of:

	<b>2021</b>	<b>2020</b>
Advances to officers-Maria Aimee S. Rama	<b>-</b>	<b>1,626,965</b>
Advances to others/suppliers	<b>738,250</b>	<b>578,250</b>
Advances to employees	<b>53,436</b>	<b>28,346</b>
Total	<b>791,686</b>	<b>2,233,561</b>

#### **5. INVENTORY**

As of balance sheet date, there is no available inventory for sale.

#### **6. PREPAYMENTS**

	<b>2021</b>	<b>2020</b>
Insurance	<b>87,176</b>	<b>87,176</b>
Rental	<b>262,790</b>	<b>262,790</b>
Total	<b>349,966</b>	<b>349,966</b>

## 7. OTHER CURRENT ASSETS

	2021	2020
Creditable withholding tax	5,032,197	7,516,659
Input VAT	146,833	
Total	5,179,030	7,516,659

## 8. LAND, PROPERTY AND EQUIPMENT

Reconciliations of the cost of land, property and equipment for 2021 and 2020 are shown as follows:

2021	Transportation Equipment	Office Equipment	Mining/Agri Equipment	Fixtures and Fixtures	Leasehold Improvements	Land	Total
<b>Cost:</b>							
Beginning-Jan 1, 2021	7,141,134	922,955	4,315,414	434,363	357,224	1,295,730	14,466,820
Addition	-	-	-	-	-	-	-
Disposal	(5,452,592)	-	-	-	-	-	(5,452,592)
End-Dec 31, 2021	1,688,542	922,955	4,315,414	434,363	357,224	1,295,730	9,014,227
<b>Accumulated Depreciation:</b>							
Beginning-Jan 1, 2021	(7,141,134)	(835,873)	(4,315,414)	(434,363)	(357,224)	-	(13,084,007)
Depreciation		(49,481)	-	-	-	-	(49,481)
Disposal	5,452,592		-	-	-	-	5,452,592
End-Dec 31, 2021	(1,688,542)	(885,353)	(4,315,414)	(434,363)	(357,224)	-	(7,680,896)
<b>Net Book Value-Dec 31, 2021</b>	-	37,601	-	-	-	1,295,730	1,333,332
2020	Transportation Equipment	Office Equipment	Mining/Agri Equipment	Fixtures and Fixtures	Leasehold Improvements	Land	Total
<b>Cost:</b>							
Beginning-Jan 1, 2020	7,141,134	853,883	4,315,414	434,363	357,224	1,295,730	14,397,748
Addition	-	69,072	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
End-Dec 31, 2020	7,141,134	922,955	4,315,414	434,363	357,224	1,295,730	14,466,820
<b>Accumulated Depreciation:</b>							
Beginning-Jan 1, 2020	(7,141,134)	(780,179)	(4,237,330)	(434,363)	(357,224)	-	(12,950,229)
Depreciation		(55,694)	(78,084)				(133,778)
End-Dec 31, 2020	(7,141,134)	(835,873)	(4,315,414)	(434,363)	(357,224)	-	(13,084,007)
<b>Net Book Value-Dec 31, 2020</b>	-	87,082	-	-	-	1,295,730	1,382,812

**9. DEFERRED MINING EXPLORATION AND DEVELOPMENT COST**

	<b>DMEC</b>	<b>DMDC</b>	<b>Total</b>
Beginning-Jan 1, 2021	16,606,221	15,233,275	31,839,496
Adjustment	-	-	-
Amortization	-	-	-
<b>End-Dec 31, 2021</b>	<b>16,606,221</b>	<b>15,233,275</b>	<b>31,839,496</b>

**10. OTHER NON CURRENT ASSETS**

This account as of December 31 consists of:

	<b>2021</b>	<b>2020</b>
Deferred tax assets-NOLCO	<b>3,088,093</b>	<b>5,804,844</b>
Mining property rights	<b>1,579,376</b>	<b>1,579,376</b>
Deferred input VAT	-	-
Deferred tax assets-MCIT	<b>52,620</b>	-
<b>Total</b>	<b>4,720,089</b>	<b>7,384,220</b>

**11. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

This account as of December 31 consists of:

	<b>2021</b>	<b>2020</b>
Accrued expenses	<b>138,428</b>	<b>764,585</b>
Income tax payable	<b>2,236</b>	<b>8,515,165</b>
Other current liabilities	<b>2,309,415</b>	<b>3,279,148</b>
Advances from operator	<b>54,006,400</b>	<b>25,186,000</b>
<b>Total</b>	<b>56,456,479</b>	<b>37,744,898</b>

Accrued expenses are non interest bearing payables to suppliers other than their trade suppliers. It comprises of payables to utilities and other companies of which the related expenses were already incurred but still unpaid as of the reporting period. It also includes accrued payroll, 13th month pay, and other bonuses for its current and former employees that are expected to be settled within the year as of the reporting period.

Other current liabilities represent advances from employees and officers and statutory liabilities (BIR, SSS, PHIC, HDMF) and are measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments. Obligations to the government are remitted on the following month after being withheld from various income recipients.

## 12. ADVANCES FROM SHAREHOLDERS

This account consists of:

	2021	2020
Chandran R. Rama	19,161,455	77,838,457
Total	19,161,455	77,838,457

In the normal course of business, the Company obtains non-interest bearing advances from shareholders and affiliates for working capital requirements with no definite repayment terms.

## 13. OPERATING EXPENSE

	2021	2020
Personnel	8,892,225	5,601,882
Contracted services	4,163,310	7,621,387
Depreciation expense	49,480	133,778
Communication, light and water	186,539	171,810
Taxes and Licenses	885,090	4,193,919
Others	6,642,843	1,432,742
Total	20,639,487	19,155,518

## 14. OTHER INCOME and LOSS

This account as of December 31 consists of:

	2021	2020
Other Income/(Loss)	223,586	27,813
Gain/(Losses) in foreign exchange	2,623,408	(3,066,068)
Interest income	192,660	46,323
Total	3,039,654	(2,991,932)

## 15. INCOME TAX

### REGULAR INCOME TAX

	2021
Net Income (Loss) before tax	(12,561,373)
Less: Interest income subject to final tax	(192,660)
Unrealized Gain from FOREX	2,686,430
Taxable Income (Loss)	(15,440,463)
Income Tax Expense at 20%	3,088,093

MCIT

	2021
Gross Income/(Loss)	5,262,046
Gross taxable income subject to MCIT	5,262,046
MCIT due at 1%	52,620

Year incurred	Expiry date	As of December 2019	Addition/ Paid	Application/ Expired Portion	As of December 2020
2019	2022	2,859	-	2,859-	-

NOLCO

Per BIR Revenue Regulation 14-2001, mines other than gas wells, a NOLCO incurred in any of the first ten years of operations may be carried over as a deduction from taxable income for the next five years immediately following the year of such loss. The company has started its operation in 2004.

Year incurred	Availment period	NOLCO	Expected Tax Benefit
2021	2022-2024	15,440,463	3,088,093
		15,440,463	3,088,093

**16. SUPPLEMENTARY INFORMATION UNDER BIR RR 15-2010 and 34-2020**

Output and Input Taxes based on filed returns for the current year are as follows:

**Output Tax**

Vatable Sales/Receipts-VAT Output	P	-	901,044
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**Input Tax**

Beginning balance	4,356,124
Add: Input tax deferred on capital goods exceeding 1 million	-
Domestic purchase of goods other than capital goods	357,519
Domestic purchase on services	105,712
Total input tax for 2021	111,591
Applied Input	(901,044)
Ending balance	3,918,311



**Withholding taxes**

Withholding taxes on compensation	1,411,216
Withholding taxes expanded	518,000
Withholding taxes on fringe benefit	42,968

**Taxes and licenses**

BIR registration	500
Business tax	37,912
Occupational Taxes	555,900
Real Property Tax	28,860
Excise Tax	10,618
Others	240,605
Vehicle registration	12,694
Total	<u>885,089</u>

No other taxes were paid during the year aside from those mentioned above.

**BIR RR 34-2020**

The Company is not covered to the requirements and procedures for related party transactions under Revenue Regulation 34-2020.

**17. SHARE CAPITAL**

The company has a total authorized capital share of 100,000,000 shares at P 1 par value with total paid up capital of P32,500,000. There are seven (7) shareholders owning 100 or more shares each.

\* \* \*



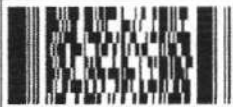
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Republic of the Philippines  
Department of Finance  
Bureau of Internal Revenue

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<b>BIR Form No.</b> <b>1702-RT</b> January 2018(ENCS) Page 1		<b>Annual Income Tax Return</b> For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.		 1702-RT 01/18ENCS P1	
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal		3 Amended Return? <input type="radio"/> Yes <input checked="" type="radio"/> No		4 Short Period Return? <input type="radio"/> Yes <input checked="" type="radio"/> No	
2 Year Ended (MM/DDYY) 12/2021		5 Alphanumeric Tax Code (ATC) IC055 <input type="checkbox"/> Minimum Corporate Income Tax (MCIT) <input checked="" type="checkbox"/> IC010 <input checked="" type="checkbox"/> DOMESTIC CORPORATION IN GENERAL <input checked="" type="checkbox"/>			
<b>Part I - Background Information</b>					
6 Taxpayer Identification Number (TIN) 204 - 255 - 897 - 000		7 RDO Code 121			
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) STRONG BUILT MINING DEVELOPMENT CORPORATION					
9A Registered Address (Indicate complete registered address) SUITE 202 LILANG'S BLDG., M.L. QUEZON AVE., PAJO, CEBU					
9B Zipcode 6015					
10 Date of Incorporation/Organization (MM/DD/YYYY)				09/17/1999	
11 Contact Number 032-3414409		12 Email Address msrharvey.sbmde@gmail.com			
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions (Section 34 (A-J), NIRC) <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]					
<b>Part II - Total Tax Payable</b> (Do NOT enter Centavos)					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)				52,620	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				5,082,581	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				(5,029,961)	
<b>Add Penalties</b>					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				(5,029,961)	
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable) <input checked="" type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input type="radio"/> To be carried over as tax credit next year/quarter					
We declare under the penalties of perjury that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code as amended and the Regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN)					
Signature over printed name of President/Principal Officer/Authorized Representative CHANDLER R. RAMA				Signature over printed name of Treasurer/Assistant Treasurer MARIA AIMER J. RAMA	
Title of Signatory PRESIDENT		TIN		22 Number of Attachments 4	
<b>Part III - Details of Payment</b>					
Particulars		Drawee Bank/Agency		Amount	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)				0	
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)				Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 2	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to <b>REGULAR Income Tax Rate</b>	 1702-RT 01/18ENCS P2
<b>Taxpayer Identification Number (TIN)</b> 204 - 255 - 897 - 000		<b>Registered Name</b> STRONG BUILT MINING DEVELOPMENT CORPORATION
<b>Part IV - Computation of Tax</b> <i>(Do NOT enter Centavos)</i>		
27 Sales/Receipts/Revenues/Fees		7,508,704
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)		7,508,704
30 Less: Cost of Sales/Services		2,470,245
31 Gross Income from Operation (Item 29 Less Item 30)		5,038,459
32 Add: Other Taxable Income Not Subjected to Final Tax		223,586
33 Total Taxable Income (Sum of Items 31 and 32)		5,262,045
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	20,702,508	
35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)	0	
36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)	0	
37 Total Deductions (Sum of Items 34 to 36)	20,702,508	
OR [in case taxable under Sec 27(A) & 28(A)(1)]		
38 Optional Standard Deduction (40% of Item 33)	0	
39 Net Taxable Income/(Loss) (if Itemized: Item 33 Less Item 37; if OSD: Item 33 Less Item 38)		(15,440,463)
40 Applicable Income Tax Rate		20 %
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)		0
42 MCIT Due (2% of Item 33)		52,620
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)		52,620
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT		5,032,197
45 Income Tax Payment under MCIT from Previous Quarter/s		50,384
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s		0
47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)		0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		0
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		0
50 Foreign Tax Credits, if applicable		0
51 Tax Paid in Return Previously Filed, if this is an Amended Return		0
52 Special Tax Credits (To Part V Item 58)		0
Other Credits/Payments (Specify)		
53		0
54		0
55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)		
		5,082,581
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)		(5,029,961)
<b>Part V - Tax Relief Availment</b>		
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)		0
58 Add: Special Tax Credits (From Part IV Item 52)		0
59 Total Tax Relief Availment (Sum of Items 57 and 58)		0

