



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**SEC Registration No.:** AS93000120

**Company Name:** FORUM PACIFIC INC

**Industry Classification:** J66940

**Company Type:** Stock Corporation

## Document Information

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

# Certification

I, Annabelle T. Abunda, Finance and Compliance Officer of Forum Pacific, Inc., with SEC registration number AS93000120 with principal office at 35<sup>th</sup> Flr. One Corporate Center, Doña Julia Vargas, cor. Meralco Ave., Ortigas Center, Pasig City, on oath state:

- 1) That on behalf of Forum Pacific, Inc., I have caused this Annual Report 2024 SEC Form 17-A to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the company, Forum Pacific, Inc., will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

22 APR 2025

IN WITNESS WHEREOF, I have hereto set my hands this \_\_\_\_\_ day of \_\_\_\_\_, 2025.



Annabelle T. Abunda

Affiant

TIN: 205-231-659

22 APR

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

NOTARY PUBLIC



**ATTY. FELIZARDO M. IBARRA**

Notary Public for Q.C./Until Dec. 31, 2025

Roll No. 80835

PTR No. 6986788D/Jan.07, 2025/Q.C.

IBP No. 331161(2024-2025)/Q.C

MCLE Comp. No. VIII-0000973(04/15/2022-04/14/2025)

Admin. Matter No. NP. 088(2025-2026)

Quirino Highway Brgy., Kaligayahan Q.C.

DNC NO. Uay  
PAGE NO. ds  
BOOK NO. xxxxx  
SERIES OF 2021

**COVER SHEET**

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SEC Registration No.

F O R U M P A C I F I C , I N C .

(Company's Full Name)

3 5 F O N E C O R P O R A T E C E N T R E

D O N A J U L I A V A R G A S C O R M E R A L C O

A V E . O R T I G A S C E N T E R P A S I G

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

**Amando J. Ponsaran, Jr.**

Contact Person

**(632) 8706-7888**

Contact Telephone No.

1 2      3 1

Fiscal Year

1 7 - A

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles  
Number/Section

**856**

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

Annual Report: FPI

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-A**

**ANNUAL REPORT PURSUANT TO SECTION 11  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the Calendar Year ended December 31, 2024
  
2. SEC Identification Number AS93000120
  
3. BIR Tax Identification No. 002-155-598-000
  
4. **FORUM PACIFIC, INC.**  
Exact name of registrant as specified in its charter
  
5. **Metro Manila, Philippines**  
Province, country or other jurisdiction of incorporation or organization
  
6. (SEC Use only)  
Industry Classification Code
  
7. **35/F, One Corporate Centre, Doña Julia Vargas Ave., cor. Meralco Ave. Ortigas Center, Pasig City**  
Address of principal office
  
8. **Telephone No. 8706-7888**  
Registrant's telephone number, including area code
  
9. **Not applicable**  
**Former name**, former address, and former fiscal year, if changed since last report.
  
10. Securities registered pursuant to Sections 4 and 8 of the RSA:

<u>Title of Each Class</u>	<u>No. of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Shares – ₱1.00 par value	Issued - ₱1,838,943,246 (Partially paid Subscription – ₱1,148,264,079)

11. Are any or all of these securities listed on the Philippine Stock Exchange?  
Yes [  ]                      No. [  ]

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 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 that the registrant was required to file such reports);

Yes [  ]      No [  ]

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

Yes [  ]      No [  ]

13. The aggregate market value of the voting stock held by non-affiliates: ₱202,583,861

14. Not Applicable

## PART I – BUSINESS AND GENERAL INFORMATION

### **Item 1. Business**

Forum Pacific, Inc. is a company incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 8, 1993, with a principal office at the 35th Floor One Corporate Centre, Doña Julia Vargas Ave. corner Meralco Ave., Ortigas Center, Pasig City.

The shares of FPI are listed and traded in the Philippine Stocks Exchange or PSE. Formerly known as Air Philippines International Corporation, FPI was registered to engage in investing, purchasing and acquiring assets of any kind and description with the secondary purpose of engaging in the exploration, development and production of petroleum and related products, as well as other mineral and chemical substances.

#### *Business Focus for the Coming Year*

The investment made during 2017 in Taguig Lake City Development Corporation, a corporation engaged in the real estate industry, is starting to show some results, now that the Laguna Lake Development Authority has responded positively to this Company's proposals to rehabilitate the Laguna de Bay. The Company will continue to support the progress of TLDCD in this regard.

The Company will further scan for business target projects, and welcome other business opportunities from different industries apart from oil and gas and mineral exploration. As mentioned above, the management is currently discussing on how the Company will proceed with its remaining 33.33% capital stock investment in Forum Exploration, Inc., specifically whether to sell its interest or enter into partnership with potential buyers.

On the other hand, given the growing requirements for power, the Company is actively looking into the traditional energy business, concentrating on cheap and consistent coal power for the country's base loads. Demand and supply studies, as well as site feasibility analysis and the selection of green and clean coal technologies are being conducted by select engineering advisers of the Company. On the other hand, the Company is also considering investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy and nuclear power. The management is also conducting research and feasibility studies on various renewable projects, albeit utilizing more stringent investment hurdles, given that renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

The Company's management believes that such financial support and the discussed management plans are sufficient to provide the Company the ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

#### **Description of Registrant**

##### **(i) Principal products and services**

Forum Pacific Inc. is a publicly listed holding company owning shares of stocks of an exploration company.

##### **(ii) Export Sales**

Forum Pacific, Inc. is not engaged in export sales.

##### **(iii) Distribution Methods of the Products**

Forum Pacific, Inc. has no distributions of products.

##### **(iv) Publicly-announced new product or service**

Forum Pacific, Inc. has no publicly-announced product or service.

##### **(v) Competition**

Since the Company is still on the exploration period, the company is not engaged in any competitions.

##### **(vi) Sources and availability of raw materials and principal supplier**

None

**(vii) Dependence on one or few major customers**

Forum Pacific, Inc. is not dependent on any one industry, company or customers.

**(viii) Transactions with and/or dependence on related parties**

Forum Pacific, Inc. has no major transactions on related parties.

**(ix) Patent, Trademark, Copyright, Franchise, Concession or Royalty Agreement**

None

**(x) Government Approval of Principal Products or Services**

Forum Pacific, Inc. has no major approval from the government.

**(xi) Effect of Existing or Probable Governmental Regulations on Business**

None

**(xii) Estimate of the Amount Spent During Each Year of the Last Three Calendar Years on Research and Development Activities**

None

**(xiii) Cost and Effects of Compliance with Environmental Laws**

Forum Pacific, Inc. has no cost and effects of compliance with environmental laws.

**(xiv) Total Number of Fulltime Employees (as of December 31, 2024)**

None. The Company is under a Management Agreement with affiliated company providing consultancy and management services for the Company.

**(xv) Major Risk**

None

**Additional Requirements as to Certain Issues or Issuers**

Not Applicable

**Item 2. Legal Proceedings**

A case of illegal dismissal and claims for unpaid salaries, back wages, separation pay and damages was filed by an employee (logistic coordinator), on February 1996. The respondents on the said case are James Dale Hood, Air Philippines International (Formerly Cophil Exploration & Drilling Co., Air Philippines International, Inc.) and Forum Exploration, Inc. The company's legal counsel is set to meet with the Sheriff or labor officer in-charge of the case. As of December 31, 2024, the claimant didn't make any demands or appeared before the Company's principal office address to enforce the said writ of execution.

**Item 3. Submission of Matters to a Vote of Security Holders**

There were no matters submitted to a vote of security holders during the calendar year covered.

**Item 4. Properties**

The Company leases an office space from The Wellex Group, Inc. (TWGI) located at the 35<sup>th</sup> Floor One Corporate Centre, Doña Julia Vargas Ave. corner Meralco Ave., Ortigas Center, Pasig City. The lease started May 2014 and has been renewed until April 30, 2026. Office space monthly rental including storage room usage and utilities is ₱18,500, exclusive of VAT and withholding tax.

## PART II – OPERATIONAL AND FINANCIAL INFORMATION

### **Item 5. Market for Issuer's Common Equity and Related Stockholder Matters**

#### **Market Information**

The principal market of Forum Pacific Inc. common equity is the Philippine Stock Exchange, Inc. (PSE) where it was listed last December 19, 1994. The high and low sales prices by quarter for the last 3 years are as follows:

		High	Low
2024	First Quarter	0.210	0.210
	Second Quarter	0.250	0.250
	Third Quarter	0.201	0.201
	Fourth Quarter	0.210	0.210
2023	First Quarter	0.230	0.230
	Second Quarter	0.206	0.205
	Third Quarter	0.212	0.200
	Fourth Quarter	0.200	0.200
2022	First Quarter	0.290	0.206
	Second Quarter	0.208	0.206
	Third Quarter	0.270	0.204
	Fourth Quarter	0.230	0.230

The high, low and close market prices is ₱0.22 as of April 8, 2025 (latest practicable trading date).

The Corporation has only one class of registered security, "Class A – Common Shares".

#### **Dividends**

The company's Articles of Incorporation states that dividends may be declared only out of the unrestricted retained earnings. The Company has declared no cash dividends on its common shares for the previous years. The Company's financial statements as of December 31, 2024 reflect negative retained earnings. Thus, unless the Company's retained earnings position changes, the directors will not be able to legally declare any dividends on its common shares.

Forum Pacific Inc. has no restrictions that limit the ability to pay dividends on common equity.

#### **Recent Sales of Unregistered or Exempt Securities**

There are no recent sales of unregistered or exempt securities.

#### **Holdings**

The number of shareholders of record as of December 31, 2024 was 856. Common shares issued and subscribed were 1,838,943,246.

Top 20 Stockholders as of December 31, 2024 are as follows:

	Name	Number of Shares Held	% Total
1	INTERNATIONAL POLYMER CORPORATION	496,887,494	26.501
2	PCD NOMINEE CORPORATION	440,155,274	23.475
3	THE WELLEX GROUP, INC.	376,950,000	20.104
4	E.F. DURKEE & ASSOCIATES, INC.	77,838,563	4.151
5	INTRA-INVEST SEC., INC.	48,159,000	2.568
6	METROPOLITAN MANAGEMENT CORPORATION	30,000,000	1.600
7	JUANITO C. UY	22,625,001	1.207
8	PACRIM ENERGY N.L.	21,000,000	1.120
9	SAPPHIRE SECURITIES INC.	19,433,500	1.036
10	BENITO ONG AND/OR ZITA Y. ONG	18,000,000	0.960

11	PCD NOMINEE CORP. (NON-FILIPINO)	12,550,050	0.669
12	NESTOR S. MANGIO	12,500,000	0.667
13	A & A SECURITIES, INC.	11,911,320	0.635
14	MARK SECURITIES CORPORATION	10,772,800	0.575
15	GLOBALINKS SEC & STOCKS, INC. A/C # CWUSO001	9,400,000	0.501
16	BELSON SECURITIES, INC.	9,200,000	0.491
17	WEALTH SECURITIES, INC.	8,240,000	0.439
18	RUBEN M. GAN	7,610,000	0.406
19	LI CHIH-HUI	7,100,000	0.379
20	DAVID GO SECURITIES CORPORATION	6,880,000	0.367

Equity Ownership of Foreigners as of December 31, 2024:

Class of Security	Total Outstanding Shares	Shares Allowed to Foreigners	Shares Owned by Foreigners	% Owned by Foreigners	Shares Owned by Filipino	% Owned by Filipino
"A"	1,838,943,246	735,577,298	42,494,942	2.3108	1,796,448,304	97.6892

## **Item 6. Management's Discussion and Analysis or Plan of Operations**

### **(1) Management's Discussion and Analysis**

#### **Key Performance Indicators**

The company determines its performance on the following five (5) indicators:

1. Advances to Related Parties – currently, The Wellex Group, Inc. (TWGI), one of the company's major stockholders, is funding all operational expenses of the Company. Total advances added/(deducted) as of December 31, 2024 and 2023 are (₱3,623,291) and (₱2,463,357) (excluding interest income on the loans to TWGI amounting to ₱5,933,195 and ₱5,933,195 in 2024 and 2023), respectively.
2. Current Ratios - current assets against the current liabilities of the Company. It measures the company's ability to pay short-term obligations. Current ratio for the year 2024 is 3.73% and 3.79% for 2023. A significant decrease in the ratio by 0.06% was mainly due to net decrease in current assets of ₱1,257 and increase in current liabilities of ₱23,869 in 2024. The net decrease is composed of cash flows from operating, investing and financing activities.
3. Cash Ratio - the most conservative liquidity ratio. It excludes all current assets except the most liquid: cash and cash equivalents. It measures the amount of cash and cash equivalents there are in the current assets to cover current liabilities. The cash ratio of the company for the year 2024 is 2.57% and 2.71% for 2023. Same with the current ratio, decrease in cash ratio was due to decrease in cash resulting from the Company's cash flows from operating, investing and financing activities and increase in current liabilities.
4. Debt ratio - it is one of the financial leverage ratios which measure the extent to which the firm is using long term debt. Formula is total debt divided by total assets. Debt ratio for the year 2024 is 2.47% and 2.38% for 2023.
5. Debt-to-equity ratio - the formula is total debt divided by total equity. It indicates what proportion of equity and debt that the company is using to finance its assets. The debt to equity ratio for the year 2024 is 2.53% and 2.44% for 2023.

Indicator	2024	2023
Advances ratio	<b>1.38%</b>	0.95%
Current ratio	<b>3.73%</b>	3.79%
Cash ratio	<b>2.57%</b>	2.71%
Debt ratio	<b>2.47%</b>	2.38%
Debt-to-equity ratio	<b>2.53%</b>	2.44%

## Financial Highlights

The following table shows the comparative operating data and financial statements of the Company for the years ending December 31, 2024, 2023 and 2022.

