

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
Sep 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)
[REDACTED]
7. Address of principal office
16th floor BDO Towers Valero (formerly Citibank Tower), 8741 Paseo de Roxas, Makati
City
Postal Code
1227
8. Issuer's telephone number, including area code
(+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.

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	Sep 30, 2025
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2025	Dec 31, 2024
Current Assets	83,290,957	121,997,897
Total Assets	3,097,626,826	2,914,785,381
Current Liabilities	1,671,770,362	1,672,605,588
Total Liabilities	1,671,770,362	1,672,605,588
Retained Earnings/(Deficit)	578,946,162	395,269,491
Stockholders' Equity	1,425,856,464	1,242,179,793
Stockholders' Equity - Parent	1,425,856,464	1,325,175,669
Book Value per Share	0.93	0.81

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	3,041	1,040,420	20,825	3,227,217
Gross Expense	1,342,160	2,821,686	3,860,500	7,647,980
Non-Operating Income	79,257,977	43,224,904	104,520,470	38,604,426

Non-Operating Expense	0	0	0	0
Income/(Loss) Before Tax	77,918,858	41,443,638	100,680,795	34,183,663
Income Tax Expense	0	124,993	0	262,831
Net Income/(Loss) After Tax	77,918,858	41,318,645	100,680,795	33,920,832
Net Income Attributable to Parent Equity Holder	77,918,858	41,050,748	100,680,795	32,505,259
Earnings/(Loss) Per Share (Basic)	0.05	0.03	0.07	0.02
Earnings/(Loss) Per Share (Diluted)	0.05	0.03	0.07	0.02

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.08	0.02
Earnings/(Loss) Per Share (Diluted)	0.08	0.02

Other Relevant Information

PLEASE SEE ATTACHED SEC FORM 17-Q.

Filed on behalf by:

Name	Catrese Ma. Lian Nadal
Designation	Legal Assistant

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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

Rolando S. Santos

(Contact Person)

(02) 8831-4479

(Company Telephone Number)

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Month Day
(Calendar Year)

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(Form Type)

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Month Day
(Annual Meeting)

N/A

Secondary License Type, If Applicable)

Finance Department

Dept. Requiring this Doc.

September 30, 2025

Period Ending Date

Total Amount of Borrowings

623

Total No. of Stockholders

1,671,501,723

Domestic

N/A

Foreign

To be accomplished by SEC Personnel concerned

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**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: **September 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

<u>Title of each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
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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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 financial statements for the 3rd quarter period ended September 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 September 30, 2025 and December 31, 2024 and Results of Operation for the Three Months and Nine Months ended September 30, 2025 and September 30, 2024

STATEMENT OF COMPREHENSIVE INCOME

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

Share in Net Income of an Associate

The Corporation's share in MARC's net income for the period increased significantly by ₱36.03 million, representing an 83.36% growth compared to the same period last year. This increase is primarily due to MARC's improved operating performance during the reporting period, which resulted in a higher share in the net income of an associate.

Rental Income

The Corporation's rental income decreased by ₱1.03 million, representing a 100.00% reduction compared to the same period last year. This change is entirely due to the transfer of the condominium unit and associated parking slots to our former subsidiary.

Expenses

The Corporation's expenses during the period decreased by ₱1.48 million or 52.43% compared with the same period last year. The main contributors to this reduction are as follows:

- **Taxes and licenses** decreased by ₱0.25 million (96.53%) was recorded. This change is primarily due to the prior year's payment to the SEC for the confirmation of the valuation of properties.
- **Membership dues and other fees** decreased by ₱0.93 million (100.00%), which resulted from the transfer of the condominium unit and parking slots to the former Subsidiary.
- **Depreciation** decreased by ₱0.39 million or 89.55% compared with the same period last year, due to the transfer of condominium unit and parking slots to its former Subsidiary.