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 3	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P3
<b>Taxpayer Identification Number (TIN)</b> 204 - 255 - 897 - 000		<b>Registered Name</b> STRONG BUILT MINING DEVELOPMENT CORPORATION
<b>Schedule I - Ordinary Allowable Itemized Deductions</b> <i>(Attach additional sheet/s, if necessary)</i>		
1 Amortizations		0
2 Bad Debts		0
3 Charitable Contributions		425,477
4 Depletion		0
5 Depreciation		49,480
6 Entertainment, Amusement and Recreation		471,348
7 Fringe Benefits		127,859
8 Interest		0
9 Losses		0
10 Pension Trust		0
11 Rental		1,890,509
12 Research and Development		0
13 Salaries, Wages and Allowances		8,482,733
14 SSS, GSIS, Philhealth, HDMF and Other Contributions		281,633
15 Taxes and Licenses		885,090
16 Transportation and Travel		99,158
17 Others (Deductions Subject to Withholding Tax and Other Expenses) <i>(Specify below; Add additional sheet/s, if necessary)</i>		
a Janitorial and Messengerial Services		0
b Professional Fees		6,892,659
c Security Services		0
d REPAIRS AND MAINTENANCE		226,477
e SUPPLIES		136,708
f TRAINING AND DEVT		75,794
g INSURANCE		191,476
h HANDLING TRUCKING		210,981
i OTHERS		255,126
i.1 COMM LIGHT WATER		186,539
i.2 BANK CHARGE		5,565
i.3 REALIZED FOREX LOSS		63,022
<b>18 Total Ordinary Allowable Itemized Deductions</b> <i>(Sum of Items 1 to 17) (To Part IV Item 34)</i>		<b>20,702,508</b>
<b>Schedule II - Special Allowable Itemized Deductions</b> <i>(Attach additional sheet/s, if necessary)</i>		
Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
<b>5 Total Special Allowable Itemized Deductions</b> <i>(Sum of Items 1 to 4) (To Part IV Item 35)</i>		
		<b>0</b>

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 4	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
<b>Taxpayer Identification Number (TIN)</b> 204 - 255 - 897 - 000		<b>Registered Name</b> STRONG BUILT MINING DEVELOPMENT CORPORATION

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	5,262,045
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	20,702,508
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	(15,440,463)

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)		
Net Operating Loss		B) NOLCO Applied Previous Year
Year Incurred	A) Amount	
4 2021	15,440,463	0
5 2019	4,907,157	4,907,157
6 2018	5,747,793	5,747,793
7	0	0

Continuation of Schedule IIIA (Item numbers continue from table above)

C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) (E = A Less (B + C + D) )
4 0	0	15,440,463
5 0	0	0
6 0	0	0
7 0	0	0
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	0	0	0
2	0	0	0
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [ G = C Less (D + E + F) ]
1 0	0	0	0
2 0	0	0	0
3 0	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	(12,561,373)
Add: Non-deductible Expenses/Taxable Other Income	
2	0
3	0
4 Total (Sum of Items 1 to 3)	
	(12,561,373)
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME	192,660
6 UNREALIZED FOREX GAIN	2,686,430
B) Special Deductions	
7	0
8	0
9 Total (Sum of Items 5 to 8)	
	2,879,090
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	(15,440,463)





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Brian Baluya <bbaluya@yahoo.com>  
Reply-To: Brian Baluya <bbaluya@yahoo.com>  
To: Bib Accounting Services <blbacctg.c@gmail.com>

6 June 2022 at 18:15

Sent from Yahoo Mail on Android

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**From:** "APRIL SEMBLANTE" <aprilsemblante.sbmde@gmail.com>  
**To:** "bbaluya@yahoo.com" <bbaluya@yahoo.com>  
**Cc:**  
**Sent:** Mon, 6 Jun 2022 at 4:53 PM  
**Subject:** Fwd: Your BIR AFS eSubmission uploads were received

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**From:** <eafs@bir.gov.ph>  
**Date:** Tue, May 31, 2022 at 11:03 PM  
**Subject:** Your BIR AFS eSubmission uploads were received  
**To:** <APRILSEMBLANTE.SBMDC@gmail.com>  
**Cc:** <APRILSEMBLANTE.SBMDC@gmail.com>

Hi STRONG BUILT MINING DEVELOPMENT,

**Valid files**

- EAFS204255897AFSTY122021.pdf
- EAFS204255897ITRTY122021.pdf

**Invalid file**

- <None>

Transaction Code: **AFS-0-NSZVRSVV0Q32VWV2P2P124MP0MNN3VWR3**  
Submission Date/Time: **May 31, 2022 10:46 PM**  
Company TIN: **204-255-897**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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Republic of the Philippines  
Department of Finance  
Bureau of Internal Revenue

For BIR Use Only: BCS/Item:

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 1		<b>Annual Income Tax Return</b> For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate <i>Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.</i>		 1702-RT 01/18ENCS P1	
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal 2 Year Ended (MM/DDYY) 12/2022		3 Amended Return? <input type="radio"/> Yes <input checked="" type="radio"/> No 4 Short Period Return? <input type="radio"/> Yes <input checked="" type="radio"/> No		5 Alphanumeric Tax Code (ATC) IC055 <input checked="" type="checkbox"/> Minimum Corporate Income Tax (MCIT) IC010 <input checked="" type="checkbox"/>	
<b>Part I - Background Information</b>					
6 Taxpayer Identification Number (TIN) 204 - 255 - 897 - 000				7 RDO Code 121	
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) STRONG BUILT MINING DEVELOPMENT CORPORATION					
9A Registered Address (Indicate complete registered address) SUITE 202 LILANG'S BLDG., M.L. QUEZON AVE., PAJO, CEBU					
9B Zipcode 6015					
10 Date of Incorporation/Organization (MM/DD/YYYY)					
11 Contact Number 032-3414409			12 Email Address msrharvey.sbmco@gmail.com		
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]					
<b>Part II - Total Tax Payable</b> (Do NOT enter Centavos)					
14 Total Income Tax Due (Overpayment) (From Part IV Item 43)				3,425	
15 Less: Total Tax Credits/Payments (From Part IV Item 55)				5,029,961	
16 Net Tax Payable (Overpayment) (Item 14 Less Item 15) (From Part IV Item 56)				(5,026,536)	
<b>Add Penalties</b>					
17 Surcharge				0	
18 Interest				0	
19 Compromise				0	
20 Total Penalties (Sum of Items 17 to 19)				0	
21 TOTAL AMOUNT PAYABLE (Overpayment) (Sum of Item 16 and 20)				(5,026,536)	
If Overpayment, mark "X" one box only (Once the choice is made, the same is irrevocable) <input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input checked="" type="radio"/> To be carried over as tax credit next year/quarter					
We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN)					
Signature over printed name of President/Principal Officer/Authorized Representative				Signature over printed name of Treasurer/Assistant Treasurer	
Title of Signatory		TIN	Title of Signatory		TIN
22 Number of Attachments 4					
<b>Part III - Details of Payment</b>					
Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount	
23 Cash/Bank Debit Memo				0	
24 Check				0	
25 Tax Debit Memo				0	
26 Others (Specify Below)				0	
Machine Validation/Revenue Official Receipts Details (if not filed with an Authorized Agent Bank)				Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)	



BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 2	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P2
<b>Taxpayer Identification Number (TIN)</b> 204 - 255 - 897 - 000		<b>Registered Name</b> STRONG BUILT MINING DEVELOPMENT CORPORATION
<b>Part IV - Computation of Tax</b> (Do NOT enter Centavos)		
27 Sales/Receipts/Revenues/Fees		0
28 Less: Sales Returns, Allowances and Discounts		0
29 Net Sales/Receipts/Revenues/Fees (Item 27 Less Item 28)		0
30 Less: Cost of Sales/Services		0
31 Gross Income from Operation (Item 29 Less Item 30)		0
32 Add: Other Taxable Income Not Subjected to Final Tax		342,464
33 Total Taxable Income (Sum of Items 31 and 32)		342,464
Less: Deductions Allowable under Existing Law		
34 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	6,521,708	
35 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)	0	
36 NOLCO (only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Part VI Schedule III Item 8)	0	
37 Total Deductions (Sum of Items 34 to 36)	6,521,708	
OR [in case taxable under Sec 27(A) & 28(A)(1)]		
38 Optional Standard Deduction (40% of Item 33)	0	
39 Net Taxable Income/(Loss) (If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)		(6,179,244)
40 Applicable Income Tax Rate		25%
41 Income Tax Due other than Minimum Corporate Income Tax (MCIT) (Item 39 x Item 40)		0
42 MCIT Due (2% of Item 33)		3,425
43 Tax Due (Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher) (To Part II Item 14)		3,425
Less: Tax Credits/Payments (attach proof)		
44 Prior Year's Excess Credits Other Than MCIT	5,029,961	
45 Income Tax Payment under MCIT from Previous Quarter/s	0	
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	0	
47 Excess MCIT Applied this Current Taxable Year (From Part VI Schedule IV Item 4)	0	
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0	
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	0	
50 Foreign Tax Credits, if applicable	0	
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0	
52 Special Tax Credits (To Part V Item 58)	0	
Other Credits/Payments (Specify)		
53	0	
54	0	
55 Total Tax Credits/Payments (Sum of Items 44 to 54) (To Part II Item 15)		5,029,961
56 Net Tax Payable / (Overpayment) (Item 43 Less Item 55) (To Part II Item 16)		(5,026,536)
<b>Part V - Tax Relief Availment</b>		
57 Special Allowable Itemized Deductions (Item 35 of Part IV x Applicable Income Tax Rate)		0
58 Add: Special Tax Credits (From Part IV Item 52)		0
59 Total Tax Relief Availment (Sum of Items 57 and 58)		0


BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 3	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to <b>REGULAR Income Tax Rate</b>	 1702-RT 01/18ENCS P3
<b>Taxpayer Identification Number (TIN)</b> 204 - 255 - 897 - 000		<b>Registered Name</b> STRONG BUILT MINING DEVELOPMENT CORPORATION

Schedule I - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)		
1 Amortizations		0
2 Bad Debts		0
3 Charitable Contributions		0
4 Depletion		0
5 Depreciation		12,647
6 Entertainment, Amusement and Recreation		0
7 Fringe Benefits		0
8 Interest		0
9 Losses		0
10 Pension Trust		0
11 Rental		310,226
12 Research and Development		0
13 Salaries, Wages and Allowances		4,786,629
14 SSS, GSIS, Philhealth, HDMF and Other Contributions		0
15 Taxes and Licenses		76,079
16 Transportation and Travel		100,897
17 Others (Deductions Subject to Withholding Tax and Other Expenses) (Specify below; Add additional sheet(s), if necessary)		
a Janitorial and Messengerial Services		0
b Professional Fees		0
c Security Services		0
d SOCIAL DEVELOPMENT AND MANAGEMENT PROGRAM		473,806
e COMMUNICATION, LIGHT AND WATER		221,774
f OUTSIDE SERVICES		202,682
g DIRECTOR'S FEE		126,316
h INSURANCE		101,761
i OTHERS		108,891
☺		
i.1 REPRESENTATION EXPENSE		45,166
i.2 SUPPLIES		24,207
i.3 DONATION		17,000
i.4 REPAIRS AND MAINTENANCE		7,467
i.5 MISCELLANEOUS EXPENSES		15,051
<b>18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) (To Part IV Item 34)</b>		<b>6,521,708</b>

Schedule II - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)		
Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
☺		
<b>5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 35)</b>		<b>0</b>

BIR Form No. <b>1702-RT</b> January 2018(ENCS) Page 4	<b>Annual Income Tax Return</b> Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	 1702-RT 01/18ENCS P4
<b>Taxpayer Identification Number (TIN)</b> 204 - 255 - 897 - 000		<b>Registered Name</b> STRONG BUILT MINING DEVELOPMENT CORPORATION

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)	
1 Gross Income (From Part IV Item 33)	342,464
2 Less: Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)	6,521,708
3 Net Operating Loss (Item 1 Less Item 2) (To Schedule IIIA, Item 7A)	(6,179,244)

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) (DO NOT enter Centavos; 49 Centavos or Less drop down: 50 or more round up)			
Net Operating Loss		B) NOLCO Applied Previous Year	
Year Incurred	A) Amount		
4 2022	6,179,244		0
5 2021	15,440,463		0
6	0		0
7	0		0

Continuation of Schedule IIIA (Item numbers continue from table above)

C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]
4 0	0	6,179,244
5 0	0	15,440,463
6 0	0	0
7 0	0	0
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV, Item 36)	0	

Schedule IV - Computation of Minimum Corporate Income Tax (MCIT)			
Year	A) Normal Income Tax as adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1 2021	0	52,620	52,620
2 2019	0	2,859	2,859
3	0	0	0

Continuation of Schedule IV (Item numbers continue from table above)

D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1 0	0	0	52,620
2 0	2,859	0	0
3 0	0	0	0
Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV Item 47)		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)	
1 Net Income/(Loss) per books	(6,176,492)
Add: Non-deductible Expenses/Taxable Other Income	
2	0
3	0
4 Total (Sum of Items 1 to 3)	
	(6,176,492)
Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME	2,752
6	0
B) Special Deductions	
7	0
8	0
9 Total (Sum of Items 5 to 8)	
	2,752
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	(6,179,244)

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF INTERNAL REVENUE**

## **FILING REFERENCE NO.**

TIN	: 204-255-897-000
Name	: STRONG BUILT MINING DEVELOPMENT CORPORATION
RDO	: 121
Form Type	: 1702
Reference No.	: 462300053365494
Amount Payable (Over Remittance)	: -5,026,536.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2022
Date Filed	: 04/14/2023
Tax Type	: IT

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## INDEPENDENT AUDITORS' REPORT

The Stockholders and Board of Directors  
Strong Built (Mining) Development Corporation  
Suite 202, Lilangs Building, Quezon National Highway  
Pajo, Lapu-Lapu City  
Cebu

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Strong Built (Mining) Development Corporation (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standard for Small Entities (PFRS for SE).

#### *Basis for Opinion*

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

#### *Other Matter*

The financial statements of the Company as at and for the year ended December 31, 2021 were audited by another auditor, whose report dated April 13, 2022 expressed an unmodified opinion on those statements.

#### *Material Uncertainty Related to Going Concern*

As discussed in Note 1, the Company temporarily stopped operations in 2018 due to unfavorable market conditions. This resulted to capital deficiency of ₱32,524,964 and ₱23,204,334 as at December 31, 2022 and 2021, respectively.





To address these conditions, the Company began looking for prospective investors or partners. In 2020, the Company entered into a service agreement with an operator to undertake the mining of iron sand deposits within the area covered by the MPSA. The management also continues to explore opportunities with prospective investors who could help provide additional financial resources and technical expertise to maximize the potential of the MPSA. The stockholders remain committed to provide financial support to the Company during this process.

Our opinion is not modified in respect of this matter.

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

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

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

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on the Supplementary Information Required under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses in Note 12 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Strong Built (Mining) Development Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the basic 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

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 9564562

Issued January 3, 2023, Makati City

April 11, 2023

Makati City, Metro Manila





## **STRONG BUILT (MINING) DEVELOPMENT CORPORATION**

Suite 202, Lilang's Bldg., M.L. Quezon Ave., Pajo, Lapu-Lapu City, Cebu, Philippines  
Tel. No. (032)341-4406, Fax No. 341-4409, Email address: strongbuiltmining@gmail.com

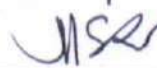
### **STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN**

The Management of **STRONG BUILT (MINING) DEVELOPMENT CORPORATION** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2022. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2022 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature:   
Chandran R. Rama  
President

Signature:   
Maria Aimee S. Rama  
Treasurer

Signed this 11<sup>th</sup> day of APRIL, 2023

**STRONG BUILT (MINING) DEVELOPMENT CORPORATION****STATEMENT OF FINANCIAL POSITION****DECEMBER 31, 2022****(With Comparative Figures for 2021)**

	Note	2022	2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	3	<b>P1,064,993</b>	<b>P8,205,391</b>
Other current assets	4	<b>5,977,822</b>	<b>6,315,291</b>
Total Current Assets		<b>7,042,815</b>	<b>14,520,682</b>
<b>Noncurrent Assets</b>			
Cash in bank - restricted	3	<b>54,290,147</b>	<b>—</b>
Deferred exploration costs	5	<b>253,669,526</b>	<b>33,418,873</b>
Property and equipment	6	<b>1,296,398</b>	<b>1,333,332</b>
Deferred tax assets	11	<b>—</b>	<b>3,140,713</b>
Total Noncurrent Assets		<b>309,256,071</b>	<b>37,892,918</b>
		<b>P316,298,886</b>	<b>P52,413,600</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other current liabilities	7	<b>P560,788</b>	<b>P383,679</b>
Advances from operators	8	<b>54,006,400</b>	<b>54,006,400</b>
Due to stockholders	9	<b>294,256,662</b>	<b>21,227,855</b>
Total Current Liabilities		<b>348,823,850</b>	<b>75,617,934</b>
<b>Equity</b>			
Capital stock			
Common stock - P1 par value			
Authorized - 100,000,000 shares			
Issued and outstanding - 32,500,000 shares			
		<b>32,500,000</b>	<b>32,500,000</b>
Deficit		<b>(65,024,964)</b>	<b>(55,704,334)</b>
Total Equity		<b>(32,524,964)</b>	<b>(23,204,334)</b>
		<b>P316,298,886</b>	<b>P52,413,600</b>

*See accompanying Notes to Financial Statements.*

**STRONG BUILT (MINING) DEVELOPMENT CORPORATION****STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(With Comparative Figures for 2021)**

	Note	2022	2021
REVENUES		<b>₱—</b>	<b>₱7,508,704</b>
COST OF SALES		<b>—</b>	<b>2,470,245</b>
GROSS PROFIT		<b>—</b>	<b>5,038,459</b>
OPERATING EXPENSE	10	<b>(6,521,708)</b>	<b>(20,415,901)</b>
LOSS FROM OPERATIONS		<b>(6,521,708)</b>	<b>(15,377,442)</b>
FOREIGN EXCHANGE GAIN		<b>342,464</b>	<b>2,623,408</b>
INTEREST INCOME	3	<b>2,752</b>	<b>192,660</b>
LOSS BEFORE INCOME TAX		<b>(6,176,492)</b>	<b>(12,561,374)</b>
INCOME TAX BENEFIT (EXPENSE)	11		
Current		<b>(3,425)</b>	<b>(52,620)</b>
Deferred		<b>(3,140,713)</b>	<b>3,366,573</b>
		<b>(3,144,138)</b>	<b>3,313,953</b>
NET LOSS		<b>(₱9,320,630)</b>	<b>(₱9,247,421)</b>

*See accompanying Notes to Financial Statements.*

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**STRONG BUILT (MINING) DEVELOPMENT CORPORATION**

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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(With Comparative Figures for 2021)**

	2022	2021
<b>CAPITAL STOCK</b>		
Balance at beginning and end of year	<b>P32,500,000</b>	<b>P32,500,000</b>
<b>DEFICIT</b>		
Balance at beginning of year	<b>(55,704,334)</b>	<b>(46,456,913)</b>
Net loss	<b>(9,320,630)</b>	<b>(9,247,421)</b>
Balance at end of year	<b>(65,024,964)</b>	<b>(55,704,334)</b>
	<b>(P32,524,964)</b>	<b>(P23,204,334)</b>

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**STRONG BUILT (MINING) DEVELOPMENT CORPORATION****STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(With Comparative Figures for 2021)**