	2024	2023	2022
Revenues	₱-	₱-	₱-
Cost and Expenses	2,469,340	2,253,286	2,190,963
Gross Profit (Loss)	(2,469,340)	(2,253,286)	(2,190,963)
Other income	6,441,539	5,965,242	5,933,353
Other expense	(21,539,580)	(206,109)	(626,641)
Net income (loss) before tax	(17,567,381)	3,505,847	3,115,749
Benefit from (provision for) income tax			
Current	884,336	938,400	279,347
Deferred	(518)	202	(63,825)
Net income (loss) for the year	(₱18,451,199)	₱2,567,245	₱2,900,227
Other comprehensive loss:			
Unrealized gain (loss) on AFS financial asset	(65,866,850)	(2,760,810)	(6,776,535)
Total comprehensive income (loss) for the year	(84,318,049)	(193,565)	(3,876,308)
Earnings (loss) per share	(₱0.016)	₱0.002	₱0.002

## CHANGES IN RESULTS OF OPERATION

### Revenues and Earnings per share

Since the company ceased to have control over Express Savings Bank, Inc. and still banking on new petroleum and gas service contracts, the company has no revenues recorded in the year 2024, 2023 and 2022.

The company incurred income/(losses) of (₱18.5 million), ₱2.6 million and ₱2.9 million in 2024, 2023 and 2022, respectively. Income/(Loss) per share for 2024, 2023 and 2022 were (₱0.016), ₱0.002 and ₱0.002, respectively. The company charges interest income on its advances to related parties which is one of the company's source of other income. Additionally, in line with the plan for the next twelve months, the Board will continue to explore business opportunities to aspire for maximized potential earnings and also banks on its business investment in Forum Exploration, Inc., the project operator for Libertad Gas Field or Service Contract (SC40).

### Cost and Expenses

Cost and expenses consisted primarily of professional fees, management fee, membership fee and dues, depreciation, publication fee, utilities, donation, taxes and licenses, transportation, office supplies and miscellaneous. For the years 2024 and 2023 amounts recorded were ₱2.5 million and ₱2.3 million, respectively.

Increase of ₱0.2 million or 8.70% is mainly attributable to the net effect of increase in professional fees by ₱0.2 million, increase in taxes and licenses by ₱0.04 million, decrease in depreciation expense by ₱0.01 million, decrease in membership fees and dues by ₱0.01 million, decrease in miscellaneous and other expenses by ₱0.02 million.

### Other Income (Expenses) and Finance Cost

This account is composed of interest income in advances to related parties and cash in bank, unrealized foreign exchange gain (loss), recovery on (provision for) impairment of input tax and finance cost and provision for impairment on advances to related parties.

For 2024, the Company recorded a recovery of allowance for impairment of input tax amounting to ₱508,246 and allowance for impairment of input tax amounting to ₱199,458 for the year 2023. Unrealized foreign exchange gain/(loss) for 2024 and 2023 are (₱205,232) and ₱31,925, respectively. It arises from the fluctuation of Peso to U.S. dollar exchange rates on the Company's payable to FEI, Ltd. amounting to \$82,922 as of December 31, 2024.

Interest income in banks for 2024, 2023 and 2022 amounted to ₱98, ₱122 and ₱158, respectively. The company reported interest income in advances to related parties in 2024, 2023 and 2022 amounting to ₱5,933,195, ₱5,933,195 and ₱5,933,195, respectively.

The Company also reported a Finance cost in 2024, 2023 and 2022 amounted to ₱13,581, ₱6,651 and ₱14,789, respectively.

During 2024, the company recorded a provision for impairment on its receivables from an affiliate, The Wellex Group, Inc. in the amount of ₱21,320,767 due to assessment that portion of the receivable is more likely unrecoverable.

## **CHANGES IN FINANCIAL CONDITION**

### **ASSETS**

#### *Cash*

Cash in bank carries interest at respective bank deposit rate. For the year 2024 and 2023, the total cash and cash equivalents were ₱91,574 and ₱95,841, respectively. On July 19, 2012, the Board of Directors approved the opening of a deposit account with Banco De Oro-Meralco Ave. - Branch to facilitate the collection and disbursement processes of the company.

#### *Prepayments and other current assets*

The account is composed of advances to officers and employees and other assets amounting to ₱41,213 and input tax of ₱2,325,446 with full valuation allowance for impairment as of December 31, 2024. Input VAT decreased by ₱508,246 or 17.94% in 2024 due to offsetting against output tax from interest income recorded for the year.

Input tax is stated at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide potential uncollectible portion of the claims. The Company, on a continuing basis, makes a review of the status has no outstanding balance for the year ended December 31, 2024 and 2023. The Company has provided full valuation allowance on all its input tax for 2023 as it sees no economic use for it in the future. During 2024, the company, pursuant to the revenue regulations issued by the Bureau of Internal Revenue (RR No.3-2024), don't recognized provision for impairment on input VAT but recorded a recovery of allowance instead. Balance of input VAT was offset to output VAT from interest income recorded during the year.

#### *Advances to related parties (net)*

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured and partially impaired. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting arrangement. This account consists of advances to Forum Exploration, Inc. (FEI) and The Wellex Group, Inc. (TWGI). Total amount recorded for the year 2024 and 2023 (net of allowance for impairment loss of ₱242,526,151 and ₱221,205,384) were ₱242,087,403 and ₱260,396,266, respectively. Decreased by ₱18,308,863 or 7.03% is due to net effect of (1) interest income earned from related parties of ₱5,933,195; (2) additional advances by ₱3,623,291; and (3) provision for impairment of ₱21,320,767.

#### *Advances to TWGI*

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. Accrued interest receivable for this promissory note amounted to ₱23,979,996 and ₱18,046,801 as at December 31, 2024 and 2023, respectively.

To settle the outstanding advances, the Company entered into the following contracts with TWGI, which in return, amounts incurred will be applied to the outstanding advances:

1. The Company leases an office space from TWGI starting May 2014. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been renewed four times since then and is currently valid until April 30, 2026. Total rental and utilities expense charged to operations amounted to ₱222,000 for both years ended December 31, 2024 and 2023, respectively.

2. In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed five times since then and is currently valid until April 30, 2026. Total management fee charged to operations amounted to ₱480,000 for both years ended December 31, 2024 and 2023, respectively.

The Company originally provide allowance for impairment on advances to TWGI prior to agreements entered into to settle the outstanding advances. Allowance for impairment will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

#### Advances to FEI

Advances to FEI pertain to the carrying value of exploration net assets transferred by the Company in 2007. Outstanding balance for the years ended December 31, 2024 and 2023 amounted to ₱171,631,076, gross of allowance for impairment loss. The Company recognized an additional impairment loss amounting to nil in 2024 and 2023, as review on the FEI financial status and operations showed an unlikely possibility of collection.

FEI is a legal and owner of 100% interest in Service Contract (SC) 40, an upstream oil and gas contract area in the Philippines, entered into with the Philippine Government through the Department of Energy. Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MMSCF) and 78.66 MMSCF since the start of production in 2012.

FEI has also implemented Work Program and Budget as approved by DOE last November 17, 2014 which includes, among others, a commitment to perform land gravity survey over the Dalingding Structure starting March 2015. Since 2014, FEI has performing geological and geophysical study aimed to identify and prioritize highly prospective areas for future exploration.

In 2019, FEI engaged the services of an operations geologist to prepare the geological program and prospect montage for the Dalingding-2 well, which will be drilled over the Dalingding Prospect, a reefal structure defined by seismic that has the Barili Limestone as the primary target. A well, Dalingding-1, was drilled by Cophil Exploration in 1996 and was plugged and abandoned as a dry hole with minor gas shows after reaching a total depth of 1,508 ft. Following FEI's recent re-evaluation of the prospect, it was concluded that Dalingding-1 did not reach the Barili target, which is estimated at 1,740 ft, or 232 ft below the well's total depth. The current plan is to drill a well down to at least 4,000 ft to penetrate the Barili and secondary targets underneath.

In June 2022, FEI contracted a drilling consultant to prepare a drilling program and budgets for two (2) wells, one of which will be located in the Dalingding Prospect, a reef structure defined by seismic with the Late Miocene to Pliocene-age Barili Limestone as the primary target. A well, Dalingding-1, was drilled in this structure in 1996 and was plugged and abandoned as a dry hole with minor gas shows after reaching a total depth of 1,508 ft. FEI's recent re-evaluation of the prospect concluded that Dalingding-1 did not reach the Barili target, which is currently estimated at 480 ft. below the well's final depth. FEI' proposes drilling Dalingding-2 down to 4,000 ft to reach the Barili Limestone and secondary targets underneath.

In August 2022, FEI contracted a third party for the disposal of the Hycalog Rig and ancillary equipment stored in Brgy. Maya, Daanbantayan, Cebu Province. The sale process started on September 13, 2022 of which a Luzon-based company offered the highest bid. The pull-out of the items began in December 2022 and was completed in June 2023.

An Independent Technical Evaluation involving a review of available data, project risk management, and project economics of the Maya and Dalingding Prospects started in the first quarter of 2023. The initial findings show that the deterministic and probabilistic volumetric estimates for the Dalingding Prospect indicate mean resources of 10 billion cubic feet ("BCF") for a gas case and 3.5 MMBO for an oil case. The study, included prospect risking and economics, was completed in 1Q 2024.

The 2024 Work Program and Budget (WP&B) and Annual Procurement Plan (APP) for SC40 was submitted to the Department of Energy (DOE) last December 22, 2023 and was approved by DOE on January 03, 2024. Details of the magnetotelluric survey, which is scheduled to begin in May 2024, were submitted to the DOE last March 27, 2024.

The Company is positive on FEI's on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at December 31, 2024 and 2023, FEI has not yet returned the value of the exploration assets that the Company transferred.

*Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) (net)*

Financial Assets at Fair Value Through Other Comprehensive Income as at December 31 consist of:

	2023	2023
<b>Unquoted shares</b>		
Balance at beginning of the year	₱65,711,573	₱65,711,573
Unrealized fair value loss	(62,604,074)	-
	<b>3,107,499</b>	65,711,573
<b>Quoted shares</b>		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	5,270,64	8,533,418
	<b>12,800,122</b>	16,062,898
	<b>₱15,907,621</b>	₱81,774,471

Unquoted shares - Forum exploration, Inc (FEI) and Taguig Lake City Development Corporation (TLCDC)

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. and Taguig Lake City Development Corporation as at December 31, 2024. These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee which manifests control, joint control or significant influence. These Company believes the carrying amount of these unquoted shares of stock approximate fair value.

Quoted shares - Philippine Estates Corporation (PHES)

Investment in quoted shares of stock represents investment in Philippine Estates Corporation (PHES), a publicly listed company. The Company owns 50,196,553 common shares and constitutes 3.47% ownership in PHES. The fair value of these shares has been determined directly by reference to published prices in the active market.

*Right-Of-Use Asset (net)*

Right-of-use asset are the asset that represents lessee's right to use an asset over the lease term. The Company recognized a right-of-use asset as a result of adoption of PFRS 16. The carrying amount of right-of-use asset is ₱181,957 and ₱47,513 as of 2024 and 2023, respectively. Based on the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at December 31, 2024 and 2023 (Note 8).

*Deferred Tax Asset*

The Company has an outstanding balance of Deferred Tax Asset amounting to ₱46,210 and ₱12,081 as of December 31, 2024 and 2023, respectively (Note 14).

**LIABILITIES**

*Accounts Payable and other liabilities*

These accounts consist of Accounts Payable, Withholding Tax Payable, Accrued Expense and Deferred Output VAT accounts. Total amounted recorded for 2024 and 2023 were to ₱2,539,941 and ₱2,551,593 respectively, with a decrease by ₱11,652 or 0.46% due to decreased in accrued expenses and withholding tax payable.

*Lease Liability*

The Company recognized the asset as 'right-of-use asset' and corresponding lease liability (current and non-current) with present value of ₱184,838 and ₱48,323 as of December 31, 2024 and 2023, respectively or an increase by ₱136,515 or 282.51% (Note 11).

*Advances from Affiliate*

Advances from Forum Exploration, Inc. Ltd. (FEI – Ltd.)

The Company received cash advances from Forum (FEI) Ltd. to finance its acquisition of 60% stockholdings of Forum Coal Cebu Holdings, Inc. (FCCHI; Company's subsidiary which was formally

dissolved last July 6, 2012). The Company received USD denominated cash advances from FEI, Ltd. with no definite terms of payment. Outstanding balance of account as of December 31, 2024 and 2023 were ₱4,796,623 and ₱4,591,391 respectively.

#### *Deferred Tax Liability*

The Company has an outstanding balance of Deferred Tax Liability amounting to ₱45,489 and ₱11,878 as of December 31, 2024 and 2023, respectively (Note 14).

## **(2) Plan of Operations**

### *Business Plans*

To address the foregoing matters that may raise doubt on the Company's ability to continue as a going concern, the shareholders of the Company have committed in principle to provide full financial support to the Company in order to sustain its operations, meet the working capital requirements and settle obligations as they fall due.

The Company has been reviewing outstanding receivables and advances to affiliates and has designed collection programs to improve the Company's financial status. The board continues to evaluate calling for the remaining stock subscription as source of funds for future projects, with the aim of utilizing this process as a tool to fund capital intensive endeavors. The officers and major stockholders of the Company have committed to provide full financial support to the Company once its projects will materialize and a definite project is in place. The Company estimates that it will satisfy its capital funding within two (2) years from the finalization and approval of such business project plans.

The Company will prioritize the improvement of its financial position and exploring new business opportunities in oil and gas exploration and extraction, order to maintain strong and healthy cash flows, and at the same time, aspire for maximized potential earnings. However, the prospects are still undetermined, given the geo-political issues hounding territorial encroachment by the Chinese at the West Philippine Sea.

The management is still evaluating potential buyers who expressed interest to buy out the Company's remaining 33.33% capital stock investment in Forum Exploration, Inc. (FEI), a subsidiary of Pangilinan-led Forum Energy Plc and the project operator for Libertad Gas Field or Service Contract (SC40). Talks, however, with the three (3) interested groups are still on hold at the moment, pending clarification of several commercial issues.

FEI has been keen on reexamining the oil and gas prospects for SC40, and a new series for drilling programs are currently underway in Cebu in an effort to refine drilling data and improving on previous information already gathered in the previous depth targets. The Company is confident that the new drilling programs will bear good fruit.

Since the Company is affiliated with group of mining companies, projects in the mining sector are being re-evaluated at the moment. Despite the stringent evaluations being conducted by the Department of Environment and Natural Resources (DENR) for new mining applications, the government has also indicated that a revival of the industry is forthcoming, especially as a means to address the economic slowdown caused by the pandemic.

