CR05907-2025

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended
   Jun 30, 2025
2. SEC Identification Number
   102165
3. BIR Tax Identification No.
   000-803-498-000
4. Exact name of issuer as specified in its charter
   Bright Kindle Resources & Investments, Inc.
5. Province, country or other jurisdiction of incorporation or organization
   Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)

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
   (+632) 8833-0769
9. Former name or former address, and former fiscal year, if changed since last report
   -
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

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

11. Are any or all of registrant's securities listed on a Stock Exchange?
    ◉ Yes ○ No
    If yes, state the name of such stock exchange and the classes of securities listed therein:
    Philippine Stock Exchange
12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

◉ Yes ○ No

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

Yes No

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 17-2 - Quarterly Report
References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Jun 30, 2025
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Jun 30, 2025	Dec 31, 2024
Current Assets	105,269,037	121,997,897
Total Assets	2,922,494,171	2,914,785,381
Current Liabilities	1,672,291,521	1,672,605,588
Total Liabilities	1,672,291,521	1,672,605,588
Retained Earnings/(Deficit)	403,292,348	395,269,491
Stockholders' Equity	1,250,202,650	1,242,179,793
Stockholders' Equity - Parent	1,347,937,006	1,325,175,669
Book Value per Share	0.81	0.81

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	1,039,052	1,040,715	2,078,236	2,186,797
Gross Expense	16,058,680	2,546,642	19,317,872	4,826,294
Non-Operating Income	35,947,380	13,588,164	25,262,493	-4,620,478
Non-Operating Expense	-	-	-	-
Income/(Loss) Before Tax	20,927,752	12,082,237	8,022,857	-7,259,975
Income Tax Expense	-	-	-	137,838
Net Income/(Loss) After Tax	20,927,752	12,082,237	8,022,857	-7,397,813

Net Income Attributable to Parent Equity Holder	34,702,935	-11,498,287	22,761,937	-8,545,488
Earnings/(Loss) Per Share (Basic)	0.01	0	0	-0
Earnings/(Loss) Per Share (Diluted)	0.01	0	0	-0

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	-0.01	0.01
Earnings/(Loss) Per Share (Diluted)	-0.01	0.01

Other Relevant Information
PLEASE SEE ATTACHED SEC FORM 17-Q.

Filed on behalf by:

Name	Catrese Ma. Lian Nadal
Designation	Legal Assistant

COVER SHEET

0 0 0 0 1 0 2 1 6 5

SEC Registration Number

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. (A SUBSIDIARY OF RYM BUSINESS MANAGEMENT CORP.)

(Company's Full Name)

16TH FLOOR, BDO TOWERS VALERO (FORMERLY CITIBANK TOWER), 8741 PASEO DE ROXAS, MAKATI CITY

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

Rolando S. Santos

(Contact Person)

(02) 8831-4479

(Company Telephone Number)

1 2 **3 1**

Month Day

(Calendar Year)

17-Q

(Form Type)

Month Day

(Annual Meeting)

N/A

Secondary License Type, If Applicable)

Finance Department

Dept. Requiring this Doc.

June 30, 2025

Period Ending Date

Total Amount of Borrowings

624

Total No. of Stockholders

1,671,501,723

Domestic

N/A

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **June 30, 2025**

2. Commission identification number **102165**

3. BIR Tax Identification No. **000-803-498-000**

4. Exact name of registrant as specified in its charter: **BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.**

5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**

6. Industry Classification Code: [ ] **(SEC Use Only)**

7. Address of registrant's principal office:

   16th Floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati City 1227

8. Registrant's telephone number, including area code: **(63 2) 833-0769**

9. Former name, former address and former fiscal year, if changed since last report. **N/A**

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock (P0.55 par value)	**1,528,474,000 shares**

11. Are any or all of the securities listed on the Philippine Stock Exchange?
    Yes. The common shares are listed on the Philippine Stock Exchange.

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule (11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

    Yes

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

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Contents

PART I - FINANCIAL INFORMATION

Item 1. - Management's Discussion and Analysis of Financial Condition and Results of Operation

The following discussion is based on the unaudited interim consolidated financial statements for the 2nd quarter period ended June 30, 2025, with comparative figures for the corresponding periods in 2024 and audited consolidated financial statements as of December 31, 2024, prepared in conformity with Philippine Accounting Standards 34, Interim Financial Reporting and included herein, and should be read in conjunction with those unaudited interim consolidated financial statements.

Financial Condition as of June 30, 2025 and December 31, 2024 and Results of Operation for the Three Months and Six Months ended June 30, 2025 and June 30, 2024

STATEMENT OF COMPREHENSIVE INCOME

Three months ended June 30, 2025 compared with three months ended June 30, 2024

Share in Net Income of an Associate
The Corporation's share in net income of Marcventures Holdings, Inc. (MARC) amounted to ₱35.95 million during the period. MARC has improved operating performance during the period, resulting in a higher income of ₱22.36 million or 164.55% compared with the same period last year.

Rental Income
Rental income amounted to ₱1.03 million during the period, which is the same amount compared with the same period last year, due to a condominium unit and parking slots under an operating lease agreement with a third party.