	Note	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		(P6,176,492)	(P12,561,374)
Adjustments for:			
Depreciation expense	10	12,647	49,481
Interest income	3	(2,752)	(192,660)
Operating loss before working capital changes		(6,166,597)	(12,704,553)
Decrease in other current assets		334,044	6,443,634
Increase (decrease) in:			
Accrued expenses and other current liabilities		177,109	(1,603,359)
Advances from operators		–	28,820,400
Net cash generated from (used in) operations		(5,655,444)	20,956,122
Interest received		2,752	192,660
Income tax paid		–	(5,196,117)
Net cash provided by (used in) operating activities		(5,652,692)	15,952,665
<b>CASH FLOWS FROM AN INVESTING ACTIVITY</b>			
Additions to deferred exploration costs	5	(4,226,613)	–
<b>CASH FLOWS FROM A FINANCING ACTIVITY</b>			
Advances from (payments of due to) stockholders	9	57,029,054	(58,667,002)
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>47,149,749</b>	<b>(42,714,337)</b>
<b>CASH AT BEGINNING OF YEAR</b>		<b>8,205,391</b>	<b>50,919,728</b>
<b>CASH AT END OF THE YEAR</b>	3	<b>P55,355,140</b>	<b>P8,205,391</b>
<b>NONCASH FINANCIAL INFORMATION</b>			
Additions to deferred exploration costs through advances from stockholders	5	P215,999,753	P–
Capitalized depreciation expense	5	24,287	–
		<b>P216,024,040</b>	<b>P–</b>

*See accompanying Notes to Financial Statements.*

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## **STRONG BUILT (MINING) DEVELOPMENT CORPORATION**

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### **NOTES TO FINANCIAL STATEMENTS**

**AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(With Comparative Information for 2021)**

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#### **1. General Information**

##### **Company Information**

Strong Built (Mining) Development Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 17, 1999 with Registration No. C199900878. Its primary purpose is to carry on the business of operating metallic and non-metallic mines, and of mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling, exchanging, and otherwise producing and dealing in all other kinds of ores, metals, and minerals, hydrocarbons, acids and chemicals, and in the products and by-products of every kind and description and by whatsoever process, the same can be or may hereafter be produced; to purchase, lease, option, locate or otherwise acquire, own exchange, sell or otherwise dispose of, pledge, mortgage, deed in trust.

The Company is a grantee of the right to undertake commercial mining operations from the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) under the Mineral Production Sharing Agreement (MPSA) No. 254-2007VIII. The agreement was executed last July 28, 2007 covering a contract area of 7,411.557 hectares situated in Dulag, Mayorga, MacArthur, Javier and Abuyog, Leyte under a term of twenty five (25) years from effective date, and may be renewed thereafter for another term not exceeding twenty five (25) years.

##### **Registered Address**

The Company's head office is located in Suite 202, Lilangs Building, Quezon National Highway, Pajo, Lapu-Lapu City, Cebu.

##### **Status of Operations**

In 2018, the Company temporarily stopped operations due to unfavorable market conditions. As a result, it incurred capital deficiency of ₱32,524,964 and ₱23,204,334 as at December 31, 2022 and 2021, respectively, arising from accumulated deficit of ₱65,024,964 and ₱55,704,334 as at December 31, 2022 and 2021, respectively.

To address these conditions, the Company began looking for prospective investors or partners. In 2020, the Company entered into a service agreement with an operator to undertake the mining of iron sand deposits within the area covered by the MPSA. The management also continues to explore opportunities with prospective investors who could help provide additional financial resources and technical expertise to maximize the potential of the MPSA. The stockholders remain committed to provide financial support to the Company during this process.

##### **Approval of Financial Statements**

The financial statements of the Company as at and for the year ended December 31, 2022 (with comparative information for 2021) were approved and authorized for issuance by the BOD on April 11, 2023.

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## 2. Summary of Significant Accounting Policies

### **Basis of Preparation and Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standard for Small Entities (PFRS for SE) as approved by the Philippine Financial and Sustainability Reporting Standards Council (formerly Financial Reporting Standards Council), the Board of Accountancy and the SEC.

As at December 31, 2022, the Company breached the ceiling of size criteria for small entities in relation to its total liabilities, which exceeded the ₱100.0 million threshold. The management assessed that the event that caused the breach is considered significant and continuing in relation to its current operations. Accordingly, in accordance with the Revised Securities Regulations Code (SRC) Rule 68, the Company shall transition to Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs) in the next reporting period.

### **Measurement Bases**

The financial statements of the Company have been prepared on a historical cost basis and are presented in Philippine Peso (Peso), the Company's functional currency. All values are in absolute amounts except when otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the 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 measurement date.

### **Basic Financial Instruments**

The Company recognizes financial assets and financial liabilities only when the Company becomes a party to the contractual provisions of the financial instruments.

The Company initially measures its financial assets and liabilities at the transaction prices unless the arrangement constitutes, in effect, a financing transaction. After initial measurement, financial assets and liabilities are measured at the undiscounted amount of cash or other consideration expected to be received or paid, less allowance for impairment, if any.

If the arrangement constitutes a financing transaction, the Company initially measures the financial assets and liability at the present value of the future payments discounted at a market rate of interest for a similar instrument. These are subsequently measured at amortized cost using the effective interest method.

The Company classifies its cash, accrued expenses and other current liabilities and due to stockholders as basic financial instruments.

*Cash.* Cash consists of cash on hand and in banks which are stated at face amount. Cash in banks earn interest at prevailing bank deposit rates. Cash in banks which are restricted from being exchanged or used to settle a liability within one year are classified as noncurrent asset in the statement of financial position.



*Accrued Expenses and Other Current Liabilities and Due to Stockholders.* Accrued expenses and other current liabilities (excluding statutory payables) and due to stockholders are recognized in the period when the related money, goods or services are received and a legally enforceable claim against the Company is established or when corresponding assets or expenses are recognized. These are recognized initially at the transaction price and subsequently measured at the undiscounted amount of cash or consideration expected to be paid.

Accrued expenses and other current liabilities (excluding statutory payables) and due to stockholders are classified in the statement of financial position as current liabilities when the obligation is expected to be settled within one year or normal operating cycle, whichever is shorter. Otherwise, these are classified as noncurrent liabilities.

#### **Impairment of Financial Assets**

The Company assesses at the end of each reporting period whether there is objective evidence of impairment of any financial assets or group of assets that are measured at cost or amortized cost. If there is objective evidence of impairment, an impairment loss is recognized in profit or loss immediately.

A financial asset or group of financial assets is deemed impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably.

The impairment loss for an instrument measured at amortized cost is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the entity would have received for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not been recognized. The amount of the reversal shall be recognized in profit or loss immediately.

#### **Derecognition of Basic Financial Instruments**

*Financial Assets.* The Company derecognizes a financial asset when (a) the contractual rights to the cash flows from the financial asset expire or are settled; or (b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset.

*Financial Liabilities.* Financial liabilities are derecognized only when it is extinguished or when the obligation specified in the contract is discharged, cancelled or expired. The Company also accounts a transaction where there is an exchange of financial instruments with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company treats a substantial modification of the terms of an existing financial liability of a part of it (whether or not attributable to the financial difficulty of the debtor) as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed shall be recognized in the statement of income.

#### **Other Current Assets**

Other current assets consist of prepaid income tax, advances to employees, prepayments, and input value-added tax (VAT).

*Prepaid Income Tax.* Prepaid income tax pertain to accumulated overpayment in prior years which can be deducted from income tax payable in the succeeding years. This is stated at face amount, less any impairment in value.

*Advances to Employees.* Advances to employees are subject to liquidation for expenses incurred for administrative purposes.

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

*Input VAT.* Revenues, expenses and assets are recognized net of the amount of VAT, except for receivables and payables that are stated with the amount of VAT included. Input VAT pertain to the net amount of VAT recoverable from the taxation authority.

#### **Deferred Exploration Costs**

Deferred exploration cost includes costs incurred in connection with exploration activities. Deferred exploration costs are carried at cost less any accumulated impairment losses. Deferred exploration costs are considered as intangible assets.

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

Exploration and evaluation activities include:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Once the reserves are established and development is sanctioned, deferred exploration costs are tested for impairment and reclassified to mine development costs.

### **Property and Equipment**

Property and equipment, excluding land, are initially measured at cost less accumulated depreciation and any impairment in value. Land is measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expense in the period in which these are incurred.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

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

	Number of Years
Transportation equipment	5
Office equipment	3-5
Mining/agricultural equipment	5
Furniture and fixtures	5
Leasehold improvements	5

Depreciation of property and equipment is capitalized as part of deferred exploration costs to the extent that it can be attributed directly to the exploration activities.

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

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation are credited or charged to current operations.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

### **Impairment of Nonfinancial Assets**

The Company assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, the asset or cash-generating unit (CGU) is written down to its recoverable amount, which is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset between market participants. In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

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

*Deferred Exploration Costs.* Deferred exploration costs are assessed for impairment when facts and circumstances suggest that its carrying amount may exceed its recoverable amount. One or more of the following facts and circumstances indicate that exploration and evaluation assets require impairment test:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration for and evaluation of reserves in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of reserves in the specific area have not led to the discovery of commercially viable qualities of reserves and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

#### **Statutory Payables**

Statutory payables pertain to taxes and fees due to government agencies. These are measured at settlement amounts and remitted within 30 days from the reporting date.

#### **Advances from Operators**

Advances from operators pertain to the advance payment for the services not yet delivered by the Company's operators as at reporting period. These are noninterest-bearing and are applied in the final billing.

#### **Equity**

*Capital Stock.* Capital stock is measured at par value for all shares issued net of subscription receivable.

*Deficit.* Deficit represents cumulative balance of net losses of the Company.

#### **Income Recognition**

The following specific recognition criteria must be met before other income is recognized.

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

*Other Income.* Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Company through an increase in asset or reduction in liability that can be measured reliably.

#### **Expense Recognition**

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

*Operating Expenses.* Operating expenses constitute costs of administering the business. These are expensed as incurred.

#### **Employee Benefits**

*Short-term Benefits.* The Foundation recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. The Foundation provides short-term benefits to its employees in the form of basic and 13th month pay, bonuses, share in government contribution, and other short-term benefits.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

#### **Income Taxes**

The Company uses the deferred income taxes method to account for income taxes. Under this method, the Company recognizes the current and future tax consequences of transactions and other events that have been recognized in the financial statements. These recognized tax amounts comprise the current tax and deferred tax.

*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 and tax laws used to compute the amount are those that are enacted or substantially enacted at reporting date.

*Deferred Tax.* Deferred tax is provided on 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 that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax credit and tax losses can be utilized.

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 and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and tax 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.

#### **Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing rate of exchange at the end of the reporting period. Foreign exchange differences are credited or charged directly to profit or loss.

#### **Related Party Transactions**

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party 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 enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

Related party transactions consist of transfers of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

#### **Provisions**

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

#### **Contingencies**

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

#### **Events After the Reporting Date**

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

### 3. Cash

This account consists of:

	2022	2021
Current assets:		
Cash on hand	<b>P13,000</b>	<b>P13,000</b>
Cash in banks	<b>1,051,993</b>	<b>8,192,391</b>
	<b>1,064,993</b>	<b>8,205,391</b>
Noncurrent asset -		
Restricted cash in banks	<b>54,290,147</b>	<b>—</b>
	<b>P55,355,140</b>	<b>P8,205,391</b>

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned from cash in banks amounted to P2,752 and P192,660 in 2022 and 2021, respectively.