Nine months ended September 30, 2025 compared with nine months ended September 30, 2024

Share in Net Income of an Associate

The Corporation's share increased significantly by ₱65.92 million, reflecting a growth of 170.75% compared to the same period last year. This increase is primarily due to MARC's improved operating performance, which resulted in a higher share in the net income of the associate.

Rental Income

The Corporation's rental income decreased by ₱3.20 million, representing a 100.00% reduction compared to the same period last year. This change is entirely due to the transfer of the condominium unit and associated parking slots to our former subsidiary.

Expenses

The Corporation's expenses during the period decreased by ₱3.79 million or 49.52% compared with the same period last year. The decrease is mainly attributed to the following items:

- **Taxes and licenses** decreased by ₱0.33 million or 81.72% decline compared to the prior period. This was primarily due to the payment made to the SEC for the confirmation of property valuation during the previous period.
- **Membership dues and other fees** decreased by ₱1.05 million or 99.72% decline compared to the prior period. This reduction resulted from the transfer of the condominium unit and parking slots to the former Subsidiary.
- **Depreciation** decreased by ₱1.31 million or 89.70% decline compared to the prior period. This was also due to the transfer of the condominium unit and parking slots to the former Subsidiary.

STATEMENT OF FINANCIAL POSITION

Assets

The Corporation's assets as of September 30, 2025 were increased by ₱100.33 million or 3.35% compared to the balances as of December 31, 2024. The increase was mainly due to the following:

- **Due from related properties** increased by ₱35.57 million or 113.09%, primarily due to advances made by a related party for its operations.
- **Investment in an associate** increased by ₱104.52 million or 3.79%, reflecting the share in the net income of MARC recognized during the period.
- **Investment in subsidiary** amounted to ₱149.65 million and was reclassified to investment in equity security at fair value through other comprehensive income (FVOCI).

The above increases were partly offset by the following:

- **Cash** decreased by ₱67.32 million or 93.41%, mainly due to the advances made by a related party for its operation.
- **Other current assets** decreased by ₱6.95 million or 37.62%, primarily due to the deconsolidation of its former Subsidiary during the period.
- **Investment property** decreased by ₱0.79 million or 2.43%, also due to the deconsolidation of its former Subsidiary during the period.
- **Property and equipment** decreased by ₱0.08 million or 15.07%, attributed to depreciation recognized during the period.

Liabilities

The total liabilities decreased by ₱0.84 million compared to the balances reported as of December 31, 2024. This reduction is primarily attributable to the payment of the audit fee for the Corporation's financial statements for the year ended 2024.

Equity

The Corporation's equity increased by ₱183.68 million, which represents a 46.47% rise compared to the balances recorded on December 31, 2024. This significant increase is primarily attributable to the net income recognized during the period.

STATEMENT OF CASH FLOWS

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

Net cash used in operating activities decreased by ₱0.82 million or 38.11% compared with the same period last year. This decrease is primarily attributed to the deconsolidation of a former subsidiary that occurred during the period.

Net cash used in investing activities during the period amounted to ₱45.00 million. This was due to advances made by a related party specifically for operational needs.

Nine months ended September 30, 2025 compared with nine months ended September 30, 2024

Net Cash Used in Operating Activities decreased significantly by ₱2.32 million, representing a 34.59% reduction compared to the same period last year. This decrease is primarily attributed to the deconsolidation of our former Subsidiary during the period.

Net Cash Used in Investing Activities for the period totaled ₱60.05 million. This amount is mainly due to advances made by a related party specifically for operational purposes.