Expenses
Total expenses amounted to ₱16.06 million during the period, higher by ₱13.51 million or 530.58% compared with the same period last year. The increase was mainly accounted for by the following:

- **Taxes and licenses** increased by ₱13.81 million or 18,217.93% compared with the same period last year, mainly due to payment to the SEC for an increase in authorized capital stock of the Subsidiary.
- **Membership dues and other fees** increased by ₱0.35 million or 9,999.86% compared with the same period last year, due to the transfer of properties to its Subsidiary.

Six months ended June 30, 2025 compared with six months ended June 30, 2024

Share in Net Income of an Associate
The Corporation's share in net income of MARC amounted to ₱25.26 million during the period. MARC has improved operating performance during the period, resulting in a higher income of ₱29.88 million compared with the same period last year.

Rental and Other Income
Rental and other income amounted to ₱2.06 million during the period, which is lower by ₱0.11 million or 4.94% compared with the same period last year, due to consideration received from a related party for the use of the Corporation's condominium properties as collateral for its loan facility last year.

Expenses

Total expenses amounted to ₱19.32 million during the period, higher by ₱14.49 million or 300.26% compared with the same period last year. The increase was mainly accounted for by the following:

- **Taxes and licenses** increased by ₱13.81 million or 9,136.34% compared with the same period last year, mainly due to payment to the SEC for the application of an increase in authorized capital stock of the Subsidiary.
- **Transportation and travel** increased by ₱1.08 million or 4,019.72% compared with the same period last year, mainly due to the management's plane ticket for the ocular inspection of a new project.
- **Membership dues and other fees** increased by ₱0.58 million or 484.97% compared with the same period last year, due to the transfer of properties to its Subsidiary.

STATEMENT OF FINANCIAL POSITION

Assets

The total assets of the Corporation increased by ₱7.71 million or 0.26% from ₱2,914.79 million as of December 31, 2024 to ₱2,922.49 million as of June 30, 2025. The increase was mainly due to the following:

- **Due from related properties** increased by ₱0.15 million or 0.48%, due to advances made by the related party for its operation.
- **Investment in an associate** increased by ₱25.26 million or 0.92%, due to the share in net income of MARC recognized during the period.

The above increases were partly offset by the following:

- **Cash** decreased by ₱16.30 million or 22.62%, mainly due to the payment to the SEC for the application of an increase in authorized capital stock of the Subsidiary.
- **Other current assets** decreased by ₱0.58 million or 3.13%, mainly due to the collection of rent receivable from the lessee.
- **Investment property** decreased by ₱0.79 million or 2.43%, due to depreciation recognized during the period.
- **Property and equipment** decreased by ₱35,272 or 6.56%, due to depreciation recognized during the period.

Liabilities

The total liabilities of the Corporation decreased by ₱0.31 million from ₱1,672.61 million as of December 31, 2024 to ₱1,672.29 million as of June 30, 2025, mainly due to the payment of audit fee for the Corporation's audit of financial statements for the year ended 2024.

Equity

The stockholders' equity of the Corporation increased by ₱8.02 million or 0.65% from ₱1,242.18 million as of December 31, 2024 to ₱1,250.07 million as of June 30, 2025, due to the net income recognized during the period.

STATEMENT OF CASH FLOWS

<u>Three months ended June 30, 2025 compared with three months ended June 30, 2024</u>

Net cash used in operating activities increased by ₱10.13 million or 374.37% compared with the same period last year, mainly due to the payment to the SEC for the application of an increase in authorized capital stock of the Subsidiary.

Net cash used in investing activities decreased by ₱1.54 million or 91.11% compared with the same period last year, mainly due to the purchase of fixed assets last year.

Net cash provided by a financing activity amounted to ₱0.01 million, due to advances to a related party.

<u>Six months ended June 30, 2025 compared with six months ended June 30, 2024</u>

Net cash used in operating activities increased by ₱11.56 million or 254.24% compared with the same period last year, mainly due to the payment to the SEC for the application of an increase in authorized capital stock of the Subsidiary.

Net cash used in investing activities amounted to ₱0.20 million, mainly due to the purchase of fixed assets during the period.

Net cash provided by a financing activity amounted to ₱0.02 million, due to advances to a related party.

Item 2 - Financial Statements

The unaudited Consolidated Financial Statements of Bright Kindle Resources & Investments, Inc. and Subsidiary as of June 30, 2025, and for the three months and six months ended June 30, 2024 with a comparative audited figure as of December 31, 2024 complies with generally accepted accounting principles, and there were no changes made in accounting policies and methods of computation in the preparation of the interim financial statements.