Restricted cash in bank pertains to final mine rehabilitation fund, monitoring trust fund, and rehabilitation cash fund which are deposited to government depository banks in compliance with the requirements of the MPSA. These funds are restricted for rehabilitation activities and scheduled for specific mining project phase and research programs as defined in the Environmental Protection and Enhancement Program.

### 4. Other Current Assets

This account consists of:

	2022	2021
Prepaid income tax	<b>P5,026,536</b>	<b>P5,032,196</b>
Advances to employees	<b>376,892</b>	<b>791,686</b>
Prepayments	<b>330,834</b>	<b>344,576</b>
Input VAT	<b>243,560</b>	<b>146,833</b>
	<b>P5,977,822</b>	<b>P6,315,291</b>

Prepaid income tax pertain to overpayment of income tax which can be claimed as deduction to future income tax payable.

Advances to employees pertain to advances subject for liquidation.

Prepayments pertain to unamortized portion of the Company's prepaid insurance.



## 5. Deferred Exploration Costs

Movements in this account are as follows:

	2022	2021
Balance at beginning of year	<b>₱33,418,873</b>	₱33,418,873
Additions	<b>220,250,653</b>	—
Balance at end of year	<b>₱253,669,526</b>	₱33,418,873

This account pertains to the capitalized expenditures which is associated with finding specific mineral resources such as acquisition of rights to explore, geological and geophysical studies, and exploratory drilling and sampling.

Additions to deferred exploration costs in 2022 include reimbursement of advances from stockholders amounting to ₱215,999,753 (see Note 9) and capitalized depreciation expense amounting to ₱24,287 (see Note 6).

## 6. Property and Equipment

Movement in this account is as follows:

	2022						
	Land	Transportation Equipment	Office Equipment	Mining/Agricultural Equipment	Furniture and Fixtures	Leasehold Improvements	Total
<b>Cost</b>							
Balances at beginning and end of year	<b>₱1,295,730</b>	<b>₱1,688,542</b>	<b>₱922,955</b>	<b>₱4,315,414</b>	<b>₱434,363</b>	<b>₱357,224</b>	<b>9,014,228</b>
<b>Accumulated Depreciation</b>							
Balances at beginning of year	—	1,688,542	885,353	4,315,414	434,363	357,224	7,680,896
Depreciation	—	—	36,934	—	—	—	36,934
Balances at end of year	—	1,688,542	922,287	4,315,414	434,363	357,224	7,717,830
<b>Carrying Amount</b>	<b>₱1,295,730</b>	<b>₱—</b>	<b>₱668</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱1,296,398</b>

	2021						
	Land	Transportation Equipment	Office Equipment	Mining/Agricultural Equipment	Furniture and Fixtures	Leasehold Improvements	Total
<b>Cost</b>							
Balances at beginning of year	<b>₱1,295,730</b>	<b>₱7,141,134</b>	<b>₱922,955</b>	<b>₱4,315,414</b>	<b>₱434,363</b>	<b>₱357,224</b>	<b>₱14,466,820</b>
Retirement	—	(5,452,592)	—	—	—	—	(5,452,592)
Balances at end of year	1,295,730	1,688,542	922,955	4,315,414	434,363	357,224	9,014,228
<b>Accumulated Depreciation</b>							
Balances at beginning of year	—	7,141,134	835,872	4,315,414	434,363	357,224	13,084,007
Depreciation	—	—	49,481	—	—	—	49,481
Retirement	—	(5,452,592)	—	—	—	—	(5,452,592)
Balances at end of year	—	1,688,542	885,353	4,315,414	434,363	357,224	7,680,896
<b>Carrying Amount</b>	<b>₱1,295,730</b>	<b>₱—</b>	<b>₱37,602</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱1,333,332</b>

Depreciation expense is recognized as follows:

	Note	2022	2021
Capitalized as deferred exploration costs	5	<b>₱24,287</b>	₱—
Operating expenses	10	<b>12,647</b>	49,481
		<b>₱36,934</b>	<b>₱49,481</b>

## 7. Accrued Expenses and Other Current Liabilities

This account consists of:

	2022	2021
Accrued expenses	<b>₱373,627</b>	₱138,428
Statutory payables	<b>137,831</b>	229,596
Others	<b>49,330</b>	15,655
	<b>₱560,788</b>	₱383,679

Accrued expenses pertain to accrual of salaries and wages and other employee benefits. Statutory payables include other taxes payable and mandatory contributions.

Accrued expenses and other current liabilities are normally settled within 30 days.

## 8. Advances from Operators

Advances from operators amounting to ₱54,006,400 as at December 31, 2022 and 2021 pertain to the advance payment from the Company's operators for future shipments. These are noninterest-bearing and are applied in the final billing.

## 9. Related Party Transactions

The Company, in the normal course of business, has transactions with related parties as follows:

	Transactions During the Year		Balance at End of Year		Nature	Terms and Conditions
	2022	2021	2022	2021		
<b>Due to Stockholders</b>						
Stockholders with significant influence	<b>₱273,028,807</b>	<b>₱—</b>	<b>₱294,256,662</b>	₱21,227,855	Advances for exploration costs and other related activities	Non-interest bearing, due and demandable, and payable in cash

### **Reimbursement of Advances from Stockholders for Deferred Exploration Costs**

On December 15, 2022, the Company has agreed to reimburse certain stockholders for its advances for various deferred exploration costs amounting to ₱215,999,753 (see Note 5). These advances were made beginning in 2010 up to the current period and were necessary to secure permits and licenses, complete various geological and environmental studies, establish mineral resources and reserves, examine and test various ore extraction and mineral processing methods, and to develop and complete market, finance, and business studies.

### **Compensation of Key Management Personnel**

The Company paid compensation to key management personnel amounting to ₱3,924,375 in 2022 and 2021.

### **Submission of Information Return on Related Party Transactions**

On July 8, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 19-2020, prescribing the use of the new BIR Form 1709, *Information Return on Related Party Transactions*, and the required documentary attachments, which include but not limited to transfer pricing documentation.

On December 18, 2020, the BIR issued RR No. 34-2020 prescribing the guidelines and procedures for the submission of BIR Form 1709, criteria for taxpayers who are required to file such form, transfer pricing documentation, and other supporting documentations. According to this RR, the Company is not covered by the requirements and is not required to file such form.

#### 10. Operating Expenses

This account consists of:

	Note	2022	2021
Salaries and wages		<b>₱4,786,629</b>	₱8,892,225
Social development program		<b>473,806</b>	—
Outside services		<b>328,998</b>	4,163,310
Communication, light, and water		<b>221,774</b>	186,539
Taxes and licenses		<b>76,079</b>	885,090
Depreciation	6	<b>12,647</b>	49,481
Others		<b>621,775</b>	6,239,256
		<b>₱6,521,708</b>	₱20,415,901

#### 11. Income Taxes

The Company's current tax expense in 2022 and 2021 pertains to MCIT.

The Company's deferred tax assets are as follows:

	2022	2021
NOLCO	<b>₱5,404,927</b>	₱3,088,093
MCIT	<b>56,045</b>	55,479
	<b>5,460,972</b>	3,143,572
Less unrecognized portion	<b>(5,460,972)</b>	(2,859)
Recognized portion	<b>₱—</b>	₱3,140,713

The management assessed that it may not be probable that future taxable profit will be available in the near future against which the unrecognized portion of the deferred tax assets can be utilized. Accordingly, the deferred tax assets were not recognized.

The details of the Company's NOLCO, which can be carried forward and claimed as deduction against future taxable income are as follows:

Year Incurred	Amount	Applied	Expired	Ending Balance	Expiry Date
2022	₱6,179,244	₱—	₱—	₱6,179,244	2025
2021	15,440,463	—	—	15,440,463	2026
	<b>₱21,619,707</b>	<b>₱—</b>	<b>₱—</b>	<b>₱21,619,707</b>	

As mandated by Section 4 of Republic Act No. 11494 or the “Bayanihan to Recover as One Act” and as implemented under RR No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five (5) consecutive taxable years following the year of such loss.

The details of the Company’s MCIT, which can be carried forward and claimed as deduction against future income tax payable are as follows:

Year Incurred	Amount	Applied	Expired	Ending Balance	Expiry Date
2022	₱3,425	₱–	₱–	₱3,425	2025
2021	52,620	–	–	52,620	2024
2019	2,859	–	2,859	–	2022
	<b>₱58,904</b>	<b>₱–</b>	<b>₱2,859</b>	<b>₱56,045</b>	

The reconciliation between the amounts reported in the statement of income and the amounts reported to tax authority follows:

	2022	2021
Loss before income tax	<b>(₱6,176,492)</b>	(₱12,561,374)
Add (deduct):		
Interest income subjected to final tax	<b>(2,752)</b>	(192,660)
Nontaxable income	–	(2,686,429)
	<b>(₱6,179,244)</b>	(₱15,440,463)

#### **Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) Act**

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) was approved and signed into law by the country’s President. Under the CREATE, the RCIT of domestic corporations was revised from 30% to 25% or 20% depending on the amount of total assets or total amount of taxable income. In addition, the MCIT was changed from 2% to 1% of gross income for a period of three (3) years. The changes in the income tax rates became effective beginning July 1, 2020.

Accordingly, the income tax rate used in preparing the financial statements as at and for the years ended December 31, 2022 and 2021 are 20% for RCIT and 1% for MCIT, respectively. The change in income tax rates does not have financial impact to the Company due to its taxable loss position. Moreover, the Company breached the threshold of ₱100,000,000 for total assets during the year which resulted to the increase in RCIT rate from 20% to 25%.

**12. Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue**

The information required for 2022 by the above regulation is presented below.

**Output VAT**

The Company has no transactions subject to output VAT during the year.

**Input VAT**

The movements in the input VAT paid for by the Company for the year ended December 31, 2022 are shown below.

Balance at beginning of year	₱146,833
Add current year's purchases/payments for services	96,727
Balance at end of year	₱243,560

Input VAT is included in "Other current assets" in the statement of financial position.

**All Other Local and National Taxes**

The Company's local and national taxes and licenses for the year ended December 31, 2022 consist of the following:

Business tax	₱71,076
Permits, registrations and certificates	3,503
BIR registration fees	500
Others	1,000
	₱76,079

The above local and national taxes are classified as "Taxes and licenses" under "Operating expenses" account in the statement of income.

**Withholding Taxes**

Withholding taxes paid and accrued by the Company consist of:

	Paid	Accrued
Withholding tax on compensation	₱978,001	₱-
Expanded withholding tax	37,596	19,657
	₱1,015,597	₱19,657

**Tax Assessments and Tax Cases**

The Company has no outstanding tax assessments and tax cases as at December 31, 2022.