Item 2 - Financial Statements

The unaudited financial statements of Bright Kindle Resources & Investments, Inc. as of September 30, 2025, and unaudited consolidated financial statements for the three months and nine months ended September 30, 2024 with a comparative consolidated 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:

			Horizontal Analysis		Vertical Analysis	
	Sept. 30, 2025 (Unaudited)	Dec. 31, 2024 (Audited)	Change	% Change	2025	2024
ASSETS						
Current Assets						
Cash	₱ 4,747,943	₱ 72,070,102	₱ (67,322,159)	(83.41%)	0.16%	2.47%
Due from related parties	67,017,262	31,449,785	35,567,477	113.09%	2.16%	1.08%
Other current assets	11,525,752	18,478,010	(6,952,258)	(37.62%)	0.37%	0.63%
Total Current Assets	83,290,957	121,997,897	(38,706,940)	(31.73%)	2.69%	4.18%
Non-current Assets						
Investment in an associate	2,864,228,820	2,759,708,350	104,520,470	3.79%	92.47%	94.68%
Investment in equity securities at FVOCI	149,650,500	-	149,650,500	-	4.83%	-
Property and equipment	502,295	537,567	(81,018)	(15.07%)	0.01%	0.02%
Investment in property	-	32,541,567	(32,541,567)	(100.00%)	-	1.12%
Total Noncurrent Assets	3,014,335,869	2,792,787,484	221,548,385	7.93%	97.31%	95.82%
	₱ 3,097,626,826	₱ 2,914,785,381	₱ 182,841,445	6.27%	100.00%	100.00%
LIABILITIES & CAPITAL DEFICIENCY						
Current Liabilities						
Note payable	₱ 1,671,501,723	₱ 1,671,501,723	₱ -	-	53.96%	57.34%
Accrued expenses and other current liabilities	268,639	1,079,215	(810,576)	(75.11%)	0.01%	0.04%
Due to related parties	-	24,650	(24,650)	(100.00%)	-	0.01%
Total Current Liabilities	1,671,770,362	1,672,605,588	(835,226)	(0.05%)	53.97%	57.39%
Equity						
Capital stock	840,660,700	840,660,700	-	-	27.14%	28.84%
Retained earnings	578,946,162	395,269,491	183,676,671	46.47%	18.69%	13.56%
Other comprehensive income	6,249,602	6,249,602	-	-	0.20%	0.21%
Total Equity	1,425,856,464	1,242,179,793	183,676,671	14.79%	46.03%	42.61%
	₱ 3,097,626,826	₱ 2,914,785,381	₱ 182,841,445	6.10%	100.00%	100.00%

	For the Three Months Ended Sept. 30			Variance	
	2025 (Unaudited)	2024 (Unaudited)		Increase (Decrease)	% Change
SHARE IN NET INCOME OF AN ASSOCIATE	₱ 79,257,977	₱ 43,224,904	₱	36,033,073	83.86%
EXPENSES	(1,342,160)	(2,821,686)		(1,479,526)	(52.43%)
RENTAL INCOME	-	1,029,954		(1,024,954)	(100.00%)
INTEREST INCOME	3,041	10,466		(7,425)	(70.94%)
INCOME BEFORE INCOME TAX	77,918,858	41,443,638		36,475,220	88.01%
PROVISION FOR INCOME TAX	-	(124,993)		(124,993)	(100.00%)
NET INCOME	77,918,858	41,318,645		36,600,213	88.58%
OTHER COMPREHENSIVE INCOME	-	-		-	-
TOTAL COMPREHENSIVE INCOME	₱ 77,918,858	₱ 41,318,645	₱	36,600,213	88.58%

	For the Nine Months Ended Sept. 30			Variance	
	2025 (Unaudited)	2024 (Unaudited)	Increase (Decrease)	% Change	
SHARE IN NET INCOME OF AN ASSOCIATE	₱ 104,520,470	₱ 38,604,426	₱ 65,916,044	170.75%	
EXPENSES	(3,860,500)	(7,647,980)	(3,787,480)	(49.52%)	
RENTAL AND OTHER INCOME	–	3,197,005	(3,197,005)	(100.00%)	
INTEREST INCOME	20,825	30,212	(9,387)	(31.07%)	
INCOME BEFORE INCOME TAX	100,680,795	34,183,663	66,497,132	194.53%	
PROVISION FOR INCOME TAX	–	(262,831)	(262,831)	(100.00%)	
NET INCOME	100,680,795	33,920,832	66,759,963	196.81%	
OTHER COMPREHENSIVE INCOME	–	–	–	–	
TOTAL COMPREHENSIVE INCOME	₱ 100,680,795	₱ 33,920,832	₱ 66,759,963	196.81%	