The investment made during 2017 in Taguig Lake City Development Corporation, a corporation engaged in the real estate industry, is starting to show some results, now that the Laguna Lake Development Authority has responded positively to this Company's proposals to rehabilitate the Laguna de Bay. The Company will continue to support the progress of TLCDC in this regard.

The Company will further scan for business target projects, and welcome other business opportunities from different industries apart from oil and gas and mineral exploration. As mentioned above, the management is currently discussing on how the Company will proceed with its remaining 33.33% capital stock investment in Forum Exploration, Inc., specifically whether to sell its interest or enter into partnership with potential buyers.

On the other hand, given the growing requirements for power, the Company is actively looking into the traditional energy business, concentrating on cheap and consistent coal power for the country's base loads. Demand and supply studies, as well as site feasibility analysis and the selection of green and clean coal technologies are being conducted by select engineering advisers of the Company. On the

other hand, the Company is also considering investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy and nuclear power. The management is also conducting research and feasibility studies on various renewable projects, albeit utilizing more stringent investment hurdles, given that renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

The Company's management believes that such financial support and the discussed management plans are sufficient to provide the Company the ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

**(i) Summary of Material Trends, Events and Uncertainties  
Forum Pacific, Incorporated**

The shares of FPI are listed and traded in Philippine Stock Exchange (PSE). The company was registered to engage in investing, purchasing and acquiring assets of any kind and description with the secondary purpose of engaging in the exploration, development and production of petroleum and related products, as well as other mineral and chemical substances. It is presently a holding company and owning shares of stocks of an exploration company.

**(ii) Events that will Trigger Direct or Contingent Financial Obligation**

Since the Forum Pacific, Inc. are still looking a strategic partner to enhance the development of the Company specially in exploration business, the Company have no events that will trigger direct or contingent financial obligation that is material to Forum Pacific, Inc. including any default or acceleration of an obligation.

**(iii) Material Off-Balance Sheet Transactions, Arrangements, Obligations**

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

**(iv) Any Known Trends, Events of Uncertainties (Material Impact on Liquidity)**

The Company is mainly exposed to liquidity risk through its maturing liabilities. The Company has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The details of the maturity analysis of the Company's liabilities are as follows:

December 31, 2024	Total	On demand	Less than three months	3-12 months	1-5 years
Advances from related party	₱4,796,623	₱-	₱-	₱-	₱4,796,623
Lease Liability	184,838	-	-	137,908	46,390
Trade and other payables*	367,000	-	-	367,000	-
	₱5,348,461	₱-	₱-	₱504,908	₱4,843,553

*\*excluding government liabilities*

December 31, 2023	Total	On demand	Less than three months	3-12 months	1-5 years
Advances from related party	₱4,591,391	₱-	₱-	₱-	₱4,591,391
Lease Liability	48,323	-	-	48,323	-
Trade and other payables*	378,852	-	-	378,852	-
	₱5,018,566	₱-	₱-	₱427,175	₱4,591,391

*\*excluding government liabilities*

The Company's current ratio for year ended December 31, 2024 and 2023 is 0.04 to 1 and 0.04 to 1, respectively.

**(v) Significant Element of Income or Loss That Did Not Arise from Continuing Operation**

*PFRS 16, Leases.* This new standard introduces a single lessee accounting model to be applied to all leases, whilst substantially carries forward the lessor accounting requirements in PAS 17 *Leases*.

Lessees recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments for all leases with a term of more than twelve (12) months, unless the underlying asset is of low value. Whereas, lessors continue to classify leases as operating leases or finance leases, and to account for those two types of leases differently. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply PFRS 15 at or before the date of initial application of PFRS 16.

The Company adopted PFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on deficit as at January 1, 2019, without restatement of comparative figures.

*PFRS 9, Financial Instruments (2014).* PFRS 9, Financial Instruments replaces PAS 39 Financial Instruments" Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting. The standard requires all recognized financial assets that are within the scope of PAS 39 to be subsequently measured at amortized cost or at fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely for payments of principal and interest on the outstanding balance are generally measured at amortized cost at the end of subsequent reporting periods. All other debts investments and equity investments are measured at their fair values at the end of subsequent reporting periods. For financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income would create or increase an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

The Company has adopted the PFRS 9 *Financial Instruments* from January 1, 2018 and resulted in changes in accounting policies and adjusted amounts recognized in the financial statements. The comparative figures have been restated to comply with the transitional provisions in PFRS 9.

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 which superseded the previous promissory note. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. Accrued interest receivable for this promissory note amounted to ₱23,979,996 and ₱18,045,801 as at December 31, 2024 and 2023, respectively, which composed of deferred output vat and interest income.

#### **(vi) Material Changes on Line Items in Financial Statements**

Material changes on line items in financial statements are presented under the captions "Changes in Financial Condition" and "Changes in Operating Results" above, see attached Notes to Financial Statements.

#### **(vii) Effect of Seasonal Changes in the Financial Condition or Results of Operations**

The financial condition or results of operations is not affected by any seasonal change.

#### **Item 7. Financial Statements**

The Financial Statements and related Notes to Financial Statements of the Company are incorporated herein by reference and attached as an integral part of this Annual Report.

#### **Other Relevant Information**

The Group adopted PFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on deficit as at January 1, 2019, without restatement of comparative figures.

The Company has adopted the PFRS 9 *Financial Instruments* from January 1, 2018 and resulted in changes in accounting policies and adjusted amounts recognized in the financial statements. The comparative figures have been restated to comply with the transitional provisions in PFRS 9.

See attached Notes to Consolidated Financial Statements for a detailed description of the changes in accounting policies and procedures.

## **Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

### **External Audit Fees and Services**

Audit and related fees, excluding VAT and out of pocket expenses) for Forum Pacific, Inc. is ₱470,000 in 2024 and ₱465,000 in 2023 for expressing an opinion on the financial statements and assistance in preparing the annual income tax return. Any deficiencies in internal control and detected misstatements and fraudulent or illegal acts are other information given to the attention of the management.

Diaz Murillo Dalupan and Company, CPAs (DMDC), upon recommendation by the Audit Committee of the Board of Directors composed of Mr. Aristeo R. Cruz as Chairman and Mr. Josaias T. Dela Cruz and Mr. Ruben D. Torres as members, was re-appointed by the stockholders as the principal external auditors for the year 2024. The selection of external auditors is made on the basis of credibility, professional reputation, accreditation with the Securities and Exchange Commission and affiliation with a reputable foreign partner. The professional fees of the external auditors are approved by the Company after approval by the stockholders of the engagement and prior to the commencement of each audit season. In compliance with SEC Rule 68 paragraph 3(b)(iv) (Rotation of External Auditors), and as adopted by the Company, external auditors or engagement partners are rotated or changed every five years or earlier. Mr. Jozel Francisco C. Santos was the lead engagement partner from 2014 to 2015, Ms. Rosemary D. De Mesa in 2016 to 2018, Mr. Richard Noel M. Ponce in 2019-2023 and Ms. Michelle Marie A. Recto for the year 2024.

Audit committee's approval policies and procedures for the above services - the committee will evaluate the proposals from known external audit firms. The review will focus on quality of service, commitment to deadline and fees as a whole, and no one factor should necessarily be determinable.

### **Changes and Disagreements with Accountants on Accounting and Financial Disclosure**

No independent accountant who was previously engaged as the principal accountant to audit Forum Pacific Inc. Financial Statements, on whom the principal accountant expressed reliance in its report regarding a significant subsidiary, has resigned (or indicated it has declined to stand for re-election after the completion of the current audit) or was dismissed in the two most recent fiscal years or any subsequent interim period. Furthermore, there was no disagreement with the former accountant on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

## **PART III – CONTROL AND COMPENSATION INFORMATION**

### **Item 9. Directors and Executive Officers of the Issuer**

#### **Directors, including Independent Directors and Executive Officers**

There are eleven (11) members of the board, three (3) of whom are independent directors. Names, ages, citizenship and position and office of all directors and executive officers:

<b>Name</b>	<b>Age</b>	<b>Citizenship</b>	<b>Position</b>	<b>Years of Service</b>
Atty. Ruben D. Torres	83	Filipino	Chairman Independent Director	2021-Present 2018-2022
Elvira A. Ting	64	Filipino	President/Director	1996-Present
Kenneth T. Gatchalian	49	Filipino	Treasurer/Director	2004-Present
Atty. Lamberto B. Mercado, Jr.	60	Filipino	Director	1998-Present
Richard L. Ricardo	61	Filipino	Director	2014-Present
Atty. Arthur R. Ponsaran	81	Filipino	Director	2000-Present
Renato C. Francisco	76	Filipino	Independent Director	2020-Present
Sergio Antonio S. Ortiz-Luis	50	Filipino	Independent Director	2024-Present
Josaias T. Dela Cruz	63	Filipino	Independent Director	2021-Present
Atty. Aristeo R. Cruz	58	Filipino	Independent Director	2021-Present
Omar M. Guinomla	52	Filipino	Director	2014-Present
Amando J. Ponsaran, Jr.	54	Filipino	Corporate Secretary	2024-Present

Atty. Dorothy Jean. M. Aclan	31	Filipino	Assistant Corporate Secretary	2024-Present
Annabelle T. Abunda	48	Filipino	Compliance Officer	2017-Present
			Finance Officer	2022-Present

The Directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified. Thus, the term of the office of each director is one year, until the Board of Directors at its first meeting following the Meeting of the Stockholders has elected their successors annually.

Their respective terms of office are until the corresponding meeting of the Board of Directors in the next year or until the successor shall have been elected or shall have qualified.

Business experiences during the past five (5) years and other directorships.

Name and Position	Other Companies Affiliated	Position
<b>Atty. Ruben D. Torres</b> Chairman/Director Filipino 83 years old B.A. in Political Science Bachelor of Laws University of the Philippines	Services Exporters Risk Management & Consultancy Co BPO Workers Association of the Phils. Trade Union Congress of the Phils. Torres Caparas Torres Law Offices Waterfront Phils., Inc. Acesite (Phils.) Hotel Corp. Wellex Industries, Inc. Waterfront Manila Premier Dev't., Inc. Alliance Energy Power and Dev't., Inc. Aristocrat Manila City Holdings, Inc. Pacific Concorde Corp. Philippine Estates Corp. Taguig Lake City Dev't. Corp. Wellex Mining Corp. Triton Construction and Dev't. Corp.	Chairman/CEO  President VP-International Affairs Senior Partner Director Independent Director Chairman/Director Chairman/Director Chairman/Director Chairman/Director President/Director Independent Director Chairman/Director Corp. Treasurer/Director Chairman/Director