**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE  
BUREAU OF INTERNAL REVENUE**

The Stockholders and Board of Directors  
Strong Built (Mining) Development Corporation  
Suite 202, Lilangs Building, Quezon National Highway  
Pajo, Lapu-Lapu City  
Cebu

We have audited the accompanying financial statements of Strong Built (Mining) Development Corporation (the Company) as at and for the year ended December 31, 2022, on which we have rendered our report dated April 11, 2023.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

**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

SEC Accreditation No. 86981-SEC Group A

Issued March 24, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 9564562

Issued January 3, 2023, Makati City

April 11, 2023

Makati City, Metro Manila





APRIL SEMBLANTE <aprilsemblante.sbmde@gmail.com>

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eafs@bir.gov.ph <eafs@bir.gov.ph>

Thu, Apr 27, 2023 at 4:14 PM

To: APRILSEMBLANTE.SBMDC@gmail.com

Cc: APRILSEMBLANTE.SBMDC@gmail.com

Hi STRONG BUILT MINING DEVELOPMENT,

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- EAFS204255897ITRTY122022.pdf
- EAFS204255897AFSTY122022.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-43PN3MVV0CC5E9FBEN4212PY202313TW3Z**

Submission Date/Time: **Apr 27, 2023 04:14 PM**

Company TIN: **204-255-897**

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# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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### COMPANY NAME

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R	A	T	I	O	N																																	

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

P	r	i	n	c	e		M	a	n	s	i	o	n		C	o	m	p	o	u	n	d	,		J	.		R	o	m	u	a	l	d	e	z		C
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Form Type

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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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### COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
rfmacabidang@gmail.com.ph	N/A	0998-849-3662
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
12	December 10	December 31

### CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ric F. Macabidang	rfmacabidang@gmail.com.ph	N/A	0998-849-3662

### 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.

## INDEPENDENT AUDITORS' REPORT

The Stockholders and Board of Directors  
Strong Built (Mining) Development Corporation  
Prince Mansion Compound  
J. Romualdez Cor. Sto. Nino Streets  
Tacloban City, 6500

### *Opinion*

We have audited the financial statements of Strong Built (Mining) Development Corporation (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of income, statements of changes in equity, and statements of cash flows for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SME).

### *Basis for Opinion*

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

### *Material Uncertainty Related to Going Concern*

As discussed in Note 1 to the financial statements, the Company temporarily stopped operations in 2018 due to unfavorable market conditions. This resulted to accumulated deficit of ₱64,458,703 and ₱65,024,964 as at December 31, 2023 and 2022, respectively, and capital deficiency of ₱32,524,964 as at December 31, 2022. To address these conditions, the Company, in 2023, partnered with a group of new investors that will bring in additional financial resources and technical expertise to maximize the potential of the MPSA and establish operational plans to have the mine running by 2024. The stockholders also remain committed to provide financial support to the Company during this process. Our opinion is not modified in respect of this matter.



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

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

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

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**REYES TACANDONG & Co.**

  
CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782; Valid until June 6, 2026

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 10072409

Issued January 2, 2024, Makati City

April 15, 2024

Makati City, Metro Manila

**STRONG BUILT (MINING) DEVELOPMENT CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**

	Note	December 31		January 1,
		2023	2022	2022
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	4	<b>₱2,132,053</b>	₱1,064,993	₱8,205,391
Other current assets	5	<b>5,327,389</b>	5,977,822	6,315,291
Total Current Assets		<b>7,459,442</b>	7,042,815	14,520,682
<b>Noncurrent Assets</b>				
Cash in bank - restricted	4	<b>57,812,818</b>	54,290,147	—
Deferred exploration costs	6	<b>258,000,657</b>	253,669,526	33,418,873
Property and equipment	7	<b>1,295,730</b>	1,296,398	1,333,332
Deferred tax assets	13	<b>7,100,703</b>	—	3,140,713
Total Noncurrent Assets		<b>324,209,908</b>	309,256,071	37,892,918
		<b>₱331,669,350</b>	₱316,298,886	₱52,413,600
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Accrued expenses and other current liabilities	8	<b>₱596,615</b>	₱560,788	₱383,679
Advances from operators	9	<b>55,506,400</b>	54,006,400	54,006,400
Due to related parties	10	<b>91,525,038</b>	294,256,662	21,227,855
Total Current Liabilities		<b>147,628,053</b>	348,823,850	75,617,934
<b>Equity</b>				
Capital stock	11	<b>100,000,000</b>	32,500,000	32,500,000
Additional paid-in capital	11	<b>148,500,000</b>	—	—
Deficit		<b>(64,458,703)</b>	(65,024,964)	(55,704,334)
Total Equity		<b>184,041,297</b>	(32,524,964)	(23,204,334)
		<b>₱331,669,350</b>	₱316,298,886	₱52,413,600

See accompanying Notes to Financial Statements.

**STRONG BUILT (MINING) DEVELOPMENT CORPORATION**

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**STATEMENTS OF INCOME**

		<b>Years Ended December 31</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>OPERATING EXPENSE</b>	12	<b>(P6,526,271)</b>	<b>(P6,521,708)</b>
<b>FOREIGN EXCHANGE GAIN (LOSS)</b>		<b>(32,653)</b>	<b>342,464</b>
<b>INTEREST INCOME</b>	4	<b>24,482</b>	<b>2,752</b>
<b>LOSS BEFORE INCOME TAX</b>		<b>(6,534,442)</b>	<b>(6,176,492)</b>
<b>INCOME TAX BENEFIT (EXPENSE)</b>	13		
Current		–	(3,425)
Deferred		<b>7,100,703</b>	<b>(3,140,713)</b>
		<b>7,100,703</b>	<b>(3,144,138)</b>
<b>NET INCOME (LOSS)</b>		<b>P566,261</b>	<b>(P9,320,630)</b>

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*See accompanying Notes to Financial Statements.*

**STRONG BUILT (MINING) DEVELOPMENT CORPORATION**  
**STATEMENTS OF CHANGES IN EQUITY**

		<b>Years Ended December 31</b>	
		<b>2023</b>	<b>2022</b>
<b>CAPITAL STOCK - ₱1 par value</b>			
Authorized - 100,000,000 shares			
Issued and outstanding - 100,000,000 shares as at			
December 31, 2023 and 32,500,000 shares as at			
December 31, 2022			
Balance at beginning and end of year		<b>₱32,500,000</b>	₱32,500,000
Issuance		<b>67,500,000</b>	—
Balance at end of year		<b>100,000,000</b>	32,500,000
<b>ADDITIONAL PAID-IN CAPITAL</b>			
Balance at beginning of year		—	—
Issuance	11	<b>148,500,000</b>	—
Balance at end of year		<b>148,500,000</b>	—
<b>DEFICIT</b>			
Balance at beginning of year		<b>(65,024,964)</b>	(55,704,334)
Net income (loss)		<b>566,261</b>	(9,320,630)
Balance at end of year		<b>(64,458,703)</b>	(65,024,964)
		<b>₱184,041,297</b>	(₱32,524,964)

*See accompanying Notes to Financial Statements.*



**STRONG BUILT (MINING) DEVELOPMENT CORPORATION**

**STATEMENTS OF CASH FLOWS**

		<b>Years Ended December 31</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		<b>(P6,534,442)</b>	<b>(P6,176,492)</b>
Adjustments for:			
Depreciation expense	12	<b>33,639</b>	12,647
Interest income	4	<b>(24,482)</b>	(2,752)
Operating loss before working capital changes		<b>(6,525,285)</b>	<b>(6,166,597)</b>
Decrease in other current assets		<b>650,433</b>	334,044
Increase in:			
Accrued expenses and other current liabilities		<b>35,827</b>	177,109
Advances from operators		<b>1,500,000</b>	–
Net cash generated used in operations		<b>(4,339,025)</b>	<b>(5,655,444)</b>
Interest received		<b>24,482</b>	2,752
Net cash used in operating activities		<b>(4,314,543)</b>	<b>(5,652,692)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to deferred exploration costs		<b>(4,329,191)</b>	<b>(4,226,613)</b>
Acquisition of property and equipment	7	<b>(34,911)</b>	–
Cash used in investing activities		<b>(4,364,102)</b>	<b>(4,226,613)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of capital stock	11	<b>216,000,000</b>	–
Receipt of (payment to) due to related parties		<b>(202,731,624)</b>	57,029,054
Net cash provided by financing activities		<b>13,268,376</b>	57,029,054
<b>NET INCREASE IN CASH</b>		<b>4,589,731</b>	<b>47,149,749</b>
<b>CASH AT BEGINNING OF YEAR</b>		<b>55,355,140</b>	<b>8,205,391</b>
<b>CASH AT END OF THE YEAR</b>		<b>P59,944,871</b>	<b>P55,355,140</b>
<b>NONCASH FINANCIAL INFORMATION</b>			
Capitalized depreciation expense		<b>P1,940</b>	P24,287
Additions to deferred exploration costs through advances from stockholders	6	–	215,999,753
		<b>P1,940</b>	<b>P216,024,040</b>

*See accompanying Notes to Financial Statements.*

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## **STRONG BUILT (MINING) DEVELOPMENT CORPORATION**

### **NOTES TO FINANCIAL STATEMENTS**

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

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#### **1. General Information**

##### **Company Information**

Strong Built (Mining) Development Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 17, 1999 with Registration No. C199900878. Its primary purpose is to carry on the business of operating metallic and non-metallic mines, and of mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling, exchanging, and otherwise producing and dealing in all other kinds of ores, metals, and minerals, hydrocarbons, acids and chemicals, and in the products and by-products of every kind and description and by whatsoever process, the same can be or may hereafter be produced; to purchase, lease, option, locate or otherwise acquire, own exchange, sell or otherwise dispose of, pledge, mortgage, deed in trust.

The Company is a grantee of the right to undertake commercial mining operations from the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) under the Mineral Production Sharing Agreement (MPSA) No. 254-2007VIII. The agreement was executed last July 28, 2007 covering a contract area of 7,411.557 hectares situated in Dulag, Mayorga, MacArthur, Javier and Abuyog, Leyte under a term of twenty five (25) years from effective date, and may be renewed thereafter for another term not exceeding twenty five (25) years.

##### **Registered Address**

The Company's registered office is located in Prince Mansion Compound, J. Romualdez Cor. Sto. Nino Streets, Tacloban City, 6500.

##### **Status of Operations**

In 2018, the Company temporarily stopped operations due to unfavorable market conditions. As a result, the Company incurred accumulated deficit of ₱64,458,703 and ₱65,024,964 as at December 31, 2023 and 2022, respectively, and capital deficiency of ₱32,524,964 as at December 31, 2022.

To address these conditions, the Company, in 2023, partnered with a group of new investors that will bring in additional financial resources and technical expertise to maximize the potential of the MPSA. The Company's management and its partners are eyeing the resumption of the mining operation in the near term and is in the advance stage of refining and finalizing its operational plans and preparations to have the mine running by 2024. The stockholders also remain committed to provide financial support to the Company during this process.