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. Brightstar Holdings and Development Inc. (BHDI), a former Subsidiary, issued 48,878,491,000 common shares out of the increase in its authorized capital stock pursuant to the Deed of Exchange it entered with the stockholders of Strong Built (Mining) Development Corporation. As a result, the Corporation lost control of BHDI and reported its figures only during the interim period.

- 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:

	September 30, 2025	December 31, 2024
Net income	₱100,680,795	₱17,303,176
Quick assets	71,765,205	103,519,887
Current assets	83,290,957	121,997,897
Total assets	3,097,626,826	2,914,785,381
Current liabilities	1,671,770,362	1,672,605,588
Total liabilities	1,671,770,362	1,672,605,588
Total Equity	1,425,856,464	1,242,179,793
Number of common shares outstanding	1,528,474,000	1,528,474,000

	September 30, 2025	December 31, 2024
Liquidity ratios:		
Current ratio ⁽¹⁾	0.05:1	0.07:1
Quick ratio ⁽²⁾	0.04:1	0.06:1
Solvency ratios:		
Debt ratio ⁽³⁾	0.54:1	0.57:1
Debt to Equity ratio ⁽⁴⁾	1.17:1	1.35:1
Profitability ratios:		
Income per share ⁽⁵⁾	0.07:1	0.01:1
Book value per share ⁽⁶⁾	0.93:1	0.81:1

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. 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 = 0.05:1

b. Quick Ratio

Quick asset / Total Current Liabilities = 0.04:1

Solvency Ratio

a. Debt Ratio

Total liabilities / Total assets = 0.54:1

b. Debt to Equity Ratio

Total liabilities / Total Equity = 1.17:1

Profitability Ratio

a. Return on Equity Ratio

Net Income (Loss) / Average Shareholders' Equity = 0.08:1

b. Return on Assets Ratio

Net Income (Loss) / Average Total assets = 0.03:1

c. Asset to Equity Ratio:

Total Assets / Total Equity = 2.17:1

d. Asset Turnover:

Revenue / Total Assets = 0.00001

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:  **AUGUSTO C. SERAFICA, JR.**
President and CEO

Date: November 14, 2025

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

Date: November 14, 2025

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

	Note	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS			
Current Assets			
Cash	4	₱4,747,943	₱72,070,102
Due from related parties	11	67,017,262	31,449,785
Other current assets	5	11,525,752	18,478,010
Total Current Assets		83,290,957	121,997,897
Noncurrent Assets			
Investment in an associate	8	2,864,228,820	2,759,708,350
Investment in equity security at fair value through other comprehensive income (FVOCI)	7	149,650,500	–
Investment property		–	32,541,567
Property and equipment	6	456,549	537,567
Total Noncurrent Assets		3,014,335,869	2,792,787,484
		₱3,097,626,826	₱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	268,639	1,079,215
Due to related parties	11	–	24,650
Total Current Liabilities		1,671,770,362	1,672,605,588
Equity			
Capital stock	12	840,660,700	840,660,700
Retained earnings		578,946,162	395,269,491
Other comprehensive income		6,249,602	6,249,602
Total Equity		1,425,856,464	1,242,179,793
		₱3,097,626,826	₱2,914,785,381