<b>Elvira A. Ting</b> President/Director Filipino 64 years old BS in Business Administration Major in Management Philippine School of Business Administration	Waterfront Philippines, Inc. Wellex Industries, Inc. Acesite (Phils.) Hotel Corp. Metro Alliance Holdings & Equities Corp. Philippine Estates Corp. Orient Pacific Corp. Crisanta Realty Dev't. Corp. Recovery Dev't Corp. The Wellex Group, Inc. Plastic City Industrial Corp. Waterfront Manila Premier Dev't, Inc. Rexlon Realty Group, Inc. Pacific Rehouse Corp. Westland Pacific Properties Corp. Heritage Pacific Corp. Palawan Estate Corp. Poly Premier Property Dev't Corp. Wanda Prime Property Dev't, Inc. Bocaue Prime Estate Corp. Bulacan Fortune Land Dev't Corp. Taguig Lake City Dev't Corp. Country Garden Agri-Tourism Dev't, Inc. Alliance Energy Power & Dev't Corp. North Luzon Premier Dev't Corp. Shangrila Global Estate Ventures Corp. Aristocrat Manila City Holdings, Inc.	Corp. Treasurer/Director Vice President/Director Corp. Treasurer/Director Chairman/Director President/Director Chairman/Director Chairman/President/Director Corp. Treasurer/Director Corp. Treasurer/Director Corp. Treasurer/Director Corp. Secretary/Director Chairman/President/Director Corp. Treasurer/Director Asst. Corp. Sec./Director Chairman/President/Director Asst. Corp. Sec./Director Corp. Treasurer/Director President/ Director President/ Director Chairman/President/Director President/ Director Corp. Treasurer/Director Corp. Secretary/Director President/ Director Chairman/Director President/Director
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	Seabrook Resources & Dev't, Corp.	Corp. Treasurer/Director
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<p><b>Kenneth T. Gatchalian</b>  Treasurer/ Director  Filipino  49 years old  B.S. in Architecture  <i>University of Texas, USA</i></p>	<p>Wellex Industries, Inc.  Waterfront Phils., Inc.  Waterfront Manila Premier Dev,t., Inc.  Acesite (Phils.) Hotels Corp.  Philippine Estates Corp.  The Wellex Group, Inc.  Metro Alliance Holdings &amp; Equities Corp.  Orient Pacific Corp.  Wellex Mining Corp.  Westland Pacific Properties Corp.  Wellex Petroleum, Inc.  Recovery Dev't. Corp.  Novateknika Land Corp.  Pacific Rehouse Corp.  Crisanta Realty Dev't. Corp.  Palawan Estate Corp.  Philippine International Airways  Philfoods Asia, Inc.  Southernpec Phils., Inc.  Manila Bay Front Hotels, Inc.  Poly Premier Property Dev't. Corp.  Wanda Prime Property Dev't., Inc.  North Luzon Premier Dev't. Corp.  Pacific Concorde Corp  Forum Holdings Corp  Rexlon Realty Group, Inc.  Heritage Pacific Corp.  Seabrook Resources &amp; Dev't. Corp.  Recovery Real Estate Corp.  Shanghai Global Estate Ventures Corp.  Altai Philippines Mining Corp.  Bulacan Harbour Dev't. Corp.  Bulacan Country Garden Dev't. Corp.</p>	<p>President/Director  President/Director  President/Director  President/Director  Vice Chairman/Director  President/Director  President/Director  President/Director  Chairman/President/Director  Corp. Treasurer/Director  Corp. Secretary/Director  Chairman/President/Director  Corp. Secretary/Director  Chairman/President/Director  Corp. Secretary/Director  Corp. Secretary/Director  Chairman/President/Director  Corp. Treasurer/Director  Chairman/Director  President/Director  Chairman/Director  Chairman/Director  Chairman/Director  Chairman/President/Director  Corp. Secretary/Director  Asst. Corp. Sec./Director  Chairman/President/Director  Chairman/President/Director  President/Director  Director  Asst. Corp. Sec./Director  Chairman/President/Director</p>
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<p><b>Atty. Lamberto B. Mercado, Jr.</b>  Director  Filipino  60 years old  Bachelor of Laws (L.L.B.)  <i>Ateneo de Manila University</i>  School of Law</p>	<p>Asia Healthcare, Inc.  FEZ-EAC Holdings, Inc.  Wellex Industries, Inc.  Acesite (Phils.) Hotels Corp.  Metro Alliance Holdings &amp; Equities Corp.  Philippine National Construction Corp.  Consumer Product Distribution Services  Rexlon Realty Group, Inc.  Wellex Mining Corp.  Southernpec Phils., Inc.  Dubai Gold Mining Corp.  Sands Mining &amp; Dev't. Corp.  Bulacan Harbour Dev't. Corp.  Wanda Prime Property Dev't., Inc.  Seabrook Resources &amp; Devt Corp.  Country Garden Agri-Tourism Dev't., Inc.  Bulacan Country Garden Dev't. Corp.</p>	<p>Director  Director  Director  Chief Risk Officer/Director  Director/Compliance Officer  Director  Director  Assist. Cop. Sec./Director  Corp. Secretary/Director  Corp. Secretary/Director  Corp. Secretary/Director  Director  Corp. Secretary/Director  Director  Corp. Secretary/Director  President  Director</p>
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<p><b>Richard L. Ricardo</b>  Investor Relations Officer/Director  Filipino</p>	<p>Wellex Industries, Inc.</p>	<p>Corp. Treasurer/Investor  Relations Officer/Director</p>
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<p>60 years old  B.S. in Business Management  A.B. in Economics  <i>Ateneo de Manila University</i></p>	<p>Waterfront Philippines, Inc.  Acesite (Phils.) Hotel Corp.  Metro Alliance Holdings &amp; Equities Corp.  Philippine Estates Corp.  The Wellex Group, Inc.  Rexlon Realty Group, Inc.  Westland Pacific Properties Corp.  Wellex Petroleum, Inc.  Wellex Mining Corp.  Bocau Prime Estate Corp.  Taguig Lake City Dev't. Corp.  Pacific Wide Holdings, Inc.  Dubai Gold Mining Corp.  Sand Mining &amp; Dev't. Corp.  Manila Bay Front Hotels, Inc.  Shanghai Global Estate Ventures Corp.  Bulacan Country Garden Dev't. Corp.  Alliance Energy Power &amp; Dev't. Inc.</p>	<p>Corporate Affairs  Officer/Compliance Officer  Vice President for Corporate  Affairs/Compliance Officer  Corp. Treasurer/Investor  Relations Officer  Corp. Treasurer/Investor  Relations Officer/Director  Corp. Secretary/Director  Vice President/Director  Corp. Secretary/Director  Corp. Treasurer/Director  Assist. Corp. Sec./Director  Corp. Secretary/Director  Corp. Secretary/Director  Corp. Treasurer/Director  Chairman/President/Director  Corp. Treasurer/Director  Corp. Secretary/Director  Corp. Secretary/Director  President/Director</p>
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<p><b>Atty. Arthur R. Ponsaran</b>  Director  Filipino  81 years old  CPA Lawyer  Business Administration  Major in Accounting  <i>University of the East</i>  Bachelor of Laws  <i>University of the Philippines</i></p>	<p>Corporate Counsels, Phils. Law Office  Acesite (Phils.) Hotel Corp.  Waterfront Phils., Inc.  Philippine Estate Corp.</p>	<p>Managing Partner  Corp. Secretary/Director  Corp. Secretary  Director</p>
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<p><b>Renato C. Francisco</b>  Independent Director  Filipino  75 years old  Bachelor of Laws  <i>Ateneo de Manila University</i>  B.A. in English and Philosophy  <i>San Beda College</i></p>	<p>Wellex Industries Inc  Philippine Estates Corp.  Acesite (Phils.) Hotel Corp.  Waterfront Phil., Inc.</p>	<p>Independent Director  Independent Director  Independent Director  Independent Director</p>
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<p><b>Sergio Antonio S. Ortiz-Luis</b>  Independent Director  50 years old  Bachelor of Fine Arts  <i>University of Sto. Tomas</i></p>	<p>Wellex Industries, Inc.  The Events Hive  Canadian Tourism and Hospitality  Institute  Arena Islands Beach Resorts, Inc.  Esports World Federation  Philippine Chamber of Commerce and  Industry Youth Committee  Philippine Young Entrepreneurs  Association – NCR  First Kick for Peace  Brick Traders</p>	<p>Independent Director  Sole Proprietor  Director  Director/Vice President  Vice President  Vice Chairman  President  Vice President  Proprietor</p>
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<p><b>Josaias T. Dela Cruz</b>  Independent Director  Filipino  63 years old</p>	<p>Wellex Industries, Inc.  Philippine Estates Corp.  JTDC Spinmeister Laundry Service</p>	<p>Independent Director  Independent Director  Sole Proprietor</p>
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B.S. in Business Management <i>Ateneo de Manila University</i>		
<b>Aristeo R. Cruz</b> Independent Director Filipino 58 years old CPA Lawyer B.S. in Commerce Major in Accountancy <i>De La Salle University</i> Bachelor of Laws (LLB) <i>New Era University</i>	Metro Alliance Holdings & Equities Corp. Wellex Industries, Inc. Acesite (Phils.) Hotel Corp. Waterfront Philippines Inc Liberty Bank (A Rural Bank), Inc. Meycauayan College, Inc.  Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law Office) Idealland Realty & Dev't. Corp.  Statosphere Realty & Dev't. Corp.  Waterstreet Realty Corp. Jose & Luz Locsin Foundation Justino Emilia Realty and Management & Dev't. Corp.	Independent Director Independent Director Independent Director Independent Director Vice-President Vice-Chairman of the Board, Executive Vice-President Founding and Managing Partner  President and Chief Operating Officer (COO) President and Chief Operating Officer (COO) President President Corp. Secretary

<b>Omar M. Guinomla</b> Director Filipino 52 years old A.B. Management <i>De La Salle University</i> Master's in Business Administration <i>Ateneo de Manila University</i>	Recovery Real Estate Corp. Wellex Industries, Inc. Pacific Rehouse Corp. Orient Pacific Corp. Recovery Dev't. Corp. Philippine International Airways Continental Wire & Cable Corp. Shanghai Resources Corp. Calinan Star Mining, Inc. Dubai Gold Mining Corp. Sands Mining & Dev't. Corp. Manila Bay Front Hotels, Inc. Silverquest Mining Resources Inc. Bulacan Fortune Land Dev't. Corp. Triton Construction & Dev't. Corp.	Director Director Director Assist. Corp. Sec./Director Assist. Corp. Sec./Director Corp. Treasurer/Director Director Chairman/President/Director Director Director Corp. Secretary/Director Corp. Secretary/Director Corp. Treasurer/Director Corp. Secretary/Director Corp. Secretary/Director
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<b>Amando J. Ponsaran, Jr.</b> Corporate Secretary Filipino 54 years old BSBA-Finance/Marketing <i>University of San Agustin – Iloilo</i> Bachelor of Laws <i>Arellano Law School/Philippine Christian University</i>	Philippine Estates Corp. Corporate Counsels, Phils. Law Offices  Wellex Industries, Inc. Consumer Products Distribution Services Inc	Assistant Corporate Secretary Senior Manager – Corporate Services Group Corporate Secretary Corporate Secretary
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<b>Atty. Dorothy Jean M. Aclan</b> Asst. Corporate Secretary Filipino 31 years old Bachelor of Science in Legal Mangement <i>San Beda College – Manila</i> Juris Doctor <i>San Beda College – Alabang</i>	Corporate Counsels Phils. Law Offices M.R. Dimaano Law Office Mayo Law Office San Beda College-Manila Centralized Bar Operations	Associate Lawyer (present) Associate Lawyer Paralegal Member
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<b>Annabelle T. Abunda</b> Finance and Compliance Officer Filipino 48 years old CPA and Licensed Real Estate Broker B.S. in Accountancy <i>University of the Philippines in the Visayas</i>	Pacific Rehouse Corp.  Pacific Wide Holdings, Inc. Wellex Industries, Inc. Metro Alliance Holdings & Equities Corp.	Finance & Administration Manager Accounting Manager Finance and Compliance Officer Finance Officer
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**Significant Employees**

There are no other employees other than the officers mentioned in the preceding subsection who are expected to make significant contribution to the business.

**Family Relationships**

Ms. Elvira A. Ting, the President, is the aunt of Mr. Kenneth T. Gatchalian, the Treasurer. There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, persons nominated or chosen by the corporation to become directors, or executive officers other than the above.

**Involvement in Certain Legal Proceedings**

A case of illegal dismissal and claims for unpaid salaries, back wages, separation pay and damages was filed by an employee (logistic coordinator), on February 1996. The respondents on the said case are James Dale Hood, Air Philippines International (Formerly Cophil Exploration & Drilling Co., Air Philippines International, Inc.) and Forum Exploration, Inc.

The management has its lawyer take care of the settlement and will plan to meet with the Sheriff or labor officer in-charge with the case. As of December 31, 2024, the claimant didn't make any demands or appeared before the Company's principal office address to enforce the said writ of execution.

**Item 10. Executive Compensation**

**Summary of Compensation Table - Annual Compensation**

The following table lists the name of the Corporation's Directors and Executive Officers Annual Compensation for the three most recent years.

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Atty. Ruben D. Torres <i>Chairman</i>	2024	-	-	10,000
	2023	-	-	10,000
	2022	-	-	10,000
Elvira A. Ting <i>President/CEO/Director</i>	2024	-	-	-
	2023	-	-	-
	2022	-	-	-
Kenneth T. Gatchalian <i>Treasurer/Director</i>	2024	-	-	-
	2023	-	-	-
	2022	-	-	-
Renato C. Francisco <i>Independent Director</i>	2024	-	-	10,000
	2023	-	-	10,000
	2022	-	-	10,000
Aristeo R. Cruz <i>Independent Director</i>	2024	-	-	10,000
	2023	-	-	10,000
	2022	-	-	10,000
Sergio R. Ortiz-Luis, Jr. <i>Director</i>	2024	-	-	-
	2023	-	-	10,000
	2022	-	-	10,000
Josaias T. Dela Cruz <i>Independent Director</i>	2024	-	-	10,000
	2023	-	-	10,000
	2022	-	-	10,000

Sergio Antonio S. Ortiz-Luis <i>Independent Director</i>	2024	-	-	10,000
	2023	-	-	-
	2022	-	-	-
Atty. Lamberto B. Mercado, Jr., Omar M. Guinomla, Richard L. Ricardo, Atty. Arthur Ponsaran & all other officers	2024	-	-	-
	2023	-	-	-
	2022	-	-	-

### Compensation of Directors

Except for a nominal amount of per diem amounting to ₱10,000 during attendance in regular meetings, there are no standard arrangements with regard to election, any bonus, profit sharing, pension/retirement plan, granting of any option, warrant or right to purchase any securities. There are no other arrangements or consulting contracts or other form of services with directors.

Due to tight cash position of the Company, it was agreed that only External and Independent Directors were given a per diem of ₱10,000 during attendance in regular meetings. For the year 2024, here is the list of Directors who received a per diem:

	Name	Position	Per Diem
1.	Ruben D. Torres	Regular Director	10,000.00
2.	Renato C. Francisco	Independent Director	10,000.00
3.	Josaias T. Dela Cruz	Independent Director	10,000.00
4.	Aristeo R. Cruz	Independent Director	10,000.00
5.	Sergio Antonio S. Ortiz-Luis	Independent Director	10,000.00

### Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There is no employment contract and termination of employees and change-in-control arrangement with directors and executive officers.

### Warrants and Options Outstanding: Repricing

There are no warrants and options outstanding held by Forum Pacific Inc.'s CEO, executive officers and all officers and directors as a group. There is no repricing made.

### **Item 11. Security Ownership of Certain Record and Beneficial Owners and Management**

#### **Security Ownership of Certain Record and Beneficial Owners**

As of December 31, 2024, Forum Pacific, Inc., knows no one who beneficially owns in excess of 10% of Forum Pacific, Inc. common stock except as set forth in the table below:

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of total o/s shares
Common	International Polymer Corp., T. Santiago St., Canumay, Valenzuela City (Stockholder)	same as record owner (see note 1)	Filipino	496,887,494	26.501
Common	PCD Nominee Corp. 37/F Tower 1, The Enterprise Center, 6766 Ayala Ave., Cor. Paseo de Roxas, Makati City (Stockholder)	PCD Participants and their clients (see note 2)	Filipino	440,155,274	23.475
Common	The Wellex Group Inc., 35th Flr., One Corporate Center, Doña Julia Vargas cor, Meralco ave., Ortigas Center, Pasig City (Stockholder)	same as record owner (see note 3)	Filipino	376,950,000	20.104

<sup>1</sup>International Polymer Corporation ("IPC") is a significant shareholder of the Company. As per By-laws and the Corporation Code, the Board of Directors of IPC has the power to decide how the IPC shares in Forum Pacific Inc. are to be voted.

<sup>2</sup>The clients of each company have the power to decide how their shares are to be voted. Natural persons authorized to vote the shares of PCD Nominee cannot be identified until the proxy shall have been appointed in writing by the stockholder himself or by his duly authorized attorney-in-fact.

<sup>3</sup>The Wellex Group, Inc. ("TWGI") is a significant shareholder of the Company. As per By-laws and the Corporation Code, the Board of Directors of TWGI has the power to decide how the TWGI shares in Forum Pacific Inc. are to be voted.