##### **Approval of Financial Statements**

The financial statements of the Company as at and for the years ended December 31, 2023 and 2022 were approved and authorized for issuance by the Board of Directors on April 15, 2024.

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#### **2. Summary of Significant Accounting Policies**

##### **Basis of Preparation and Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SME) as approved by the Philippine Financial and Sustainability Reporting Standards Council, the Board of Accountancy and the SEC.

The Company's financial statements were previously prepared in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SE). However, in 2022, the Company breached the ceiling of size criteria for small entities in relation to its total assets, which exceeded the ₱100 million threshold. The management assessed that the event that caused the breach is considered significant and continuing in relation to its current operations. Accordingly, in accordance with the Revised Securities Regulation Code (SRC) Rule 68, the Company shall transition to PFRS for SME in the preparation of its financial statements as at and for the years ended December 31, 2023. The adoption of PFRS for SME was applied retrospectively and resulted to additional disclosures in the financial statements. Nonetheless, the transition from PFRS for SE to PFRS for SME has no impact on the financial statements as at and for the year ended December 31, 2022 and the beginning of the earliest comparative period presented.

### **Measurement Bases**

The financial statements of the Company have been prepared on a historical cost basis and are presented in Philippine Peso, the Company's functional currency. All values are in absolute amounts except when otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the 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 measurement date.

### **Basic Financial Instruments**

The Company recognizes financial assets and financial liabilities only when the Company becomes a party to the contractual provisions of the financial instruments.

The Company initially measures its financial assets and liabilities at the transaction prices unless the arrangement constitutes, in effect, a financing transaction. After initial measurement, financial assets and liabilities are measured at the undiscounted amount of cash or other consideration expected to be received or paid, less allowance for impairment, if any.

If the arrangement constitutes a financing transaction, the Company initially measures the financial assets and liability at the present value of the future payments discounted at a market rate of interest for a similar instrument. These are subsequently measured at amortized cost using the effective interest method.

The Company classifies its cash, accrued expenses and other current liabilities (excluding statutory payables) and due to related parties as basic financial instruments.

*Cash.* Cash consists of cash on hand and in banks which are stated at face amount. Cash in banks earn interest at prevailing bank deposit rates. Cash in banks which are restricted from being exchanged or used to settle a liability within one year are classified as noncurrent asset in the statements of financial position.

*Accrued Expenses and Other Current Liabilities and Due to Related Parties.* Accrued expenses and other current liabilities (excluding statutory payables) and due to related parties are recognized in the period when the related money, goods or services are received and a legally enforceable claim against the Company is established or when corresponding assets or expenses are recognized. These are recognized initially at the transaction price and subsequently measured at the undiscounted amount of cash or consideration expected to be paid.

### **Impairment of Financial Assets**

The Company assesses at the end of each reporting period whether there is objective evidence of impairment of any financial assets or group of assets that are measured at cost or amortized cost. If there is objective evidence of impairment, an impairment loss is recognized in profit or loss immediately.

A financial asset or group of financial assets is deemed impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably.

The impairment loss for an instrument measured at amortized cost is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the entity would have received for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not been recognized. The amount of the reversal shall be recognized in profit or loss immediately.

### **Derecognition of Basic Financial Instruments**

*Financial Assets.* The Company derecognizes a financial asset when (a) the contractual rights to the cash flows from the financial asset expire or are settled; or (b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset.

*Financial Liabilities.* Financial liabilities are derecognized only when it is extinguished or when the obligation specified in the contract is discharged, cancelled or expired. The Company also accounts a transaction where there is an exchange of financial instruments with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company treats a substantial modification of the terms of an existing financial liability of a part of it (whether or not attributable to the financial difficulty of the debtor) as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed shall be recognized in the statement of income.

### **Other Current Assets**

Other current assets consist of prepaid income tax, input value-added tax (VAT), advances to employees, and prepayments.

*Prepaid Income Tax.* Prepaid income tax pertain to accumulated overpayment in prior years which can be deducted from income tax payable in the succeeding years. This is stated at face amount, less any impairment in value.

*Input VAT.* Revenues, expenses and assets are recognized net of the amount of VAT, except for receivables and payables that are stated with the amount of VAT included. Input VAT pertain to the net amount of VAT recoverable from the taxation authority.

*Advances to Employees.* Advances to employees are subject to liquidation for expenses incurred for administrative purposes.

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

#### **Deferred Exploration Costs**

Deferred exploration cost includes costs incurred in connection with exploration activities. Deferred exploration costs are carried at cost less any accumulated impairment losses. Deferred exploration costs are considered as intangible assets.

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

Exploration and evaluation activities include:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Once the reserves are established and development is sanctioned, deferred exploration costs are tested for impairment and reclassified to mine development costs.

#### **Property and Equipment**

Property and equipment, excluding land, are initially measured at cost less accumulated depreciation and any impairment in value. Land is measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expense in the period in which these are incurred.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

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

	Number of Years
Transportation equipment	5
Office equipment	3-5
Mining/agricultural equipment	5
Furniture and fixtures	5
Leasehold improvements	5

Depreciation of property and equipment is capitalized as part of deferred exploration costs to the extent that it can be attributed directly to the exploration activities.

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

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation are credited or charged to current operations.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

#### **Impairment of Nonfinancial Assets**

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

*Deferred Exploration Costs.* Deferred exploration costs are assessed for impairment when facts and circumstances suggest that its carrying amount may exceed its recoverable amount. One or more of the following facts and circumstances indicate that exploration and evaluation assets require impairment test:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration for and evaluation of reserves in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of reserves in the specific area have not led to the discovery of commercially viable qualities of reserves and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

### **Statutory Payables**

Statutory payables pertain to taxes and fees due to government agencies. These are measured at settlement amounts and remitted within 30 days from the reporting date.

### **Advances from Operators**

Advances from operators pertain to the advance payment for the services not yet delivered by the Company's operators as at reporting period. These are noninterest-bearing and are applied in the final billing.

### **Equity**

*Capital Stock.* Capital stock is measured at par value for all shares issued net of subscription receivable.

*Deficit.* Deficit represents cumulative balance of net losses of the Company.

### **Income Recognition**

The following specific recognition criteria must be met before other income is recognized.

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

### **Expense Recognition**

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

*Operating Expenses.* Operating expenses constitute costs of administering the business. These are expensed as incurred.

### **Employee Benefits**

*Short-term Benefits.* The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. The Company provides short-term benefits to its employees in the form of basic and 13th month pay, bonuses, share in government contribution, and other short-term benefits.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

### **Income Taxes**

The Company uses the deferred income taxes method to account for income taxes. Under this method, the Company recognizes the current and future tax consequences of transactions and other events that have been recognized in the financial statements. These recognized tax amounts comprise the current tax and deferred tax.

*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 and tax laws used to compute the amount are those that are enacted or substantially enacted at reporting date.

*Deferred Tax.* Deferred tax is provided on 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 that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and any unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax credit and tax losses can be utilized.

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 and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and tax 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.

#### **Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing rate of exchange at the end of the reporting period. Foreign exchange differences are credited or charged directly to profit or loss.

#### **Related Party Transactions**

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party 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 enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

Related party transactions consist of transfers of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

#### **Provisions**

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

#### **Contingencies**

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

### **Events After the Reporting Date**

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

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### **3. Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the financial statements in accordance with PFRS for SME requires management to exercise judgments, make accounting estimates and assumptions that affect the application of accounting policies and the reported amounts in the financial statements and accompanying notes at the reporting date. Actual results may differ from these estimates.

The judgments, accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimates are revised in any future periods affected.

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

*Capitalization of Deferred Exploration Costs.* The capitalization of exploration and evaluation expenditures requires judgment in determining whether there are future economic benefits from future exploitation or sale of reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Deferred exploration costs are disclosed in Note 6 to the financial statements.

*Estimation of Useful Lives of Property and Equipment.* The Company estimates the useful lives of property and equipment, excluding land and construction in-progress, based on the period over which the assets are expected to be available for use. The Company reviews annually 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 property and equipment in 2023 and 2022. The carrying amounts of property and equipment are disclosed in Note 7 to the financial statements.

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

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

The recoverability of the Company's nonfinancial assets, particularly the deferred exploration costs, is dependent on the commencement of its operations. As at December 31, 2023 and 2022, the Company's management and its partners are eyeing the resumption of the mining operation in the near term and is in the advance stage of refining and finalizing its operational plans and preparations to have the mine running by 2024. Therefore, the management has assessed that there are no objective evidence that the carrying amount of deferred exploration costs is impaired.

The carrying amounts of other current assets, deferred exploration costs and property and equipment are disclosed in Notes 5, 6 and 7 to the financial statements.

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

The Company's recognized deferred tax assets are disclosed in Note 13 to the financial statements.

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#### 4. Cash

This account consists of:

	2023	2022
Current assets:		
Cash on hand	<b>₱8,000</b>	₱13,000
Cash in banks	<b>2,124,053</b>	1,051,993
	<b>2,132,053</b>	1,064,993
Noncurrent asset -		
Restricted cash in banks	<b>57,812,818</b>	54,290,147
	<b>₱59,944,871</b>	₱55,355,140

Interest income earned from cash in banks amounted to ₱24,482 and ₱2,752 in 2023 and 2022, respectively.

Restricted cash in bank pertains to final mine rehabilitation fund, monitoring trust fund, and rehabilitation cash fund which are deposited to government depository banks in compliance with the requirements of the MPSA. These funds are restricted for rehabilitation activities and scheduled for specific mining project phase and research programs as defined in the Environmental Protection and Enhancement Program.

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#### 5. Other Current Assets

This account consists of:

	2023	2022
Prepaid income tax	<b>₱5,009,668</b>	₱5,026,536
Input VAT	<b>317,721</b>	243,560
Advances to employees	—	376,892
Prepayments	—	330,834
	<b>₱5,327,389</b>	₱5,977,822

Prepaid income tax pertain to overpayment of income tax which can be claimed as deduction to future income tax payable.

Advances to employees are subject to liquidation for expenses incurred on operations, these are normally liquidated within a year.

Prepayments pertain to unamortized portion of the Company's prepaid insurance.

## 6. Deferred Exploration Costs

Movements in this account are as follows:

	2023	2022
Balance at beginning of year	<b>₱253,669,526</b>	₱33,418,873
Additions	<b>4,331,131</b>	220,250,653
Balance at end of year	<b>₱258,000,657</b>	₱253,669,526

This account pertains to the capitalized expenditures which is associated with finding specific mineral resources such as acquisition of rights to explore, geological and geophysical studies, and exploratory drilling and sampling.

Additions to deferred exploration costs in 2023 and 2022 include reimbursement of advances from stockholders amounting to nil and ₱215,999,753, respectively (see Note 10).