Horizontal and Vertical Analysis:

	June 30, 2025 (Unaudited)	Dec. 31, 2024 (Audited)	Horizontal Analysis Change	% Change	Vertical Analysis 2024	2023
ASSETS						
Current Assets						
Cash	₱ 55,769,104	₱ 72,070,102	₱ (16,300,998)	(22.62%)	1.91%	2.47%
Due from related parties	31,599,785	31,449,785	150,000	0.48%	1.08%	1.08%
Other current assets	17,900,148	18,478,010	(577,862)	(3.13%)	0.61%	0.63%
Total Current Assets	105,269,037	121,997,897	(16,728,860)	(13.71%)	3.60%	4.19%
Non-current Assets						
Investment in an associate	2,784,970,843	2,759,708,350	25,262,493	0.92%	95.29%	94.67%
Investment in property	31,751,996	32,541,567	(789,571)	(2.43%)	1.09%	1.12%
Property and equipment	502,295	537,567	(35,272)	(6.56%)	0.02%	0.02%
Total Noncurrent Assets	2,817,225,134	2,792,787,484	24,437,650	0.88%	96.40%	95.81%
	₱ 2,922,494,171	₱ 2,914,785,381	₱ 7,708,790	0.26%	100.00%	100.00%
LIABILITIES & CAPITAL DEFICIENCY						
Current Liabilities						
Note payable	₱ 1,671,501,723	₱ 1,671,501,723	₱ –	–	57.19%	57.35%
Accrued expenses and other current liabilities	748,948	1,079,215	(330,267)	(30.60%)	0.03%	0.04%
Due to related parties	40,850	24,650	16,200	65.72%	0.00%	0.00%
Total Current Liabilities	1,672,291,521	1,672,605,588	(314,067)	(0.02%)	57.22%	57.38%
Equity						
Capital stock	840,660,700	840,660,700	–	–	28.77%	28.84%
Retained earnings	403,292,348	395,269,491	8,022,857	2.03%	13.80%	13.56%
Other comprehensive income	6,249,602	6,249,602	–	–	0.21%	0.21%
Total Equity	1,250,202,650	1,242,179,793	8,022,957	0.65%	42.78%	42.62%
	₱ 2,922,494,171	₱ 2,914,785,381	₱ 7,708,790	0.26%	100.00%	100.00%

	For the Three Months Ended June 30 2025 (Unaudited)	2024 (Unaudited)	Variance Increase (Decrease)	% Change
SHARE IN NET INCOME OF AN ASSOCIATE	₱ 35,947,380	₱ 13,588,164	₱ 22,359,216	164.55%
EXPENSES	(16,058,680)	(2,546,642)	13,512,038	530,58%
RENTAL INCOME	1,029,954	1,029,954	–	–
INTEREST INCOME	9,098	10,761	(1,663)	(15.45%)
INCOME BEFORE INCOME TAX	20,927,752	12,082,237	8,845,515	73,21%
PROVISION FOR INCOME TAX	–	–	–	–
NET INCOME	20,927,752	12,082,237	8,845,515	73,21%
OTHER COMPREHENSIVE INCOME	–	–	–	–
TOTAL COMPREHENSIVE INCOME	₱ 20,927,752	₱ 12,082,237	₱ 8,845,515	73,21%

		For the Six Months Ended June 30				Variance	
		2025 (Unaudited)		2024 (Unaudited)		Increase (Decrease)	% Change
SHARE IN NET INCOME OF AN ASSOCIATE	₱	25,262,493	₱	(4,620,478)	₱	29,882,971	646.75%
EXPENSES		(19,317,872)		(4,826,294)		14,491,578	300,26%
RENTAL AND OTHER INCOME		2,059,908		2,167,051		(107,143)	(4.94%)
INTEREST INCOME		18,328		19,746		(1,418)	(7.18%)
INCOME BEFORE INCOME TAX		8,022,857		(7,259,975)		15,282,832	210.51%
PROVISION FOR INCOME TAX		-		(137,838)		(137,838)	(100.00%)
NET INCOME		8,022,857		(7,397,813)		15,420,670	208.45%
OTHER COMPREHENSIVE INCOME		-		-		-	-
TOTAL COMPREHENSIVE INCOME	₱	8,022,857	₱	(7,397,813)	₱	15,420,670	208.45%

Other Information

a. There are no known trends or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.

b. There are no events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

c. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period.

d. Aside from the volatile prices of ore in the market and USD exchange rate, there are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

e. The causes for the material changes from period to period in the financial accounts were explained in the Management's discussion and analysis of financial condition and results of operation.

f. There are no significant elements of income or loss that did not arise from the registrant's continuing operations.

g. There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.

h. There are no new issuances, repurchases, and repayments of debt and equity securities.

i. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

j. There are no changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

k. There are no contingent liabilities or contingent assets since the last annual balance sheet date.

l. There are no material contingencies and other material events or transactions during the interim period.

m. There are no events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

Key Performance Indicators (KPIs)

Management uses the following KPIs for the Corporation:

	June 30, 2025	December 31, 2024
Net income	**₱8,022,857**	₱17,303,176
Quick assets	**87,368,889**	103,519,887
Current assets	**105,269,037**	121,997,897
Total assets	**2,922,494,171**	2,914,785,381
Current liabilities	**1,672,291,521**	1,672,605,588
Total liabilities	**1,672,291,521**	1,672,605,588
Stockholders' Equity	**1,250,202,650**	1,242,179,793
Number of common shares outstanding	**1,528,474,000**	1,528,474,000