### Security Ownership of Management

As of December 31, 2024 the security ownership of individual directors, executive officers and nominees of Forum Pacific Inc. is as follows:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Ruben D. Torres	100 (direct)	Filipino	0.000
Common	Elvira A. Ting	400,001 (direct)	Filipino	0.021
Common	Kenneth T. Gatchalian	100 (direct)	Filipino	0.000
Common	Arthur R. Ponsaran	1 (direct)	Filipino	0.000
Common	Lamberto B. Mercado, Jr.	100 (direct)	Filipino	0.000
Common	Richard L. Ricardo	100 (direct)	Filipino	0.000
Common	Omar M. Guinomla	100 (direct)	Filipino	0.000
Common	Renato C. Francisco	100 (direct)	Filipino	0.000
Common	Sergio R. Ortiz-Luis, Jr.	100 (direct)	Filipino	0.000
Common	Josaias T. Dela Cruz	100 (direct)	Filipino	0.000
Common	Aristeo R. Cruz	20,000 (direct)	Filipino	0.001
<b>All directors and Officers as a group</b>		<b>420,802</b>		<b>0.022</b>

### Voting Trust Holders of 5% or More

There are no voting trust holders of 5% or more.

### Changes in Control

There is no change in control of Forum Pacific Inc. and there is no arrangement, which may result in change control.

### Item 12. Certain Relationships and Related Transactions

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured and partially impaired.

The Company's advances to Forum Exploration, Inc. (FEI) pertain to the carrying value of exploration assets transferred by the Company in prior years amounting to ₱171.6 million gross of allowance for impairment loss of ₱171.6 million as of December 31, 2024 and 2023. No transaction in the account balance was recognized for the years ended December 31, 2024 and 2023. This is unsecured, non-interest bearing and with no definite period of terms.

The Company's advances to The Wellex Group, Inc. (TWGI) consist of advances granted to finance their working capital requirements with outstanding balance of ₱312,982,478 and ₱309,970,574 as of December 31, 2024 and 2023, respectively. On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. Accrued interest receivable for this promissory note amounted to ₱23,979,996 and ₱18,046,801 as at December 31, 2024 and 2023. The Company entered into the following contracts with TWGI: a) leases an office space from TWGI and b) consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. Payments for the lease and management fees are being offset against intercompany receivables. Both contracts for rental and consultancy have been renewed thrice since then and is currently valid until April 30, 2026.

The Company's advances from Forum Exploration, Inc. Ltd. (FEI-Ltd.) pertains to received cash advances to finance the Company's acquisition of 60% stockholdings of Forum Coal Cebu Holdings, Inc. (FCCHI) in prior years amounting to USD82,922. The amount was restated to peso value, the Company's functional currency, as at balance sheet date. Restated balance amounted to ₱4.8 million and ₱4.6 million as of December 31, 2024 and 2023, respectively. The Company recognized a foreign exchange gain/(loss) of ₱205,232 and ₱31,925 in 2024 and 2023, respectively.

## Part IV – CORPORATE GOVERNANCE

Please refer to separate “Annual Corporate Governance Report (ACGR)” to be submitted to Securities and Exchange Commission.

## Part V - EXHIBITS AND SCHEDULES

### **Item 13 Exhibits and Reports on SEC Form 17- C**

#### **Exhibits**

##### **Financial Statements**

- Statement of Management's Responsibility for Financial Statements
- Report of Independent Public Accountants
- Statements of Financial Position as at December 31, 2024 and 2023
- Statements of Comprehensive Income for each of the three years ended December 31, 2024, 2023 and 2022
- Statements of Changes in Equity for each of the three years ended December 31, 2024, 2023 and 2022
- Statements of Cash Flows for each of the three years ended December 31, 2024, 2023 and 2022
- Notes to Financial Statements

##### **Supplementary Schedules**

Report of Independent Public Accountants on Supplementary Schedules:

- Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)
- Amounts Receivables from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates)
- Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
- Long-term Debt
- Indebtedness of Related Parties
- Guarantees of Securities of Other Issuers
- Capital Stock
- List of Top 20 Stockholders of Record
- Reconciliation of Retained Earnings Available for Dividend Declaration

##### **Reports on SEC Form 17-C**

###### **January 11, 2024**

The Corporation submitted its Public Ownership Report as disclosed also in the Philippine Stock Exchange for the period ended December 31, 2023.

###### **January 15, 2024**

The Corporation submitted its List of Top 100 Stockholders as disclosed also in the Philippine Stock Exchange for the period ended December 31, 2023.

###### **January 31, 2024**

The Corporation submitted its disclosure of the acceptance by the Board of Directors of the resignation of Mr. Sergio R. Ortiz-Luis, Jr. as regular director effective immediately. The resignation was due to professional and personal reason.

###### **February 5, 2024**

The Corporation submitted its disclosure of the election of new independent director, Mr. Sergio Antonio S. Ortiz-Luis effective immediately.

###### **March 25, 2024**

The Corporation submitted its announcement to postpone the annual stockholders' meeting to June 11, 2024, Tuesday, instead on the 3<sup>rd</sup> Monday of April as stated on its By-Laws due to time constraint to prepare all documentary and meeting materials. This is also disclosed in the Philippine Stock Exchange.

**April 11, 2024**

The Corporation submitted its Public Ownership Report and List of Top 100 Stockholders as disclosed also in the Philippine Stock Exchange for the period ended March 31, 2024.

**April 17, 2024**

The Corporation submitted its Integrated Annual Corporate Governance Report for the Year Ended December 31, 2023 which is also disclosed in the Philippine Stock Exchange.

**April 18, 2024**

The Corporation submitted its Special Form for Financial Statements for Forum Pacific Inc. as of December 31, 2023 which is also disclosed in the Philippine Stock Exchange.

**May 2, 2024**

The Corporation submitted its Notice of Annual Stockholders' Meeting on June 11, 2024 to stockholders of record as of May 16, 2024 as approved by the Board of Directors on its meeting with the following agenda:

1. Call to order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Previous Stockholders' Meeting for the year 2023
4. President's Report to the Stockholders for the Year 2023 and Approval of the Annual Report
5. Ratification of the Acts of the Board and Management
6. Election of the of Board Directors to Serve for the Term 2024-2025
7. Amendment of the Article II, Section 1 of the Corporation's By-Laws with respect to:  
Changing the Date of the Annual Meeting from Every 3<sup>rd</sup> Monday of April to Every 3<sup>rd</sup> Tuesday of July
8. Appointment of External Auditors
9. Appointment of External Counsel
10. Other matters
11. Adjournment

The Notice was published in the general circulation (both in print and digital) on May 20 & 21, 2024 through Manila Bulletin and Business Mirror. Annual Stockholders Meeting was held via remote communication.

**June 11, 2024**

The Corporation submitted the result of the Annual Stockholders' Meeting and the Organizational Meeting of the Board of Directors held last June 11, 2024 via remote communication.

**June 19, 2024**

The Corporation submitted its General Information Sheet for the year 2024 as disclosed also in the Philippine Stock Exchange.

**July 5, 2024**

The Corporation submitted its List of Top 100 Stockholders as disclosed also in the Philippine Stock Exchange for the period ended June 30, 2024.

**July 8, 2024**

The Corporation submitted its Public Ownership Report as disclosed also in the Philippine Stock Exchange for the period ended June 30, 2024.

**October 10, 2024**

The Corporation submitted its Public Ownership Report and List of Top 100 Stockholders for the quarter ended September 30, 2024 as disclosed also in the Philippine Stock Exchange.

**October 22, 2024**

The Corporation reported the resignation of Atty. Arsenio A. Alfiler, Jr. as Corporate Secretary of the Corporation effective on October 31, 2024.

**October 29, 2024**

The Corporation reported the appointment of Mr. Amando J. Ponsaran, Jr. and Atty. Dorothy Jean M. Aclan as Corporate Secretary and Asst. Corporate Secretary by the Board of Directors effective November 1, 2024.

**November 6, 2024**

The Corporation submitted an amended General Information Sheet for the year 2024 as disclosed also in the Philippine Stock Exchange.

**November 19, 2024**

The Corporation submitted copies of directors' and key officers' certificates that attended the Good Corporate Governance Seminar held last November 12, 2024 via remote communication, conducted by the Risks, Opportunities, Assessment and Management (ROAM), Inc. a Corporate Governance training provider accredited by the SEC.

**January 14, 2025**

The Corporation submitted its List of Top 100 Stockholders as disclosed also in the Philippine Stock Exchange for the period ended December 31, 2024.

**January 15, 2025**

The Corporation submitted its Public Ownership Report as disclosed also in the Philippine Stock Exchange for the period ended December 31, 2024.

**April 4, 2025**

The Corporation reported the approval of the Securities and Exchange Commission of the filed Amended By-Laws dated March 20, 2025 and was released dated April 3, 2025.

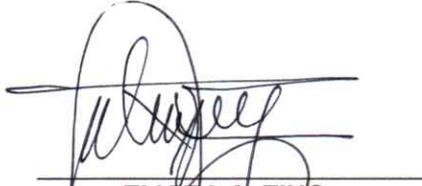
**April 14, 2025**

The Corporation submitted its List of Top 100 Stockholders and Public Ownership Report as disclosed also in the Philippine Stock Exchange for the period ended March 31, 2025.

**SIGNATURES**

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on April 22, 2025.

By:



**ELVIRA A. TING**  
President



**KENNETH T. GATCHALIAN**  
Treasurer



**AMANDO J. PONSARAN, JR.**  
Corporate Secretary



**ANNABELLE T. ABUNDA**  
Finance and Compliance Officer

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day 22 of APR, in \_\_\_\_\_ affiant (s) exhibiting to me their Tax Identification No. as follows:

**PASIG CITY**

AFFIANTS	Tax Identification No.	Issuer
1. Elvira A. Ting	117-922-153-000	Bureau of Internal Revenue
2. Kenneth T. Gatchalian	167-406-526-000	Bureau of Internal Revenue
3. Amando J. Ponsaran, Jr.	171-798-949-000	Bureau of Internal Revenue
4. Annabelle T. Abunda	205-231-659-000	Bureau of Internal Revenue

Doc. No.: 492  
Page No.: 99  
Book No.: XXXX  
Series of: XXX



**ATTY. FELIZARDO M. IBARRA**  
Notary Public for Q.C./Until Dec. 31, 2025  
Roll No. 80835  
PTR No. 6986788D/Jan.07, 2025/Q.C.  
IBP No. 331161(2024-2025)/Q.C  
MCLE Comp. No. VIII-0000973(04/15/2022-04/14/2025)  
Admin. Matter No. NP. 088(2025-2026)  
Quirino Highway Brgy., Kaligayahan Q.C.



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**SEC Registration No.:** AS93000120

**Company Name:** FORUM PACIFIC INC

**Industry Classification:** J66940

**Company Type:** Stock Corporation

## Document Information

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**Document ID:** OST10414202583167937

**Document Type:** Financial Statement

**Document Code:** FS

**Period Covered:** December 31, 2024

**Submission Type:** Annual

**Remarks:** None

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Forum Pacific &lt;forumpacificinc@gmail.com&gt;

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Hi FORUM PACIFIC INC,

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***Forum Pacific, Inc.***

*Financial Statements*  
*December 31, 2024 and 2023*

*and*

*Independent Auditors' Report*



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of FORUM PACIFIC, INC. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Diaz Murillo Dalupan and Company, the independent auditors, appointed by the stockholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

[Signature]
RUBEN D. TORRES
Chairman of the Board

[Signature]
ELVIRA A. TING
President

[Signature]
KENNETH T. GATCHALIAN
Corporate Treasurer



SUBSCRIBED AND SWORN to before me in PASIG CITY City/Province, Philippines on APR 14 2025, affiants personally appeared before me and exhibited to me their Tax Identification Number below:

Table with 2 columns: Name, Tax Identification Number. Rows: 1. RUBEN D TORRES (135-071-068), 2. ELVIRA A. TING (117-922-153), 3. KENNETH T. GATCHALIAN (167-406-526)

WITNESS MY HAND AND SEAL on the date and at the place above written.

DOC NO: 290
PAGE NO: 60
BOOK NO: 74
SERIES OF 2014

FERDINAND D. AYAHAO
Notary Public
For and in Pasig City and the Municipality of Pateros
Appointment No. 96 (2024-2025) valid until 12/31/2025
MCLE Exemption No. VII-BEP003234, until 04/14/28
Roll No. 46377; IBF LRN 02459; OR 535886; 06/21/2001
TIN 123-011-785; PFR 2531461AA; 01/03/25; Pasig City.
U-S, G/F West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel.+632-86314090

**Independent Auditor's Report**

To the Board of Directors and Stockholders of  
**FORUM PACIFIC, INC.**  
35<sup>th</sup> Floor, One Corporate Center  
Doña Julia Vargas Ave., corner Meralco Avenue  
Ortigas Center, Pasig City

**Report on the Audits of the Financial Statements**

*Opinion*

We have audited the financial statements of **Forum Pacific, Inc.** (the 'Company'), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

*Basis for Opinion*

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

*Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the financial statements, which indicates that the Company has incurred losses in prior years and has accumulated a deficit of ₱864,248,688 and ₱845,797,489 as at December 31, 2024 and 2023, respectively. Furthermore, the Company's current liabilities exceeded its current assets by ₱3,429,398 and ₱3,404,262 as at December 31, 2024 and 2023, respectively. As stated in Note 1, these events or conditions, along with other matters, indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. To continue as a going concern, the officers and major stockholders of the Company have committed to provide full financial support to the Company to sustain its operations, meet the working capital requirements and settle obligations as they fall due.



**Global Reach, Global Quality**

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 8894 5892 / 8844 9421 / Fax: +63(2) 8818 1872  
Cebu Office : Unit 504 Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 6000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8029  
Davao Office : 3rd Floor Building B Plaza De Luisa, Ramon Magsaysay Avenue, Davao City 8000 Philippines • Phone/Fax: +63(82) 222 6636  
Palawan Office : 2F MRC Building, Pineda Road, Brgy. San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone +63(48) 716 1580  
Website : www.dmdcpa.com.ph

The Company will also consider investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy. It will continue to conduct research and feasibility studies on renewable projects, albeit utilizing more stringent investment hurdles, given that renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

We have conducted sufficient audit procedures to verify the validity of the management plan to address the material uncertainty related to going concern. Our opinion is not modified in respect of this matter.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

#### *Adequacy of Allowance for Expected Credit Losses on Advances to Related Parties*

The Company's assumptions used in calculating the allowance for expected credit losses (ECL) is significant to our audit as it involves the exercise of significant management judgement. Key judgment areas include, historical credit loss experience based on past due status of debtors and current conditions and estimates of future economic conditions. Allowance for ECL on advances to related parties amounted to ₱242,526,151 and ₱221,205,384 as at December 31, 2024 and 2023, respectively.