## 7. Property and Equipment

Movement in this account is as follows:

	2023						Total
	Land	Transportation Equipment	Office Equipment	Mining/ Agricultural Equipment	Furniture and Fixtures	Leasehold Improvements	
<b>Cost</b>							
Balances at beginning of year	<b>₱1,295,730</b>	<b>₱1,688,542</b>	<b>₱922,955</b>	<b>₱4,315,414</b>	<b>₱434,363</b>	<b>₱357,224</b>	<b>₱9,014,228</b>
Additions	—	—	34,911	—	—	—	34,911
Disposal	—	(1,688,542)	(957,866)	(4,315,414)	(434,363)	(357,224)	(7,753,409)
Balances at end of year	<b>1,295,730</b>	—	—	—	—	—	<b>1,295,730</b>
<b>Accumulated Depreciation</b>							
Balances at beginning of year	—	1,688,542	922,287	4,315,414	434,363	357,224	7,717,830
Depreciation	—	—	35,579	—	—	—	35,579
Disposal	—	(1,688,542)	(957,866)	(4,315,414)	(434,363)	(357,224)	(7,753,409)
Balances at end of year	—	—	—	—	—	—	—
<b>Carrying Amount</b>	<b>₱1,295,730</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱1,295,730</b>

	2022						Total
	Land	Transportation Equipment	Office Equipment	Mining/ Agricultural Equipment	Furniture and Fixtures	Leasehold Improvements	
<b>Cost</b>							
Balances at beginning and end of year	<b>₱1,295,730</b>	<b>₱1,688,542</b>	<b>₱922,955</b>	<b>₱4,315,414</b>	<b>₱434,363</b>	<b>₱357,224</b>	<b>₱9,014,228</b>
<b>Accumulated Depreciation</b>							
Balances at beginning of year	—	1,688,542	885,353	4,315,414	434,363	357,224	7,680,896
Depreciation	—	—	36,934	—	—	—	36,934
Balances at end of year	—	1,688,542	922,287	4,315,414	434,363	357,224	7,717,830
<b>Carrying Amount</b>	<b>₱1,295,730</b>	<b>₱—</b>	<b>₱668</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱1,296,398</b>

In 2023, the Company disposed various items of property and equipment which are already fully depreciated. The proceeds and gain on sale amounted to ₱1,400 (see Note 12).

## 8. Accrued Expenses and Other Current Liabilities

This account consists of:

	2023	2022
Accrued expenses	<b>₱472,195</b>	₱373,627
Statutory payables	<b>113,104</b>	137,831
Others	<b>11,316</b>	49,330
	<b>₱596,615</b>	₱560,788

Accrued expenses pertain to accrual of salaries and wages and other employee benefits. Statutory payables include other taxes payable and mandatory contributions.

Accrued expenses and other current liabilities are normally settled within 30 days.

## 9. Advances from Operators

Advances from operators amounting to ₱55,506,400 and ₱54,006,400 as at December 31, 2023 and 2022, respectively, pertain to the advance payment from the Company's operators for future shipments. These are noninterest-bearing and are applied in the final billing.

## 10. Related Party Transactions

The Company, in the normal course of business, has transactions with related parties as follows:

	Transactions During the Year		Balance at End of Year		Nature	Terms and Conditions
	2023	2022	2023	2022		
<b>Due to Related Parties</b>						
Stockholders with significant influence	<b>₱56,602</b>	₱273,028,807	<b>₱78,275,060</b>	₱294,256,662	Advances for exploration costs and other related activities	Non-interest bearing, due and demandable, and payable in cash
Entity under common management	<b>13,249,978</b>	—	<b>13,249,978</b>	—	Advances for working capital	Non-interest bearing, due and demandable, and payable in cash
			<b>₱91,525,038</b>	₱294,256,662		

### **Reimbursement of Advances from Stockholders for Deferred Exploration Costs**

On December 15, 2022, the Company has agreed to reimburse certain stockholders for its advances for various deferred exploration costs amounting to ₱215,999,753 (see Note 6). These advances were made beginning in 2010 up to the current period and were necessary to secure permits and licenses, complete various geological and environmental studies, establish mineral resources and reserves, examine and test various ore extraction and mineral processing methods, and to develop and complete market, finance, and business studies.

In 2023, the Company has settled the said advances in full.

### **Compensation of Key Management Personnel**

The Company paid compensation to key management personnel amounting to ₱3,924,375 in 2023 and 2022.

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### **11. Capital Stock**

In April 2023, a total of 67,500,000 shares of capital stock of the Company were subscribed and issued to new investors at a price of ₱3.20 per share. This transaction resulted to proceeds from issuance of capital stock of ₱216,000,000 and recognition of additional paid-in capital of ₱148,500,000.

As at December 31, 2023 and 2022 the authorized capital stock with ₱1 par value remained at 100,000,000 shares while issued, subscribed and outstanding capital stock at 100,000,000 shares and 32,500,000 shares, respectively.

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### **12. Operating Expenses**

This account consists of:

	<b>2023</b>	<b>2022</b>
Salaries and wages	<b>₱4,757,154</b>	₱4,786,629
Taxes and licenses	<b>703,991</b>	76,079
Outside services	<b>490,276</b>	328,998
Communication, light, and water	<b>178,603</b>	221,774
Depreciation	<b>33,639</b>	12,647
Social development program	—	473,806
Others - net	<b>362,608</b>	621,775
	<b>₱6,526,271</b>	₱6,521,708

Others - net includes gain on sale of property and equipment amounting to ₱1,400 (see Note 6).

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### **13. Income Taxes**

The Company's current income tax expense amounting to ₱3,425 for 2022 pertains to MCIT. There is no provision for current income tax in 2023 due to the Company's net taxable loss position.

The Company's deferred tax assets are as follows:

	<b>2023</b>	<b>2022</b>
NOLCO	<b>₱7,044,658</b>	₱5,404,927
MCIT	<b>56,045</b>	56,045
	<b>7,100,703</b>	5,460,972
Less unrecognized portion	—	(5,460,972)
Recognized portion	<b>₱7,100,703</b>	₱—

In 2023, the management assessed that it is probable that future taxable profit will be available in the near future against which the deferred tax assets can be utilized. Accordingly, the deferred tax assets were recognized.

The details of the Company's NOLCO, which can be carried forward and claimed as deduction against future taxable income are as follows:

Year Incurred	Beginning Balance	Incurred	Applied/ Expired	Ending Balance	Expiry Date
2023	₱–	₱6,558,924	₱–	₱6,558,924	2026
2022	6,179,244	–	–	6,179,244	2025
2021	15,440,463	–	–	15,440,463	2026
	<b>₱21,619,707</b>	<b>₱6,558,924</b>	<b>₱–</b>	<b>₱28,178,631</b>	

As mandated by Section 4 of Republic Act No. 11494 or the “Bayanihan to Recover as One Act” and as implemented under RR No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five (5) consecutive taxable years following the year of such loss.

The details of the Company's MCIT, which can be carried forward and claimed as deduction against future income tax payable are as follows:

Year Incurred	Beginning Balance	Incurred	Applied/ Expired	Ending Balance	Expiry Date
2022	₱3,425	₱–	₱–	₱3,425	2025
2021	52,620	–	–	52,620	2024
	<b>₱56,045</b>	<b>₱–</b>	<b>₱–</b>	<b>₱56,045</b>	

The income tax rates used in preparing the financial statements as at and for the years ended December 31, 2023 and 2022 are 25% for RCIT and 1.5% and 1% for MCIT, respectively.

The reconciliation of income tax based on statutory income tax rate to the income tax expense are as follows:

	2023	2022
Provision for income tax computed at statutory tax rate	<b>(₱1,633,611)</b>	(₱1,544,123)
Change in unrecognized deferred tax assets	<b>(5,460,972)</b>	4,686,090
Add (deduct) tax effects of:		
Interest income subjected to final tax	<b>(6,120)</b>	(688)
Expired MCIT over RCIT	–	2,859
	<b>(₱7,100,703)</b>	<b>₱3,144,138</b>



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

The Stockholders and Board of Directors  
Strong Built (Mining) Development Corporation  
Prince Mansion Compound  
J. Romualdez Cor. Sto. Nino Streets  
Tacloban City, 6500

We have audited the accompanying financial statements of Strong Built (Mining) Development Corporation (the Company) as at and for the years ended December 31, 2023 and 2022, on which we have rendered our report dated April 15, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has four (4) stockholders owning one hundred (100) or more shares each.

**REYES TACANDONG & Co.**

  
CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

BOA Accreditation No. 4782; Valid until June 6, 2026

BIR Accreditation No. 08-005144-007-2022

Valid until October 16, 2025

PTR No. 10072409

Issued January 2, 2024, Makati City

April 15, 2024  
Makati City, Metro Manila

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**


The Management of **Strong Built (Mining) & Development Corp.** 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.

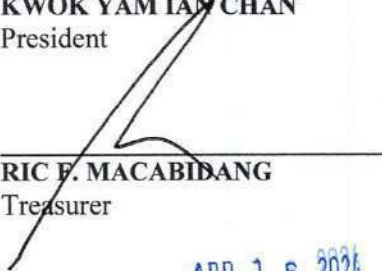
The Board of Directors is responsible in overseeing the Company's financial reporting process.

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.

  
\_\_\_\_\_  
**ANTHONY M. TE**  
Chairman of the Board

  
\_\_\_\_\_  
**KWOK YAM IAN CHAN**  
President

  
\_\_\_\_\_  
**RIC F. MACABIDANG**  
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
Anthony M. Te	156-332-893		
Kwok Yam Ian Chan	287-887-013		
Ric F. Macabidang	216-275-909		

Doc. No. 51 ;  
Page No. 32 ;  
Book No. III ;  
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-0016666; 04/12/2022  
IBR Membership No. 414799; 01/10/2024  
PTR No. PC 8467506; 01/03/2024  
4F BDO Towers, 8741 Paseo de Roxas, Makati City



Jordan Bajamonde <jordan.bajamonde@marcventures.com.ph>

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## Fwd: Your BIR AFS eSubmission uploads were received

1 message

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**APRIL SEMBLANTE** <aprilsemblante.sbmdd@gmail.com>  
To: jordan.bajamonde@marcventures.com.ph

Thu, Apr 18, 2024 at 10:12 AM

----- Forwarded message -----

From: <eafs@bir.gov.ph>  
Date: Thu, Apr 18, 2024 at 9:33 AM  
Subject: Your BIR AFS eSubmission uploads were received  
To: <APRILSEMBLANTE.SBMDD@gmail.com>  
Cc: <APRILSEMBLANTE.SBMDD@gmail.com>

Hi STRONG BUILT MINING DEVELOPMENT,

### Valid files

- EAFS204255897RPTTY122023.pdf
- EAFS204255897OTHTY122023.pdf
- EAFS204255897ITRTY122023.pdf
- EAFS204255897AFSTY122023.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-B7JLL9BG0QX11VWVXNWR4NX2M0ACCGKEGF**  
Submission Date/Time: **Apr 18, 2024 09:32 AM**  
Company TIN: **204-255-897**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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