Liquidity ratios:	June 30, 2025	December 31, 2024
Current ratio (1)	**0.063:1**	0.073:1
Quick ratio (2)	**0.052:1**	0.062:1
Solvency ratios:		
Debt ratio (3)	**0.572:1**	0.574:1
Debt to Equity ratio (4)	**1.338:1**	1.347:1
Profitability ratios:		
Income per share (5)	**0.005:1**	0.011:1
Book value per share (6)	**0.818:1**	0.813:1

Notes:
1. Current Assets / Current Liabilities
2. Quick Assets / Current Liabilities
3. Total Liabilities / Total Assets
4. Total Liabilities / Shareholders' Equity
5. Net Income / Common Shares Outstanding
6. Stockholders' Equity / Common Shares Outstanding

PART II - OTHER INFORMATION

Any information not previously reported in a report on SEC Form 17-C.

NONE.

PART III - FINANCIAL SOUNDNESS INDICATORS

Liquidity Ratio

a. Current Ratio

   Total Current Assets/ Total Current Liabilities = 0.063:1

b. Quick Ratio

   Quick asset / Total Current Liabilities = 0.052:1

Solvency Ratio

a. Debt Ratio

   Total liabilities / Total assets = 0.572:1

b. Debt to Equity Ratio

   Total liabilities / Shareholder's Equity = 1.338:1

Profitability Ratio

a. Return on Equity Ratio

   Net Income (Loss) / Average Shareholders' Equity = 0.006:1

b. Return on Assets Ratio

   Net Income (Loss)/ Average Total assets = 0.003:1

c. Asset to Equity Ratio:

   Total Assets / Stockholders' Equity = 2.338:1

d. Asset Turnover:

   Revenue/Total Assets = 0.0007

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

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

Signature and Title: **ROLANDO S. SANTOS**
SVP and Treasurer

Date: August 14, 2025

Signature and Title: **DALE A. TONGCO**
VP - Risk Management and Chief Risk Officer

Date: August 14, 2025

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

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS			
Current Assets			
Cash	4	**₱55,769,104**	₱72,070,102
Due from related parties	11	**31,559,785**	31,449,785
Other current assets	5	**17,900,148**	18,478,010
Total Current Assets		**105,269,037**	121,997,897
Noncurrent Assets			
Investment in an associate	8	**2,784,970,843**	2,759,708,350
Investment property	7	**31,751,996**	32,541,567
Property and equipment	6	**502,295**	537,567
Total Noncurrent Assets		**2,817,225,134**	2,792,787,484
		₱2,922,494,171	₱2,914,785,381
LIABILITIES AND EQUITY			
Current Liabilities			
Note payable	10	**₱1,671,501,723**	₱1,671,501,723
Accrued expenses and statutory payables	9	**748,948**	1,079,215
Due to related parties	11	**40,850**	24,650
Total Current Liabilities		**1,672,291,521**	1,672,605,588
Equity			
Capital stock	12	**840,660,700**	840,660,700
Retained earnings		**403,292,348**	395,269,491
Other comprehensive income		**6,249,602**	6,249,602
Total Equity		**1,250,202,650**	1,242,179,793
		₱2,922,494,171	₱2,914,785,381

See accompanying Notes to Consolidated Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	2025	2024
		Three Months Ended June 30	
SHARE IN NET INCOME OF AN ASSOCIATE	8	**₱35,947,380**	₱13,588,164
GENERAL AND ADMINISTRATIVE EXPENSES	13	**(16,058,680)**	(2,546,642)
RENTAL INCOME	7	**1,029,954**	1,029,954
INTEREST INCOME	4	**9,098**	10,761
OTHER INCOME	11	**–**	–
INCOME BEFORE INCOME TAX		**20,927,752**	12,082,237
PROVISION FOR INCOME TAX	14	**–**	–
NET INCOME		**20,927,752**	12,082,237
OTHER COMPREHENSIVE INCOME			
Not to be reclassified to profit or loss in subsequent period -			
Share in other comprehensive income of an associate	8	**–**	–
TOTAL COMPREHENSIVE INCOME		**₱20,927,752**	₱12,082,237
INCOME PER SHARE - BASIC AND DILUTED	15	**₱0.014**	₱0.008

See accompanying Notes to Consolidated Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Six Months Ended June 30	
	Note	**2025**	2024
SHARE IN NET INCOME OF AN ASSOCIATE	8	**₱25,262,493**	(₱4,620,478)
GENERAL AND ADMINISTRATIVE EXPENSES	13	**(19,317,872)**	(4,826,294)
RENTAL INCOME	7	**2,059,908**	2,167,051
INTEREST INCOME	4	**18,328**	19,746
OTHER INCOME	11	**–**	–
INCOME BEFORE INCOME TAX		**8,022,857**	(7,259,975)
PROVISION FOR INCOME TAX	14	**–**	(137,838)
NET INCOME		**8,022,857**	(7,397,813)
OTHER COMPREHENSIVE INCOME			
Not to be reclassified to profit or loss in subsequent period -			
Share in other comprehensive income of an associate	8	**–**	–
TOTAL COMPREHENSIVE INCOME		**₱8,022,857**	(₱7,397,813)
INCOME PER SHARE - BASIC AND DILUTED	15	**₱0.005**	(₱0.005)