The disclosures related to allowance for ECL on advances to related parties are included in Note 16.

#### *Our Response*

Our audit procedures to address the adequacy of allowance for ECL, includes the following:

- Obtained understanding of the approved methodologies used by the Company and assessed whether these are acceptable under the requisites of PFRS 9.
- Checked the methodology used in applying the general approach by evaluating the key inputs, assumptions, and formulas used.
- Tested the definition of default against historical analysis of accounts and credit risk management policies and practices.
- Tested loss given default by inspecting historical recoveries including the timing, related costs, and write-offs.

#### *Reasonableness of the Assumptions and Estimates Used in Determining Fair value of Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)*

The Company's assumptions used in calculating the fair value of unquoted equity investments under financial assets at FVOCI is significant to our audit as it involves the exercise of significant management judgement and estimate. The management applies unobservable inputs that requires measuring the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities, liquidity situation and other facts and circumstances.

Fair value of unquoted equity investments amounted to ₱3,107,499 and ₱65,711,573 as at December 31, 2024 and 2023, respectively.

### *Our Response*

Our audit procedures to address the reasonableness of fair value of unquoted equity investments includes the following:

- Obtained understanding of the approved methodologies used by the Company and assessed whether these are acceptable under the requisites of *PFRS 13 Fair Value Measurements*.
- Checked the methodology used in calculating the fair value by evaluating the key inputs, assumptions, and formulas used and verified the supporting documents.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

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

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

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

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

### *Auditors' Responsibilities for the Audits of the Financial Statements*

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Supplementary Information required by the Bureau of Internal Revenue**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of **Forum Pacific, Inc.** taken as a whole. The supplementary information in Note 19 to the financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**DIAZ MURILLO DALUPAN AND COMPANY**

Tax Identification No. 003-294-822

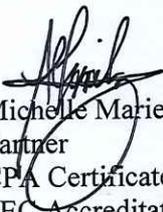
BOA/PRC No. 0234, effective until June 23, 2026

SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and

valid in the audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001911-000-2025, effective until March 11, 2028, 2025

By:



Michelle Marie A. Recto

Partner

CPA Certificate No. 130623

SEC Accreditation No. 130623-SEC, Group A, issued on June 15, 2021 and

valid in the audit of 2020 to 2024 financial statements of SEC covered institutions

Tax Identification No. 291-885-209

PTR No. 10478585, January 9, 2025, Makati City

BIR Accreditation No. 08-001911-007-2025, effective until February 17, 2028

April 14, 2025



**FORUM PACIFIC, INC.**  
**Statements of Financial Position**

	As at December 31	
	2024	2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash - note 5	₱ 91,574	₱ 95,841
Prepayments and other current assets (net) - note 6	41,213	38,213
	<b>132,787</b>	<b>134,054</b>
<b>Noncurrent Assets</b>		
Advances to related parties (net) - note 11	242,087,403	260,396,266
Financial assets at FVOCI - note 7	15,907,621	81,774,471
Right-of-use asset (net) - note 8	181,957	47,513
Deferred tax assets (net) - note 14	46,210	12,081
	<b>258,223,191</b>	<b>342,230,331</b>
<b>TOTAL ASSETS</b>	<b>₱ 258,355,978</b>	<b>₱ 342,364,385</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other liabilities - note 9	₱ 2,539,941	₱ 2,551,593
Lease liability - note 11	137,908	48,323
Income tax payable	884,336	938,400
	<b>3,562,185</b>	<b>3,538,316</b>
<b>Noncurrent Liabilities</b>		
Advances from a related party - note 11	4,796,623	4,591,391
Lease liability (net of current portion) - note 11	46,930	-
Deferred tax liability - note 14	45,489	11,878
	<b>4,889,042</b>	<b>4,603,269</b>
	<b>8,451,227</b>	<b>8,141,585</b>
<b>Equity</b>		
Capital stock - note 10	1,207,543,621	1,207,543,621
Unrealized fair value gain (loss) on financial assets at FVOCI	( 57,333,432)	8,533,418
Deficit - note 2	( 864,248,688)	( 845,797,489)
	<b>285,961,501</b>	<b>370,279,550</b>
Treasury shares - note 10	( 36,056,750)	( 36,056,750)
	<b>249,904,751</b>	<b>334,222,800</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱ 258,355,978</b>	<b>₱ 342,364,385</b>

*(The accompanying notes are an integral part of these financial statements.)*



**FORUM PACIFIC, INC.**  
**Statements of Comprehensive Income**

	<b>For the Years Ended December 31</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>COSTS AND EXPENSES</b> - note 12	(₱ 2,469,340)	(₱ 2,253,286)	(₱ 2,190,963)
<b>OTHER INCOME</b> (net) - note 13	( 15,084,460)	5,765,784	5,321,501
<b>FINANCE COST</b> - note 11	( 13,581)	( 6,651)	( 14,789)
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	( 17,567,381)	3,505,847	3,115,749
<b>PROVISION FOR INCOME TAX</b> - note 14			
Current	884,336	938,400	279,347
Deferred	( 518)	202	( 63,825)
	<b>883,818</b>	<b>938,602</b>	<b>215,522</b>
<b>NET INCOME (LOSS) FOR THE YEAR</b>	( 18,451,199)	2,567,245	2,900,227
<b>OTHER COMPREHENSIVE LOSS</b>			
<i>Item that will not reclassified subsequently to profit or loss:</i>			
Unrealized fair value loss on financial assets at FVOCI - note 7	( 65,866,850)	( 2,760,810)	( 6,776,535)
<b>TOTAL COMPREHENSIVE LOSS</b>	(₱ 84,318,049)	(₱ 193,565)	(₱ 3,876,308)
<b>INCOME (LOSS) PER SHARE</b> - note 15	(₱ 0.016)	₱ 0.002	₱ 0.002

*(The accompanying notes are an integral part of these financial statements.)*



**FORUM PACIFIC, INC.**  
**Statements of Changes in Equity**

	Capital Stock (Note 10)	Treasury Shares (Note 10)	Deficit (Note 2)	FVOCI (Note 7)	Unrealized fair value gain (loss) on financial assets at	Total
<b>As at January 1, 2022</b>	₱ 1,207,543,621	(₱ 36,056,750)	(₱ 851,264,961)	₱ 18,070,763		₱ 338,292,673
<b>Comprehensive income (loss)</b>						
Net income for the year	-	-	2,900,227	-		2,900,227
Other comprehensive loss	-	-	-	(6,776,535)	(6,776,535)	(6,776,535)
<b>Total comprehensive income (loss) for the year</b>			2,900,227	(6,776,535)		3,876,308
<b>Balance as at December 31, 2022</b>	1,207,543,621	(36,056,750)	(848,364,734)	11,294,228		334,416,365
<b>Comprehensive income (loss)</b>						
Net income for the year	-	-	2,567,245	-		2,567,245
Other comprehensive loss	-	-	-	(2,760,810)	(2,760,810)	(2,760,810)
<b>Total comprehensive income (loss) for the year</b>			2,567,245	(2,760,810)		(193,565)
<b>Balance as at December 31, 2023</b>	1,207,543,621	(36,056,750)	(845,797,489)	8,533,418		334,222,800
<b>Comprehensive loss</b>						
Net loss for the year	-	-	(18,451,199)	-		(18,451,199)
Other comprehensive loss	-	-	-	(65,866,850)	(65,866,850)	(65,866,850)
<b>Total comprehensive loss for the year</b>			(18,451,199)	(65,866,850)		(84,318,049)
<b>Balance as at December 31, 2024</b>	₱ 1,207,543,621	(₱ 36,056,750)	(₱ 864,248,688)	(₱ 57,333,432)		₱ 249,904,751

*(The accompanying notes are an integral part of these financial statements.)*



**FORUM PACIFIC, INC.**  
**Statements of Cash Flows**

	<b>For the Years Ended December 31</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income (Loss) before income tax	(₱ 17,567,381)	₱ 3,505,847	₱ 3,115,749
Adjustments for income tax:			
Provision for (recovery of) impairment of input tax - note 6	( 508,246)	199,458	217,487
Provision for impairment on advances to related parties - note 11	21,320,767	-	-
Depreciation - note 8	138,490	142,539	133,405
Finance cost - note 11	13,581	6,651	14,789
Unrealized foreign exchange loss (gain) - note 11	205,232	( 31,925)	394,365
Interest income - notes 5 and 11	( 5,933,293)	( 5,933,317)	( 5,933,353)
Operating loss before working capital changes	( 2,330,850)	( 2,110,747)	( 2,057,558)
Increase in prepayments and other current assets	505,246	( 199,458)	( 217,487)
Increase in accounts payable and other liabilities	( 11,652)	733,638	551,834
Cash used in operations	( 1,837,256)	( 1,576,567)	( 1,723,211)
Income tax paid	( 938,400)	( 215,071)	( 59,332)
Interest received - note 5	98	122	158
Net cash used in operating activities	( 2,775,558)	( 1,791,516)	( 1,782,385)
<b>CASH FLOW FROM AN INVESTING ACTIVITY</b>			
Collection of advances to related parties - note 11	2,921,291	1,761,357	1,912,718
<b>CASH FLOW FROM A FINANCING ACTIVITY</b>			
Payment of lease liability - note 11	( 150,000)	( 150,000)	( 150,000)
<b>NET DECREASE IN CASH</b>	<b>( 4,267)</b>	<b>( 180,159)</b>	<b>( 19,667)</b>
<b>CASH - note 5</b>			
At beginning of year	95,841	276,000	295,667
At end of year	₱ 91,574	₱ 95,841	₱ 276,000

*(The accompanying notes are an integral part of these financial statements.)*



**FORUM PACIFIC, INC.**

**Notes to Financial Statements**

As at December 31, 2024 and 2023 and for each of the three years  
in the period ended December 31, 2024

**1. CORPORATE INFORMATION**

**Forum Pacific, Inc.** (the ‘Company’), formerly known as Cophil Exploration, Inc., was incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) on January 8, 1993 primarily to engage in investing, purchasing and acquiring assets of any kind and description with the secondary purpose of engaging in the exploration, development and production of petroleum and related products as well as other mineral and chemical substance.

The Company’s shares are listed and traded in the Philippine Stock Exchange (PSE). Its registered office address is located at 35<sup>th</sup> Floor, One Corporate Center, Doña Julia Vargas Ave., corner Meralco Avenue, Ortigas Center, Pasig City.

The accompanying financial statements of the Company as at and for the year ended December 31, 2024 including its comparatives for 2023 and 2022 were approved and authorized for issue by its Board of Directors (BOD) on April 14, 2025.

**2. MANAGEMENT ASSESSMENT OF THE GOING CONCERN ASSUMPTION AND BUSINESS PLANS**

*Management’s Assessment of the Going Concern Assumption*

The Company has incurred losses in prior years resulting in a deficit of ₱864,248,688 and ₱845,797,489 as at December 31, 2024 and 2023, respectively. Furthermore, the Company’s current liabilities exceeded its current assets by ₱3,429,398 and ₱3,404,262 as at December 31, 2024 and 2023, respectively. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Notwithstanding these conditions, management believes that the Company will be able to meet all its outstanding obligations and continue to operate as a going concern.

To continue as a going concern, the officers and major stockholders of the Company have committed to provide full financial support to the Company to sustain its operations, meet the working capital requirements and settle obligations as they fall due.



### *Business Plans*

The Company is cautiously hopeful that the business environment will start to grow in the foreseeable future. For the coming year 2025, the Company plans to continuously undertake the following:

- Continuously support the progress of Taguig Lake City Development Corporation (TLCDC) on its prospect projects in relation. The Company observed a positive response from Laguna Lake Development Authority on the TLCDC's proposals to rehabilitate Laguna De Bay.
- Further scan for business target projects, and welcome other business opportunities from different industries apart from oil and gas and mineral exploration.
- Evaluate potential buyers to buy out investment with Forum Exploration Inc. or enter into partnership with potential buyers.
- Explore opportunities in the traditional energy business, concentrating on cheap and consistent coal power for the country's base loads.
- Conduct demand and supply studies, as well as feasibility analysis and the selection of green and clean coal technologies are being conducted by select engineering advisers of the Company.
- Consider investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy and nuclear power.
- Conduct research and feasibility studies on various renewable projects, although it would require more stringent investment hurdles. Renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

The Company's management believes that the financial support and its business plans are sufficient to provide the Company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. The policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of Compliance**

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

### **Basis of Preparation**

The financial statements have been prepared on a historical cost basis, except for the Company's financial assets at FVOCI, which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

### **Functional and Presentation Currency**

The financial statements are presented in Philippine peso (₱), the Company's functional currency. All amounts are rounded to the nearest peso except when otherwise indicated.

### **Current and Non-Current Classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liability are classified as non-current assets and non-current liabilities, respectively.

## Changes in Accounting Policies and Disclosures

The Company adopted for the first time the following amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2024.

*Classification of Liabilities as Current or Noncurrent (Amendments to PAS 1)*. The narrow-scope amendments to PAS 1, *Presentation of Financial Statements* clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. The amendments are effective for annual periods beginning on or after January 1, 2024, with earlier application permitted.

The amendments affect only the presentation of liabilities as current or non-current in the statements of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

*Noncurrent Liabilities with Covenants (Amendments to PAS 1)*. The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of liability. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as either current or non-current. In addition, an entity has to disclose information in the notes that enable users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments are effective for annual periods beginning on or after January 1, 2024. The management assessed that the amendments have no significant impact to the Company.

*Lease Liability in a Sale and Leaseback (Amendments to PFRS 16)*. The amendment clarifies the how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in PFRS 15 to be accounted for as a sale. The amendments to PFRS 16 specify that, in subsequently measuring the lease liability, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use it retains. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in PFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. The amendments are effective for annual periods beginning on or after January 1, 2024. The management assessed that the amendments have no significant impact to the Company.