See accompanying Notes to Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

		Three Months Ended September 30	
	Note	2025	2024
SHARE IN NET INCOME OF AN ASSOCIATE	8	₱79,257,977	₱43,224,904
GENERAL AND ADMINISTRATIVE EXPENSES	13	(1,342,160)	(2,821,686)
RENTAL INCOME		–	1,029,954
INTEREST INCOME	4	3,041	10,466
INCOME BEFORE INCOME TAX		77,918,858	41,443,638
PROVISION FOR INCOME TAX	14	–	(124,993)
NET INCOME		77,918,858	41,318,645
OTHER COMPREHENSIVE INCOME			
<i>Not to be reclassified to profit or loss in subsequent period -</i>			
Share in other comprehensive income of an associate	8	–	–
TOTAL COMPREHENSIVE INCOME		₱77,918,858	₱41,318,645
INCOME PER SHARE - BASIC AND DILUTED	15	₱0.05	₱0.03

See accompanying Notes to Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Nine Months Ended September 30	
		2025	2024
SHARE IN NET INCOME OF AN ASSOCIATE	8	₱104,520,470	₱38,604,426
GENERAL AND ADMINISTRATIVE EXPENSES	13	(3,860,500)	(7,647,980)
RENTAL AND OTHER INCOME		–	3,197,005
INTEREST INCOME	4	20,825	30,212
INCOME BEFORE INCOME TAX		100,680,795	34,183,663
PROVISION FOR INCOME TAX	14	–	(262,831)
NET INCOME		100,680,795	33,920,832
OTHER COMPREHENSIVE INCOME			
<i>Not to be reclassified to profit or loss in subsequent period -</i>			
Share in other comprehensive income of an associate	8	–	–
TOTAL COMPREHENSIVE INCOME		₱100,680,795	₱33,920,832
INCOME PER SHARE - BASIC AND DILUTED	15	₱0.07	₱0.02

See accompanying Notes to Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Note	September 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		478,265,367	377,966,315
Net income		100,680,795	17,303,176
Balance at end of period		578,946,162	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
		₱1,425,856,464	₱1,242,179,793

See accompanying Notes to Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.**UNAUDITED STATEMENTS OF CASH FLOWS**

		Three Months Ended September 30	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱77,918,858	₱41,443,638
Adjustments for:			
Share in net income of an associate	8	(79,257,977)	(43,224,904)
Depreciation	6	45,743	437,809
Interest income	4	(3,041)	(10,466)
Operating loss before working capital changes		(1,296,417)	(1,353,923)
Decrease (increase) in other current assets		52,993	(1,013,474)
Increase (decrease) in accrued expenses and statutory payables		(97,685)	319,802
Net cash used for operations		(1,341,109)	(2,047,595)
Interest received		3,041	10,466
Income tax paid		–	(124,993)
Net cash used in operating activities		(1,338,068)	(2,162,122)
CASH FLOWS FROM AN INVESTING ACTIVITY			
Advances to related parties	11	(44,999,999)	247,968
CASH FLOW FROM A FINANCING ACTIVITY			
Advances from related parties		–	5,400
NET DECREASE IN CASH		(46,338,067)	(1,908,754)
CASH AT BEGINNING OF PERIOD		51,086,010	79,276,180
CASH AT END OF PERIOD		₱4,747,943	₱77,367,426

See accompanying Notes to Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.**UNAUDITED STATEMENTS OF CASH FLOWS**

		Nine Months Ended September 30	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		₱100,680,795	(₱34,183,663)
Adjustments for:			
Share in net loss (income) of an associate	8	(104,520,470)	(38,604,426)
Depreciation	6	135,418	1,314,217
Interest income	4	(20,825)	(30,212)
Operating loss before working capital changes		(3,725,083)	(3,136,758)
Increase in other current assets		(333,351)	(3,365,560)
Increase (decrease) in accrued expenses and statutory payables		(351,548)	24,230
Net cash used for operations		(4,409,982)	(6,478,088)
Interest received		20,825	30,212
Income tax paid		–	(262,831)
Net cash used in operating activities		(4,389,157)	(6,710,707)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances to related parties	11	(60,000,000)	(7,836,935)
Additions to property and equipment	6	(54,399)	(46,944)
Dividends received		–	60,000,000
Net cash provided by (used in) investing activities		(60,054,399)	52,116,121
CASH FLOW FROM A FINANCING ACTIVITY			
Advances from related parties		–	5,400
NET INCREASE (DECREASE) IN CASH		(64,443,556)	45,410,814
CASH AT BEGINNING OF PERIOD		69,191,499	31,956,612
CASH AT END OF PERIOD		₱4,747,943	₱77,367,426