See accompanying Notes to Consolidated Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	**June 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
CAPITAL STOCK - ₱0.55 par value			
Authorized - 2,000,000,000 shares			
Issued and outstanding -			
1,528,474,000 shares	12	**₱840,660,700**	₱840,660,700
RETAINED EARNINGS			
Balance at beginning of period		**395,269,491**	377,966,315
Net income		**8,022,857**	17,303,176
Balance at end of period		**403,292,348**	395,269,491
OTHER COMPREHENSIVE INCOME			
Accumulated Share in Other Comprehensive Income of an Associate			
Balance at beginning of period		**6,249,602**	6,709,315
Share in other comprehensive income (loss) of an associate	8	**–**	(459,713)
Balance at end of period		**6,249,602**	6,249,602
		₱1,250,202,650	₱1,242,179,793

See accompanying Notes to Consolidated Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Three Months Ended June 30 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱20,927,752**	₱12,082,237
Adjustments for:			
Share in net income of an associate	8	**(35,947,380)**	(13,588,164)
Depreciation	6	**441,435**	437,625
Interest income	4	**(9,098)**	(10,761)
Operating loss before working capital changes		**(14,587,291)**	(1,079,063)
Decrease (increase) in other current assets		**1,753,488**	(1,146,334)
Decrease in accrued expenses and statutory payables		**(8,482)**	(352,841)
Net cash used for operations		**(12,842,285)**	(2,578,238)
Interest received		**9,098**	10,761
Income tax paid		**–**	(137,838)
Net cash used in operating activities		**(12,833,187)**	(2,705,315)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances to related parties	11	**(150,000)**	(1,676,730)
Additions to property and equipment	6	**–**	(10,944)
Net cash used in investing activities		**(150,000)**	(1,687,674)
CASH FLOW FROM A FINANCING ACTIVITY			
Advances from related parties		**8,100**	–
NET DECREASE IN CASH		**(12,975,087)**	(4,392,989)
CASH AT BEGINNING OF PERIOD		**68,744,193**	83,669,169
CASH AT END OF PERIOD		**₱55,769,106**	₱79,276,180

See accompanying Notes to Consolidated Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Six Months Ended June 30 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		**₱8,022,857**	(₱7,259,975)
Adjustments for:			
Share in net loss (income) of an associate	8	**(25,262,493)**	4,620,478
Depreciation	6	**879,245**	876,408
Interest income	4	**(18,328)**	(19,746)
Operating loss before working capital changes		**(16,378,719)**	(1,782,835)
Decrease (increase) in other current assets		**577,862**	(2,352,086)
Decrease in accrued expenses and statutory payables		**(330,267)**	(295,572)
Net cash used for operations		**(16,131,124)**	(4,430,493)
Interest received		**18,328**	19,746
Income tax paid		**–**	(137,838)
Net cash used in operating activities		**(16,112,796)**	(4,548,585)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances to related parties	11	**(150,000)**	(8,084,903)
Additions to property and equipment	6	**(54,400)**	(46,944)
Dividends received		**–**	60,000,000
Net cash provided by (used in) investing activities		**(204,400)**	51,868,153
CASH FLOW FROM A FINANCING ACTIVITY			
Advances from related parties		**16,200**	–
NET INCREASE (DECREASE) IN CASH		**(16,300,996)**	47,319,568
CASH AT BEGINNING OF PERIOD		**72,070,102**	31,956,612
CASH AT END OF PERIOD		**₱55,769,106**	₱79,276,180

See accompanying Notes to Consolidated Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC. AND SUBSIDIARY

UNAUDITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS AT JUNE 30, 2025 AND DECEMBER 31, 2024

AND FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

1. Corporate Information

General Information

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

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

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

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

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

2. Summary of Material Accounting Policy Information

Basis of Preparation and Statement of Compliance

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

Measurement Bases

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

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

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

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

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

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

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

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

Adoption of Amended PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2024. The amendments did not materially affect the consolidated financial statements of the Group.

Amended to PFRS Accounting Standards in Issue but Not Yet Effective

Relevant and new amendments to PFRS Accounting Standards, which are not yet effective as at June 30, 2025, is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The unaudited consolidated financial statements of the Group as at June 30, 2025 and December 31, 2024 and for the three months and six months ended June 30, 2025 and 2024 was prepared effective May 27, 2022, the date of incorporation of the Subsidiary.

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

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

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

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

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

Financial asset or liability is recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability).

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

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

As at June 30, 2025 and December 31, 2024, the Group's cash, due from related parties, and dividend receivable are classified as financial assets at amortized cost.

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

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

As at June 30, 2025 and December 31, 2024, the Group's note payable, accrued expenses, and due to related parties are classified as financial liabilities at amortized cost.

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

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

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

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

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

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

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

Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes. These are stated at cost less accumulated depreciation and amortization and any impairment in value.

Depreciation is calculated on a straight-line basis over 20 years as the estimated useful lives of the investment properties.