*Cash Flow Statements and PFRS 7 (Amendments), Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendment notes that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements. The entities will have to disclose in the notes information that enables users of the financial statements to assess how supplier finance arrangements affect an entity's liabilities and cash flows and understand its effect on exposure to liquidity risk and how the entity may be affected if the arrangements were no longer available.

The amendments are effective for annual periods beginning on or after January 1, 2024, with earlier application permitted.

The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments.
- the information otherwise required by PAS as at the beginning of the annual reporting period in which the entity first applies those amendments.

The management assessed that the amendments have no significant impact to the Company.

#### **New Accounting Standards, Interpretations and Amendments to Existing Standards Effective Subsequent to January 1, 2024**

*The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability (Amendments to PAS 21).* The amendment specifies that a currency is exchangeable when an entity can exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at measurement date and for a specified purpose while a currency is not exchangeable into other currency if an entity can only obtain an insignificant amount of the other currency. When a currency is not exchangeable, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions. The amendment requires the disclosure of additional information when a currency is not exchangeable.

The amendment is effective for annual periods beginning on or after January 1, 2025, with earlier application permitted. The Management assessed that the application of these amendments will not have an impact on the Company's financial statements in future periods.

*PFRS 18, Presentation and Disclosure in Financial Statements.* This standard supersedes *PAS 1, Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The standard requires an entity to clearly identify the financial statements, which must be distinguished from other information in the same published document, as well as each primary financial statement and the notes to the financial statements. In addition, the following information must be displayed prominently, and repeated as necessary:

- the name of the reporting entity and any change in the name
- whether the financial statements are a group of entities or an individual entity
- information about the reporting period
- the presentation currency (as defined by *PAS 21, The Effects of Changes in Foreign Exchange Rates*)
- the level of rounding used (e.g., thousands, millions).

Retrospective application of the standard is mandatory for annual reporting periods starting from January 1, 2027 onwards but earlier application is permitted provided that this fact is disclosed. The

PFRS 18 supersedes PAS 1, carrying forward many of the requirements in PAS 1 unchanged and complementing them with new requirements with movements on certain paragraphs into PAS 8 and PFRS 7. Furthermore, there were also minor amendments to PAS 7 and PAS 33 earnings per share. The new standard introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

The amendment is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to PAS 7 and PAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies PFRS 18.

The Company anticipate that the application of these amendments will result in change in presentation of the financial statements and disclosure in the notes to the financial statements.

*PFRS 19, Subsidiaries without Public Accountability: Disclosures.* The standard specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other PFRS. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate.

A subsidiary has public accountability if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

An entity electing to apply PFRS 19 applies the requirements in other PFRS, except for the disclosure requirements. Instead of the disclosure requirements, the entity applies the requirements in PFRS 19. Therefore, an entity applying PFRS 19 is not required to apply the disclosure requirements in other PFRS nor apply any statements about, or references to, those disclosure requirements except for certain exceptions. An entity is required to consider whether to provide additional disclosures when compliance with the specific requirements in PFRS 19 is insufficient to enable users of financial statements to understand the effect of transactions and other events and conditions on the entity's financial position and financial performance.

The new standard is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted provided that this fact is disclosed.

The management assessed that the amendments are not applicable to the Company.

*Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 and PFRS 7).* The amendments address matters identified during the post-implementation review of the classification and measurement requirements of *PFRS 9, Financial Instruments*. The amendments include:

- a) derecognition of financial liability settled through electronic transfer - The amendments to the application guidance of PFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- b) classification of financial assets - The amendments provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement, enhance description of the term 'non-recourse' and clarify the characteristics of contractually linked instruments that distinguish them from other transactions.
- c) disclosures - The requirements in PFRS 7 are amended for disclosures that an entity provides in respect of investments in equity instruments designated at fair value through other comprehensive income. The amendments also require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

The amendments also include amendments to *PFRS 19, Subsidiaries without Public Accountability: Disclosures*, which limit the disclosure requirements for qualifying subsidiaries.

The amendments are effective for reporting periods beginning on or after 1 January 2026, with earlier application permitted provided that this fact is disclosed. The amendments are not expected to have any material impact on Company's financial statements.

*Annual Improvements to PFRS — Volume 11.* The pronouncement comprises the following amendments:

- PFRS 1: Hedge accounting by a first-time adopter - The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9 Financial Instruments.
- PFRS 7: Gain or loss on derecognition - The amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13 Fair Value Measurement was issued.
- PFRS 7: Disclosure of deferred difference between fair value and transaction price - The amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
- PFRS 7: Introduction and credit risk disclosures - The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.
- PFRS 9: Lessee derecognition of lease liabilities - The amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.

- PFRS 9: Transaction price - The amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15 Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.
- PFRS 10: Determination of a 'de facto agent' - The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
- PAS 7: Cost method - The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.

The amendments are effective for reporting periods beginning on or after 1 January 2026, with earlier application permitted provided that this fact is disclosed. The amendments are not expected to have any material impact on Company's financial statements.

The Company has not early adopted the previously mentioned new, amended and improved accounting standards and interpretations. The Company continues to assess the impact of the above new, amended and improved accounting standards and interpretations that are effective subsequent to January 1, 2024 on its financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the financial statements when these amendments are adopted.

#### **Determination of Fair Value and Fair Value Hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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.

The Company determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

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.

Fair value measurement disclosures of financial and non-financial assets are presented in Note 18 to the financial statements.

#### **“Day 1” difference**

When the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in the statements of comprehensive income unless it qualifies for recognition as some other type of asset or liability. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statements of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference amount.

#### **Financial Instruments**

##### *Initial recognition, measurement and classification*

The Company recognizes financial assets and financial liabilities in the statements of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments includes transaction costs, except for those financial assets and liabilities at fair value through profit or loss (FVPL) where the transaction costs are charged to expenses in the period incurred.

The Company classifies its financial assets as subsequently measured at amortized cost, FVOCI and FVPL. The classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing the financial assets. The Company's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company classifies its financial liabilities as subsequently measured at amortized cost using the effective interest method.

*Financial assets at amortized cost*

Financial assets are measured at amortized cost when both of the following conditions are met:

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

After initial measurement, financial assets at amortized cost are subsequently measured using the effective interest method less allowance for impairment. Gains and losses are recognized in the statements of comprehensive income when the financial assets at amortized cost are derecognized, modified or impaired.

These financial assets are included in current assets if maturity is within twelve (12) months from the end of reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2024 and 2023, included under financial assets at amortized cost are the Company's cash and advances to related parties (see Notes 5 and 11).

*Cash*

The Company's cash represents cash in bank that is not legally restricted for use, which carries interest at respective bank deposit rate.

*Advances to related parties*

Advances to related parties represent promissory notes from TWGI and Forum Exploration Inc. (FEI) pertaining to cash advances for working capital and value of exploration of assets transferred to the Company.

*Equity instruments designated at FVOCI*

Upon initial recognition, the Company may make an irrevocable election to present in other comprehensive income changes in the fair value of an equity investment that is not held for trading. The classification is determined on an instrument-by-instrument basis. When the equity instrument is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is not subsequently reclassified to profit or loss, but is transferred to retained earnings. Dividends on such investments are recognized in profit or loss when the right of payment has been established, except when the dividends represent a recovery of part of the cost of the investment, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment. These financial assets are classified as noncurrent assets.

As at December 31, 2024 and 2023, the Company elected to classify irrevocably its quoted and unquoted equity investments under this category (see Note 7).

*Financial liabilities at amortized cost*

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading, or designated at FVPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

As at December 31, 2024 and 2023, included in financial liabilities at amortized cost are the Company's accounts payable and other liabilities (excluding government liabilities), lease liability and advances from a related party (see Notes 9 and 11).

*Accounts payable and other liabilities*

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other current liabilities include non-trade payables, accrued expenses and due to government agencies. Accounts payable and other liabilities are classified as current liabilities if payment is due within one year or less or in the normal operating cycle of the business if longer while non-trade payables are classified as current liabilities if payment is due within one year or less. Otherwise, these are presented as noncurrent liabilities.

*Lease liability*

Lease liability represents the Company's obligation to make lease payments for all leases with a term of more than 12 months, unless the underlying asset is of low value is effectively treated as a financial liability which is measured at amortized cost, using the incremental borrowing rate of the Company.

*Advances from a related party*

Represents cash advances from a related party for working capital requirements.

### **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### **Derecognition of Financial Instruments**

#### *Financial assets*

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

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

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

#### *Financial liabilities*

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

### **Impairment of Financial Assets**

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments that are measured at amortized cost. ECL is a probability-weighted estimate of credit losses over the expected life of the financial asset.

Credit losses are the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. The Company assesses at each end of the reporting period whether the credit risk on a financial asset has increased significantly since initial recognition. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is measured at an amount equal to the lifetime ECL. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, a loss allowance is measured at an amount equal to 12-month ECL. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting period.

For advances to related parties, the Company applied lifetime ECL calculation. To measure ECL, advances to related parties have been grouped based on shared risk characteristics and the days past due.

When the credit risk on financial instruments for which lifetime ECL have been recognized subsequently improves, and the requirement for recognizing lifetime ECL is no longer met, the loss allowance is measured at an amount equal to 12-month ECL at the current reporting period, except for assets for which simplified approach was used.

The Company recognizes impairment loss (reversals) in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset in the statements of financial position.

#### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the end of reporting period with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are one day past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the end of reporting period. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of investment grade in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of performing. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### *Definition of default*

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Parent Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than one year past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lenders would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

### *Write-off policy*

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables and contract assets, when the amounts are over five years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

### **Input Tax**

Input tax pertains to indirect tax paid by the Company on its local purchase of goods and services from a value-added tax (VAT)-registered person. Input tax is deducted against output tax in arriving at the VAT due and payable.

The Company's input tax is initially recognized at face value and subsequently measured at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide for potential uncollectible portion of the claims. The Company, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment loss.

### **Right-of-use Asset**

Right-of-use asset represents lessee's right to use an asset over the lease term.

The Company recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is initially measured at cost which includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

Right-of-use asset is depreciated on a straight-line basis over the lease term of two years which is shorter than its estimated useful life.

When right-of-use are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

### **Impairment of Non-Financial Assets**

At each reporting date, the Company assesses whether there is any indication that any of its assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **Retirement Benefits**

The Company does not provide any retirement benefits because it does not have any employee. The Company's administrative functions are performed by TWGI.

### **Income Taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income. Deferred income tax is determined using tax rates and laws, in the period the temporary difference is expected to be recovered or settled, that have been enacted or substantively enacted as at reporting period.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each reporting date the Company reassess the need to recognize previously unrecognized deferred income tax asset.

Deferred income tax assets are recognized for all deductible temporary differences, carrying forward benefits of unused tax credits from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, carrying forward benefits of unused tax credits from excess of MCIT over RCIT and unused NOLCO can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

The Company reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax asset against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company elects to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

### **Related Parties and Related Party Transactions**

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

Related party relationship exists when: (a) a person or a close member of that person's family has control or joint control, has significant influence or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity; and (b) when any of the following conditions apply: (i) the entity and the Company are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party; (v) the entity is a post-employment benefit plan for the benefit of employees of the Company; (vi) the entity is controlled or jointly controlled by a person as identified in (a) above; (vii) the entity or any member of a group of which it is part, provides key management personnel services to the Company or to the parent of the Company; (viii) a person identified in (a) above has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.

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

### **Equity**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are measured (initial and subsequent) at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and time value of money is material, the initial measurement is on a present value basis.

*Capital stock* represents the par value of shares that have been issued at the end of the reporting period.

*Subscribed capital stock* represents the par value of the subscribed shares.

*Subscription receivables* represent par value of the shares subscribed but the Company has not yet received the payments from the subscriber.

*Treasury shares* represent own equity instruments reacquired, the amount of the consideration paid, including directly attributable cost, net of any tax effects, is recognized as a reduction from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as Additional paid-in capital. Voting rights related to treasury shares are nullified for the Company and no dividends are allocated to them respectively.

When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to Additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

*Unrealized fair value gain on financial assets at FVOCI* represents accumulated gains from increase in the market value of financial assets at FVOCI.

*Deficit* includes all current and prior period accumulated losses as disclosed in the statements of comprehensive income.

### **Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

Interest income is recognized as it accrues (using the effective interest method i.e., the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

### **Cost and Expense Recognition**

Cost and expenses are recognized in statements of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in statements of comprehensive income: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in the statements of comprehensive income are presented using the nature of expense method.

### **Foreign Currency Denominated Transactions**

Foreign currency transactions are initially recognized by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in terms of historical cost are translated using the foreign exchange rate at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

### **Basic Income Per Share**

Basic income per share is calculated by dividing the income by the weighted average number of common shares issued during the year, excluding common shares purchased by the Company and held as treasury shares.

### **Provisions and Contingencies**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made with the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, an increase in the provision due to the passage of time is recognized as an interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is presented in the statement of comprehensive income, net of any reimbursement.

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements, but disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

### **Events after the Reporting Date**

The Company identifies post-year events that occurred after the reporting date but before the date when the Company financial statements were authorized for issue. Post year-end events that provide additional information about the Company's position at the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the financial statements when material.

## **4. SIGNIFICANT ACCOUNTING JUDGMENTS, AND ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's financial statements requires management to make judgments and estimates that affect amounts reported in the Company's financial statements. These judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company believes the following represent a summary of these material judgments and estimate and related impact and associated risks in the Company's financial statements.

## **Significant Accounting Judgment in Applying the Company's Accounting Policies**

### *Assessing the Company's Going Concern*

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to 12 months from the reporting date. The degree of consideration and available information depends on the facts and wide range of factors that the management may need to consider (e.g., current and expected profitability, debt repayment schedules and potential sources of replacement financing). As at December 31, 2024 and 2023, the Company still continues to use the going concern basis of accounting.

### *Leases*

The Company has entered into contracts of lease for its office space it occupies. The Company determines the contract if there is a substance of lease. In determining the substance of the lease, the Company considered, among others, whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Based on management judgment, the Company's lease for its office space has substance of lease, thus, the Company recognized right-of-use asset representing the right to use the leased asset and lease liability representing its obligation to make lease payments.