See accompanying Notes to Financial Statements.

BRIGHT KINDLE RESOURCES & INVESTMENTS, INC.
UNAUDITED NOTES TO FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025 AND DECEMBER 31, 2024
AND FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

1. Corporate Information

General Information

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

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

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

2. Summary of Material Accounting Policy Information

The material accounting policy information that has been used in the preparation of the financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

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

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

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

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

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

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

Adoption of Amended PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year. Relevant amendments to PFRS Accounting Standards effective beginning January 1, 2024 did not have any material effect on the financial statements of the Company.

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

Investment in an Associate

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

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

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

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

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

Investment 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 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 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.

Other Comprehensive Income (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 Company pertains to accumulated share in OCI of an associate. This is not reclassified to profit or loss in subsequent period.

Income Taxes

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

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward benefits of any unused net operating loss carryover (NOLCO), 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 Company and held as treasury shares.

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

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

Related Party 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.

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

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

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 Company'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 Company's 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 Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

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

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

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

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

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

Classification of a Property. The Company 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 Company, 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 September 30, 2025 and December 31, 2024 are disclosed in Notes 6 and 7.

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

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

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

In determining the recoverable amount, the Company is required to make estimates and assumptions such as commodity prices, discount rates, and foreign currency exchange 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 Company'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 Company 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 Company 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 Company's property and equipment in 2025 and 2024. The carrying amounts of property and equipment are disclosed in Note 6.

Assessing the Impairment of Other Nonfinancial Assets. The Company 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 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.

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 Company'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 Company's nonfinancial assets. Accordingly, no impairment loss was recognized in 2025 and 2024.

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

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

4. Cash

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand	₱19,374	₱30,000
Cash in banks	4,728,569	72,040,102
	₱4,747,943	₱72,070,102

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned amounted to ₱20,825 and ₱35,856 in 2025 and 2024, respectively.

5. Other Current Assets

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Input Value-Added Tax	₱10,635,310	₱10,390,650
Prepaid Tax	597,806	597,806
Prepayments	268,136	7,100,485
Others	24,500	389,069
	₱11,525,752	₱18,478,010

6. Property and Equipment

Details and movements in this account are as follows:

	Note	September 30, 2025 (Unaudited)			Total
		Condominium Unit	Office Furniture and Fixtures	Computer Equipment	
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		–	24,623	110,795	135,418
Balance at end of period		–	1,862,967	391,274	2,254,241
Carrying Amount		₱–	₱120,602	₱335,947	₱456,549

	Note	December 31, 2024 (Audited)			Total
		Condominium Unit	Office Furniture and Fixtures	Computer Equipment	
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 September 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	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Property and equipment		₱135,418	₱1,357,241
Investment property		–	394,786
		₱135,418	₱1,752,027

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

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

On September 12, 2024, the Company 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 in Subsidiary

Movements in this account follows:

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance at beginning of period	₱–	₱37,500,000
Addition	–	112,150,500
Reclassification	–	–
Balance at end of period	–	149,650,500

In 2022, the Company subscribed to 375,000,000 common shares of BHDl for a consideration of ₱ 37,500,000 equivalent to a full ownership interest. The Company has initially paid ₱9.4 million of the total subscription. Subscription payable amounting to ₱28.1 million as at December 31, 2022 was paid in full in 2023.