Transfers are made to investment properties when there are changes in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when there are changes in use, evidenced by commencement of owner-occupation, ending of operating lease or commencement of development with a view to sale.

Transfers between investment property, owner-occupied property and inventories do not change the carrying value of the property transferred and they do not change the cost of that property for measurement or disclosure purposes on the date of reclassification.

Property and Equipment

Property and equipment, except land, are initially measured at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less any impairment in value. 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. Cost also includes any asset retirement obligation and capitalized interest on borrowed funds used in the case of a qualifying asset.

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 Group. 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 and amortization are calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

	Number of Years
Office furniture and fixtures	2-5
Computer equipment	5

The estimated useful lives and depreciation and amortization 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.

Equity

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

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

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

Income Taxes

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

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

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

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

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

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

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

Basic and Diluted Earnings Per Share

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

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

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

Related Party Relationship and Transactions

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

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

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

Provisions and Contingencies

Provisions are recognized when 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.

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefit 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
Post year-end events that provide additional information about the Group's financial position at the financial 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 financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

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

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

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

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

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

Classification of a Property. The Group determines whether a property is classified as investment property or property and equipment as follows:

- Investment properties comprise land and building which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental revenue and capital appreciation.
- Property and equipment comprise property that is held for use in the ordinary course of business.

The carrying amounts of investment properties and property and equipment as at June 30, 2025 and December 31, 2024 are disclosed in Notes 6 and 7.

Classification of Operating Lease Commitments - Company as a Lessor. The Group has entered into various lease agreements as a lessor. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that the Group retains all the significant risks and rewards of ownership of these properties which are leased out on operating lease.

Rental income earned in 2025 and 2024 are disclosed in Note 7.

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

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

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

The estimated recoverable amount of the investment pertains to its value in use which was determined based on the cash flow projections of the associate using the discounted cash flow method. Based on management assessment, the estimated recoverable amount of the Group's investment in an associate is higher than its carrying amount and a reasonably possible change in the key assumptions would not result to the recognition of impairment loss. Accordingly, no impairment loss was recognized in 2025 and 2024. The carrying amount of investment in an associate is disclosed in Note 8.

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

There were no changes in the estimated useful lives of the Group's property and equipment in 2025 and 2024. The carrying amounts of property and equipment and investment property are disclosed in Note 6 and Note 7, respectively.

Assessing the Impairment of Other Nonfinancial Assets. The Group assesses impairment on other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group 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.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

Recoverable amount of an asset is the higher of its fair value less costs to sell or value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the Group's expected mining operations. The estimated cash flows are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Based on management assessment, there are no impairment indicators on the Group's nonfinancial assets. Accordingly, no impairment loss was recognized in 2025 and 2024.

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

The Group's unrecognized deferred tax assets are disclosed in Note 14.

4. Cash

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand	**₱30,000**	₱30,000
Cash in banks	**55,739,104**	72,040,102
	₱55,769,104	₱72,070,102

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned amounted to ₱18,328 and ₱40,151 in 2025 and 2024, respectively.

5. Other Current Assets

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Input Value-Added Tax	**₱10,584,686**	₱10,390,650
Prepayments	**6,114,743**	7,100,485
Creditable Withholding Tax	**597,806**	597,806
Others	**602,913**	389,069
	₱17,900,148	₱18,478,010

6. Property and Equipment

Details and movements in this account are as follows:

		June 30, 2025 (Unaudited)			
	Note	**Condominium Unit**	**Office Furniture and Fixtures**	**Computer Equipment**	**Total**
Cost					
Balance at beginning period		₱–	₱1,929,169	₱727,221	₱2,656,390
Additions		–	54,400	–	54,400
Balance at end of period		–	1,983,569	727,221	2,710,790
Accumulated Depreciation					
Balance at beginning of period		–	1,838,344	280,479	2,118,823
Depreciation		–	29,250	60,422	89,672
Balance at end of period		–	1,867,594	340,901	2,208,495
Carrying Amount		₱–	₱115,975	₱386,320	₱502,295

		December 31, 2024 (Audited)			
		Condominium Unit	Office Furniture and Fixtures	Computer Equipment	Total
Cost					
Balance at beginning period		₱47,788,569	₱1,893,169	₱716,277	₱50,398,015
Additions		–	36,000	10,944	46,944
Reclassification	7	(47,788,569)	–	–	(47,788,569)
Balance at end of period		–	1,929,169	727,221	2,656,390
Accumulated Depreciation					
Balance at beginning of period		13,667,859	1,809,434	136,505	15,613,798
Depreciation		1,184,357	28,910	143,974	1,357,241
Reclassification	7	(14,852,216)	–	–	(14,852,216)
Balance at end of period		–	1,838,344	280,479	2,118,823
Carrying Amount		₱–	₱90,825	₱446,742	₱537,567

As at June 30, 2025 and December 31, 2024, the cost of fully-depreciated property and equipment still in use amounted to ₱1.8 million.

Depreciation and amortization of property and equipment is as follows:

	Note	**June 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
Property and equipment		**₱89,672**	₱1,357,241
Investment property	7	**789,571**	394,786
		₱879,243	₱1,752,027

Deed of Assignment to BHDI

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

On September 12, 2024, the Group obtained the certificate of approval of valuation from the SEC. On the same date, the subject property was also reclassified from property and equipment to investment property as a result of an operating lease agreement entered into by BHDI with a third party (see Note 7).

7. Investment Property

The Group's investment property pertains to a condominium unit and parking slots. The movements in this account are as follows:

	Note	**June 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
Cost			
Balance at beginning of period		**₱47,788,569**	₱–
Reclassification	6	**–**	47,788,569
Balance at end of period		**47,788,569**	47,788,569
Accumulated Depreciation			
Balance at beginning of period		**15,247,002**	–
Reclassification	6	**–**	14,852,216

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Depreciation		**789,571**	394,786
Balance at end of period		**16,036,573**	15,247,002
Carrying Amount		**₱31,751,996**	₱32,541,567

The Group's investment property pertains to a condominium unit and parking slots under an operating lease agreement with a third party. 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 Group 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.

As at June 30, 2025, the fair value of the investment property amounted to ₱112.2 million based on the latest zonal valuation.

Rental income earned from investment property amounted to ₱2.1 million and ₱4.1 million in 2025 and 2024, respectively.

8. Investment in an Associate

Movements in this account are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Acquisition Cost	**₱2,604,000,000**	₱2,604,000,000
Accumulated Share in Net Income		
Balance at beginning of period	**149,458,748**	125,953,417
Share in net income	**25,262,493**	23,505,331
Balance at end of period	**174,721,241**	149,458,748
Accumulated Share in OCI		
Balance at beginning of period	**6,249,602**	6,709,315
Share in remeasurement loss on retirement benefit liability	**–**	(459,713)
Balance at end of period	**6,249,602**	6,249,602
Carrying Amount	**₱2,784,970,843**	₱2,759,708,350

The Group has 600,000,000 shares of Marcventures Holdings, Inc. (MARC) representing 19.90% equity interest as at June 30, 2025 and December 31, 2024. MARC has investments in mining companies located in Surigao del Sur and in the province of Samar. MARC's principal office address is at Unit 4-3 BDO Towers Paseo, Paseo de Roxas, Makati City.

Summarized financial information of MARC follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Total current assets	**₱1,289,589,189**	₱813,509,424
Total noncurrent assets	**4,925,907,179**	4,992,779,804
Total current liabilities	**453,966,446**	284,253,113
Total noncurrent liabilities	**616,802,091**	608,855,399
Revenue	**–**	1,716,215,975

Net income	**145,974,261**	118,117,245
Other comprehensive income loss	**–**	(2,310,118)
Total comprehensive income	**145,974,261**	115,807,127

The reconciliation of the share in the net assets of MARC and the carrying amount of the investment in an associate as at June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Net assets as at beginning of period	**₱4,913,180,717**	₱4,797,373,590
Net income	**145,974,261**	118,117,245
Other comprehensive loss	**–**	(2,310,118)
Net assets as at end of period	**5,059,154,978**	4,913,180,717
Equity interest*	**19.90%**	19.90%
Share in net assets of associate	**1,002,980,738**	977,718,245
Goodwill on acquisition and others	**1,781,990,105**	1,781,990,105
Carrying amount	**₱2,784,970,843**	₱2,759,708,350

**Rounded to the nearest ones*

9. Accrued Expenses and Statutory Payables

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Accrued expenses	**₱348,200**	₱706,261
Statutory payables	**400,748**	372,954
	₱748,948	₱1,079,215

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

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

10. Note Payable

The Group's note payable amounting to ₱1,671.5 million as at June 30, 2025 and December 31, 2024 pertains to a due and demandable, noninterest-bearing loan from Trans Middle East Philippine Equities, Inc. (TMEE), a related party. The proceeds of the loan were used to finance the acquisition of investment in MARC.

11. Related Party Transactions

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

	Note	Nature of Transactions	Amount of Transactions 2025	2024	Outstanding Balances June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Due from Related Parties						
Parent Company		Advances for working capital	**₱–**	₱–	**₱7,000,000**	₱7,000,000
Entities under common management		Advances for working capital	**150,000**	11,029,574	**24,599,785**	24,449,785
					₱31,599,785	₱31,449,785
Note Payable						
Entity under common management - TMEE	10	Note payable	**₱–**	₱–	**₱1,671,501,723**	₱1,671,501,723
Due to Related Parties						
Entity under common management: Marcventures Mining and Development Corporation (MMDC)		Advances for working capital	**₱16,200**	₱19,500	**₱40,850**	₱24,650
Other Income						
Entity under common management - MMDC		Other income	**₱–**	₱–	**₱–**	₱107,143

Due from/Due to Related Parties

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

Other Income

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

In 2024, the Group has ceased the arrangement with MMDC.

Compensation of Key Management Personnel

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

12. Equity

On March 21, 1995, the SEC approved the listing of the Parent Company's 118,000,000 shares at an offer price of ₱1.00 per share. Accordingly, on the same date, the Parent Company listed its shares with PSE. Subsequently, the par value of the Parent Company's common stock was reduced from ₱1.00 per share to ₱0.55 per share as approved by the SEC on October 17, 2012.