In January 20, 2023, the Company subscribed additional 1,121,505,000 common shares of BHDl at ₱ 0.1 par through a property-for-share swap transaction. On September 12, 2024, upon receipt of the certificate approval of valuation from the SEC, the Company transferred the subject property to BHDl in exchange for BHDl's shares valued at ₱112.2 million (see note 6).

BHDl was incorporated and registered with the SEC on May 27, 2022. It is primarily engaged in dealing with all kinds of property, including but not limited to bonds, debentures, promissory notes, shares of stock, or other securities or obligations without engaging in the business of an investment company under the Investment Company Act or a finance company or a broker or dealer in securities.

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

On January 22, 2025, BHDl entered a Deed of Exchange under which BHDl shall:

- (a) issue 48,878,491,000 common shares out of the increase in its authorized capital stock for a consideration of ₱4,887,849,100 in the form of the common shares of Strong Built (Mining) Development Corporation ("SBMDC");
- (b) assign, transfer, and convey its condominium unit and parking slots valued at ₱112,150,500 based on zonal value in exchange for the common shares of SBMDC.

Upon issuance of BHDl shares, the third parties, i.e., the shareholders of SBMDC, shall gain control of BHDl by acquiring 97% of BHDl's outstanding capital stock after the increase in capital stock. The transaction is pursuant to the approval of a share-for-share swap wherein the shares will be exchanged for shares, and subject to the approval of increase of capital stock by the SEC, and the confirmation of the tax-free exchange application with the Bureau of Internal Revenue (BIR).

In addition, the assignment of its condominium unit and parking slots shall assist BHDl in the acquisition of SBMDC shares.

On July 3, 2025, BHDl obtained the certificate of approval of increase of capital stock from the SEC. As at September 30, 2025, BHDl has yet to receive confirmation from the BIR whether the share-for-share swap transaction qualifies as a tax-free exchange.

On August 4, 2025, BHDl and the third parties executed a Mutual Agreement to Rescind under which BHDl shall no longer transfer its condominium unit and parking slots to third parties.

As at September 30, 2025, the Company lost control over BHDl, the Company reclassified the Company's investment in subsidiary to investment in equity security at FVOCI.

8. Investment in an Associate

Movements in this account are as follows:

	September 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	104,520,470	23,505,331
Balance at end of period	253,979,218	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	₱2,864,228,820	₱2,759,708,350

The Company has 600,000,000 shares of Marcventures Holdings, Inc. (MARC) representing 19.90% equity interest as at September 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:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Total current assets	₱1,959,309,057	₱813,509,424
Total noncurrent assets	4,823,583,905	4,992,779,804
Total current liabilities	728,017,677	284,253,113
Total noncurrent liabilities	616,466,077	608,855,399
Revenue	2,295,653,271	1,716,215,975
Net income	525,228,491	118,117,245
Other comprehensive income loss	–	(2,310,118)
Total comprehensive income	525,228,491	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 September 30, 2025 and December 31, 2024 are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Net assets as at beginning of period	₱4,913,180,717	₱4,797,373,590
Net income	525,228,491	118,117,245
Other comprehensive loss	–	(2,310,118)
Net assets as at end of period	5,438,409,208	4,913,180,717
Equity interest*	19.90%	19.90%
Share in net assets of associate	1,082,238,715	977,718,245
Goodwill on acquisition and others	1,781,990,105	1,781,990,105
Carrying amount	₱2,864,228,820	₱2,759,708,350

*Rounded to the nearest ones

9. Accrued Expenses and Statutory Payables

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Accrued expenses	P257,713	P706,261
Statutory payables	10,926	372,954
	P268,639	P1,079,215