The Group's listed shares in the PSE are 1,528,474,000 as at June 30, 2025 and December 31, 2024.

The following summarizes the information on the Parent Company's issued and subscribed shares as at June 30, 2025 and December 31, 2024:

	Number of Shares Issued and Subscribed	Percentage of Shares
Non-public shareholdings		
a. Related parties	1,170,159,989	76.56%
b. Affiliates, directors and officers*	10,000	0%
Public shareholdings	358,304,011	23.44%
	1,528,474,000	100.00%

**Shareholdings represent 0.0007% of the total shares.*

The total number of shareholders of the Parent Company is 626 as at June 30, 2025 and December 31, 2024.

13. General and Administrative Expenses

This account consists of:

	Note	**June 30, 2025 (Unaudited)**	June 30, 2024 (Unaudited)
Professional fees		**₱1,138,750**	₱1,332,725
Depreciation	6	**879,245**	876,408
Outside services		**631,315**	841,585
Membership dues and other fees		**704,074**	120,360
Director's fees		**230,000**	310,000
Taxes and licenses		**13,958,516**	151,126
Transportation		**1,104,125**	26,801
Communication, light and water		**92,101**	564,797
Fines and penalties		**–**	50,000
Representation		**155,000**	31,390
Repairs and maintenance		**–**	16,657
Amortization		**13,500**	–
Others		**411,246**	504,445
		₱19,317,872	₱4,826,294

14. Income Taxes

The Group has no current income tax expense in 2025 and 2024 due to its gross and net taxable loss position.

The Group's unrecognized deferred tax assets as at June 30, 2025 and December 31, 2024 are as follows:

NOLCO	₱10,472,708
Excess MCIT	12,164
	₱10,484,872

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

As at June 30 2025, unused NOLCO that can be claimed as deduction from future taxable income are as follows:

Year	Balance at Beginning of Period	Incurred	Applied	Expired	Balance at End of Period	Year of Expiry
2024	₱–	₱7,671,898	₱–	₱–	₱7,671,898	2027
2023	12,687,516	–	–	–	12,687,516	2026
2022	8,075,626	–	(547,857)	–	7,527,769	2025
2021	7,719,361	–	–	–	7,719,361	2026
2020	6,284,288	–	–	–	6,284,288	2025
	₱34,766,791	₱7,671,898	(₱547,857)	₱–	₱41,890,832	

As at June 30, 2025, excess MCIT are as follows:

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

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

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

	2024
Provision for income tax at the statutory tax rate	₱4,325,794
Changes in unrecognized deferred tax assets	2,044,844
Change in tax rate	(263,834)
Add (deduct) tax effects of:	
Share in net income of an associate not subject to income tax	(5,876,333)
Nondeductible expenses	116,017
Interest income subjected to final tax	(10,037)
Expired NOLCO	–
Effects of consolidation	(336,451)
	₱–

15. **Basic and Diluted Earnings per Share**

Basic and diluted earnings per share are computed as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Net loss	**₱8,022,857**	(₱7,397,813)
Weighted average number of common shares outstanding	**1,528,474,000**	1,528,474,000
Earnings per share - basic and diluted	**₱0.005**	(₱0.005)

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

16. **Financial Risk Management Objectives and Policies**

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

Financial Risk Management Objectives and Policies

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

Credit Risk

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

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

Financial Assets at Amortized Cost

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

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

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

The table below presents the Group's financial assets at amortized cost which are categorized as high grade credit quality.

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash in banks	**₱55,739,104**	₱72,040,102
Due from related parties	**31,559,785**	31,449,785
	₱87,338,889	₱103,489,887

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

Liquidity Risk

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

The tables below summarize the maturity profile of the Group's financial liabilities at amortized cost as at June 30, 2025 and December 31, 2024 based on contractual undiscounted cash flows.

	June 30, 2025 (Unaudited)				
	On Demand	**Less than One Month**	**One Month to One Year**	**More than One Year**	**Total**
Accrued expenses	**₱–**	**₱348,200**	**₱–**	**₱–**	**₱348,200**
Due to related parties	**40,850**	**–**	**–**	**–**	**40,850**
Note payable	**1,671,501,723**	**–**	**–**	**–**	**1,671,501,723**
	₱1,671,542,573	**₱348,200**	**₱–**	**₱–**	**₱1,671,890,773**

	December 31, 2024 (Audited)				
	On Demand	Less than One Month	One Month to One Year	More than One Year	Total
Accrued expenses	₱–	₱706,261	₱–	₱–	₱706,261
Due to related parties	24,650	–	–	–	24,650
Note payable	1,671,501,723	–	–	–	1,671,501,723
	₱1,671,526,373	₱706,261	₱–	₱–	₱1,672,232,634

Fair Value of Financial Assets and Financial Liabilities

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

There are no transfers between levels of fair value hierarchy in 2025 and 2024.

17. Capital Management Objectives, Policies and Procedures

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

The Group considers its total equity amounting to ₱1,250.2 million and ₱1,242.2 million as at June 30, 2025 and December 31, 2024, respectively, as its capital.