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 Company's note payable amounting to P1,671.5 million as at September 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		Outstanding Balances	
			2025	2024	Sept. 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Due from Related Parties						
Parent Company		Advances for working capital	P-	P-	P7,000,000	P7,000,000
Entities under common management		Advances for working capital	60,000,000	11,029,574	60,017,262	24,449,785
					P67,017,262	P31,449,785
Note Payable						
<i>Entity under common management -</i>						
TMEE	10	Note payable	P-	P-	P1,671,501,723	P1,671,501,723
Due to Related Parties						
<i>Entity under common management:</i>						
Marcventures Mining and Development Corporation (MMDC)		Advances for working capital	P-	P19,500	P-	P24,650
Other Income						
<i>Entity under common management -</i>						
MMDC		Other income	P-	P-	P-	P107,143

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.

Compensation of Key Management Personnel

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

12. Equity

On March 21, 1995, the SEC approved the listing of the Company's 118,000,000 shares at an offer price of ₱1.00 per share. Accordingly, on the same date, the Company listed its shares with PSE. Subsequently, the par value of the 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 Company's listed shares in the PSE are 1,528,474,000 as at September 30, 2025 and December 31, 2024.

The following summarizes the information on the Company's issued and subscribed shares as at September 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 Company is 623 as at September 30, 2025 and December 31, 2024.

13. General and Administrative Expenses

This account consists of:

	Note	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Professional fees		₱1,614,000	₱1,867,725
Depreciation	6	135,417	1,314,217
Outside services		843,230	1,283,531
Membership dues and other fees		2,917	1,055,236
Director's fees		410,000	660,000
Taxes and licenses		74,522	407,770
Communication, light and water		101,332	156,916
Others		679,082	902,585
		₱3,860,500	₱7,647,980

14. Income Taxes

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

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

NOLCO	₱10,472,708
Excess MCIT	12,164
	<u>₱10,484,872</u>

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

As at September 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
	<u>₱34,766,791</u>	<u>₱7,671,898</u>	<u>(₱547,857)</u>	<u>₱-</u>	<u>₱41,890,832</u>	

As at September 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
	<u>₱12,164</u>	<u>₱-</u>	<u>₱-</u>	<u>₱12,164</u>	

Under Republic Act No. 11494, also known as "Bayanihan to Recover as One Act" and Revenue Regulations No 25-2020, the Company 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 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)
	<u>₱-</u>

15. Basic and Diluted Earnings per Share

Basic and diluted earnings per share are computed as follows:

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Net income	₱100,680,795	₱33,920,832
Weighted average number of common shares outstanding	1,528,474,000	1,528,474,000
Earnings per share - basic and diluted	₱0.07	₱0.02

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

16. Financial Risk Management Objectives and Policies

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

Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash, 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 Company's operations. The main risks arising from the use of

these financial instruments are credit risk and liquidity risk. Management reviews and approves the policies for managing each of these risks which are summarized below.

Credit Risk

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

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

Financial Assets at Amortized Cost

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

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

Generally, financial assets at amortized cost are written-off when there is no reasonable expectation of recovery. Indicators 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 Company's financial assets at amortized cost which are categorized as high-grade credit quality.

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash in banks	₱4,728,569	₱72,040,102
Due from related parties	67,017,262	31,449,785
	₱71,745,831	₱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 Company's financial liabilities at amortized cost as at September 30, 2025 and December 31, 2024 based on contractual undiscounted cash flows.

	September 30, 2025 (Unaudited)				Total
	On Demand	Less than One Month	One Month to One Year	More than One Year	
Accrued expenses	₱–	₱257,713	₱–	₱–	₱257,713
Due to related parties	–	–	–	–	–
Note payable	1,671,501,723	–	–	–	1,671,501,723
	₱1,671,501,723	₱257,713	₱–	₱–	₱1,671,759,436

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

The Company considers its total equity amounting to ₱1,425.9 million and ₱1,242.2 million as at September 30, 2025 and December 31, 2024, respectively, as its capital.

There has been no change in objectives, policies, processes as at September 30, 2025 and December 31, 2024.