### *Classifying financial instruments*

The Company exercises judgment in classifying financial instruments in accordance with PFRS 9. The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the Company's business model and its contractual cash flow characteristics and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position. Accordingly, the Company classified its cash in banks, trade and other receivables, due from related parties and other noncurrent assets as financial assets at amortized cost because these are mainly held to receive contractual cash flow.

## **Significant Accounting Estimates and Assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

The fair values of financial assets and liabilities that are not quoted in active market are determined by using generally accepted valuation techniques. Valuation involves significant judgement and it is likely that different valuation techniques will provide different results. This is because the inputs used, and any adjustments to those inputs, may differ depending on the technique used.

Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. Inputs used in these models are from observable data and quoted market prices in respect of similar financial instruments.

All models are approved by the BOD before these are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in assumptions about these factors could affect reported fair value of financial instruments. The Company considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the fair value of financial instruments that are not quoted in active market.

Information on fair values of financial assets and liabilities are disclosed in Note 18.

*Impairment of input tax*

Management believes that the recoverability of input tax is doubtful since the Company is not expecting income subject to output tax in the near future. Consequently, the Company has provided full valuation allowance of its input tax in 2024 and 2023.

The Company's input tax amounted to ₱2,325,446 and ₱2,833,692 as at December 31, 2024 and 2023, respectively (see Note 6).

*Deferred tax assets*

The Company reviews the carrying amounts at each reporting date and reduces deferred tax assets 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.

Due to non-operation of the Company, management expects that the Company will continue to incur losses and the related deferred tax assets will not be utilized in the near future. The Company's unrecognized deferred tax assets are fully disclosed in Note 14.

The Company's unrecognized deferred tax assets amounted to ₱1,230,950 and ₱1,306,704 as at December 31, 2024 and 2023, respectively (see Note 14).

*Allowance for impairment of advances to related parties*

Allowance for impairment of advances to related parties is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on the status of the advances to related parties, past collection experience and other factors that may affect collectibility.

Advances to related parties amounted to ₱242,087,403 and ₱260,396,266, net of allowance for impairment loss of ₱242,526,151 and ₱221,205,384 as at December 31, 2024 and 2023, respectively (see Note 11).

*Allowance for impairment on financial assets at FVOCI*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. Since management has assessed that the financial assets at FVOCI cannot be recovered and the decline in book value per share is other than temporary, the Company has provided allowance for impairment loss.

The Company's financial assets at FVOCI amounted to ₱15,907,621 and ₱81,774,471, net of allowance amounted to ₱20,000,000 as at December 31, 2024 and 2023, respectively (see Note 7).

**5. CASH**

Cash represents cash in bank with outstanding balance of ₱91,574 and ₱95,841 as at December 31, 2024 and 2023, respectively. Interest income earned from bank deposits were ₱98, ₱122 and ₱158 for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 13).

Cash in bank generally earns interest at annual rates based on daily bank deposit rates of 0.0625% per annum in 2024 and 2023.

There is no restriction on the Company's cash in bank as at December 31, 2024 and 2023.

**6. PREPAYMENTS AND OTHER CURRENT ASSETS (net)**

Prepayments and other current assets (net) as at December 31 consist of:

	2024	2023
Input tax	₱ 2,325,446	₱ 2,833,692
Less: Valuation allowance on input tax	(2,325,446)	(2,833,692)
	-	-
Other current assets	41,213	38,213
	<b>₱ 41,213</b>	<b>₱ 38,213</b>

Movements in the allowance on input tax are as follows:

	2024	2023
Balance at beginning of the year	₱ 2,833,692	₱ 2,634,234
Provision for (recovery) during the year – note 13	(508,246)	199,458
Balance at end of year	<b>₱2,325,446</b>	<b>₱ 2,833,692</b>

Other current assets mainly pertain to the Company's cash in bank that was subjected to garnishment.

The Company has provided full valuation allowance on its input tax since they are not expecting to generate income subject to VAT on which it can claim all its input tax against its output tax.

**7. FINANCIAL ASSETS AT FVOCI**

Financial assets at FVOCI as at December 31 consist of:

	2024	2023
<b>Unquoted shares</b>		
Cost	₱65,711,573	₱65,711,573
Unrealized fair value loss	(62,604,074)	-
	<b>3,107,499</b>	<b>65,711,573</b>
<b>Quoted shares</b>		
Cost	7,529,480	7,529,480
Unrealized fair value gain	5,270,642	8,533,418
	<b>12,800,122</b>	<b>16,062,898</b>
	<b>₱15,907,621</b>	<b>₱81,774,471</b>

Investment in unquoted shares of stock represents ownership of the Company in FEI (see Note 11) and TLCDC. These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee would which manifest control, joint control or significant influence.

Investment in quoted shares of stock represents ownership investment in Philippine Estates Corporation (PHES), a publicly listed Company. The fair value of these shares has been determined directly by reference to published prices in the active market. However, fair value of investment in unquoted shares is determined by adjusted net assets method.

The movements in the unrealized fair value gain on financial assets at FVOCI are as follows:

	2024	2023	2022
At beginning of year	₱ 8,533,418	₱11,294,228	₱18,070,763
Unrealized fair value gain (loss) during the year	(65,866,850)	(2,760,810)	(6,776,535)
At end of year	(₱57,333,432)	₱ 8,533,418	₱11,294,228

The Company's financial assets at FVOCI as at December 31, 2024 and 2023 are not held as collateral for its financial liabilities.

#### 8. RIGHT-OF-USE ASSET (net)

The reconciliation of right-of-use asset for the years ended December 31 are as follows:

	2024	2023
<b>Cost</b>		
Balance at beginning of year	₱285,077	₱285,077
Additions	272,934	-
Write-off	(285,077)	-
Balance at end of year	272,934	285,077
<b>Accumulated depreciation</b>		
At beginning of year	237,564	95,025
Depreciation – note 12	138,490	142,539
Write-off	(285,077)	-
At end of year	90,977	237,564
<b>Net carrying amounts, December 31</b>	<b>₱181,957</b>	<b>₱47,513</b>

Write-off of right-of-use assets pertains to expired lease contracts.

Based on the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at December 31, 2024 and 2023.

#### 9. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities as at December 31 consist of:

	2024	2023
Deferred output VAT	₱2,165,616	₱2,165,616
Accrued expenses	367,000	378,852
Withholding taxes	7,325	7,125
	<b>₱2,539,941</b>	<b>₱2,551,593</b>

Accrued expenses pertain to unpaid professional fees.

There were no assets of the Company that were collateralized for the above accounts payable and other liabilities.

## 10. CAPITAL STOCK

Details of the Company's capital stock as at December 31, 2024 and 2023 are as follows:

Capital stock	Number of Shares	Par value	Total
Authorized	<b>3,500,000,000</b>	<b>₱ 1</b>	<b>₱ 3,500,000,000</b>
Subscribed	<b>1,875,000,000</b>	<b>1</b>	<b>1,875,000,000</b>
Less: Subscription receivables	<b>( 667,456,379)</b>	<b>1</b>	<b>( 667,456,379)</b>
Subscribed and paid-up	<b>1,207,543,621</b>	<b>1</b>	<b>1,207,543,621</b>
Less: Treasury shares	<b>( 36,056,750)</b>	<b>1</b>	<b>( 36,056,750)</b>
Issued and outstanding	<b>1,171,486,871</b>	<b>₱ 1</b>	<b>1,171,486,871</b>

The Company has one class of common shares which carry no right to fixed income. No movement in the capital stock of the Company in 2024 and 2023 reporting periods. There were no shares of the Company reserved for issue under options and contracts for the sale of shares as at December 31, 2024 and 2023.

### *Track record of registration of securities*

The Company was originally registered as Cophil Exploration, Inc. with the SEC on January 8, 1993. The Company was listed with the PSE on December 19, 1994 with initial registered shares of 50 billion at ₱0.01 par value per share.

On September 2, 1996, the BOD and stockholders approved a resolution to amend the Company's Article of Incorporation by changing the par value per share of ₱0.01 to ₱1.00, removing the preemptive rights of shareholders and increasing authorized capital stock from ₱500 million divided by 50 billion shares to ₱2 billion divided into 2 billion shares. On September 27, 1996, SEC approved the amendment on the Company's capital structure.

On August 22, 1997, the BOD and the stockholders approved a further increase in the Company's authorized capital stock from ₱2 billion to ₱3.5 billion divided into 3.5 billion shares with a par value of ₱1 per share. On March 11, 1998, SEC approved the Company's increased in authorized capital stock.

The Company has 1.5 billion shares listed and traded in the PSE as at December 31, 2024 and 2023.

The historical market values of the Company's share are as follows:

<b>December 31, 2024</b>	<b>₱0.21</b>
December 31, 2023	0.27
December 31, 2022	0.23

The Company has 857 and 858 stockholders as at December 31, 2024 and 2023, respectively.

## 11. RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured, non-interest bearing and with no definite terms of repayments period. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting arrangement.

Details of related party relationships, transactions and balances are as follows:

Related parties and relationships	Amount of transactions		Outstanding receivable		Terms and Condition
	2024	2023	2024	2023	
<b>With common key management</b>					
<b>TWGI</b>					
Cash advance (payments)	(P2,921,291)	(P1,761,357)	P289,002,482	P291,923,773	(a) Unsecured, partially impaired
Interest income	5,933,195	5,933,195	23,979,996	18,046,801	(a)
Consultancy agreement	(480,000)	(480,000)	—	—	(a)
Rental and utilities	(222,000)	(222,000)	—	—	(a)
<b>FEI</b>					
Transfer of assets	—	—	171,631,076	171,631,076	(b) Unsecured, Fully impaired
	2,309,904	3,469,838	484,613,554	481,601,650	
Impairment loss	(21,320,767)	—	(242,526,151)	(221,205,384)	(c)
	(P18,308,863)	P3,469,838	P242,087,403	P 260,396,266	
<b>With common key management</b>					
<b>FEI, Ltd.</b>					
Cash advance for working capital	P —	P —	P 4,796,623	P4,591,391	(d) Unsecured

### (a) Advances to TWGI

On December 16, 2020, TWGI issued a new promissory note amounting to P296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. Accrued interest receivable for this promissory note amounted to P23,979,996 and P18,046,801 as at December 31, 2024 and 2023, respectively.

However, the Company entered into the following contracts with TWGI, which in return, amounts incurred by the former will be used to settle the outstanding advances:

- The Company leases an office space from TWGI in May 2014. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been renewed four times since then and is currently valid until April 30, 2026.

Utilities expense charged to operations amounted to P72,000 for the years ended December 31, 2024, 2023 and 2022 (see Note 12).

The Company recognized the asset as 'right-of-use asset' and corresponding lease liability.

The present value of the lease liability as at December 31 is as follows:

	2024	2023
Current	P 137,908	P48,323
Noncurrent	46,930	-
	<b>P 184,838</b>	<b>P48,323</b>

The future minimum lease payments as at December 31 are as follows:

	2024	2023
Not later than one year	P 150,000	P50,000
Later than one year but not later than five years	50,000	-
Future minimum lease payments	200,000	50,000
Amounts representing finance charges	(15,162)	( 1,677)
	<b>P 184,838</b>	<b>P48,323</b>

The net carrying amount of the right-of-use asset recognized as at December 31, 2024 and 2023 is disclosed in Note 8.

Total finance costs charged to operations amounted to P13,581, P6,651 and P14,789 for the years ended December 31, 2024, 2023 and 2022, respectively.

- In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed five times since then and is currently valid until April 30, 2026. Total management fee charged to operations amounted to P480,000 for the years ended December 31, 2024, 2023 and 2022 (see Note 12).

The Company had provided allowance for ECL on advances to TWGI prior to agreements entered into to settle the outstanding advances. Allowance for ECL is evaluated annually based on historical data and current condition of TWGI adjusted with forward looking information. Allowance for ECL will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

*(b) Advances to FEI*

FEI is a legal and beneficial owner of 100% interest in Service Contract (SC) 40, an upstream oil and gas contract area in the Philippines, entered with the Philippine Government through the Department of Energy (DOE). Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MSCF) and 78.66 MSCF since the start of production in 2012.

FEI has also implemented Work Program and Budget as approved by DOE on November 17, 2014 which includes, among others, a commitment to perform land gravity survey over the Dalingding Structure starting March 2015. Since 2014, FEI has performing geological and geophysical study aimed to identify and prioritize highly prospective areas for future exploration.

The Company has outstanding advances to FEI pertaining to the value of exploration assets transferred by the Company.

The Company is positive on FEI's success on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at December 31, 2024 and 2023, FEI has not yet returned the value of the exploration assets that the Company transferred.

*(c) Allowance for ECL*

Certain advances to related parties were found to be impaired, hence, adequate amounts of allowance for ECL have been recognized (see Note 16).

	2024	2023
At beginning of year	P221,205,384	P221,205,384
Provision for impairment – note 13	21,320,767	–
At end of year	P242,526,151	P221,205,384

*(d) Advances from FORUM GSEC 101 Ltd. (Forum Exploration, Inc. Ltd. (FEI – Ltd.))*

The Company received USD denominated cash advances from FORUM GSEC 101 Ltd. (Jersey), Formerly FEI - Ltd. amounted to \$82,922 with no definite terms of payment and will be settled in USD.

	2024	2023
At beginning of year	P4,591,391	P4,623,316
Unrealized foreign exchange loss (gain)– note 13	205,232	(31,925)
At end of year	P4,796,623	P4,591,391

The Company was granted an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. The management assessed that the advances from the related party is not expected to be settled within 12 months from the reporting period. There have been no guarantees received for any related party payable.

*(e) Remuneration to key management personnel*

With the Company's tight cash position, management decided to suspend any form of compensation/ remuneration given to key management personnel.

*(e) Others*

The Company's administrative functions are performed by TWGI.

**12. COSTS AND EXPENSES**

Cost and expenses for the years ended December 31 consists of:

	2024	2023	2022
Professional fees	₱ 1,145,000	₱ 995,000	₱ 941,000
Management fees – note 11	480,000	480,000	480,000
Membership fees and dues	267,600	274,350	262,250
Depreciation – note 8	138,490	142,539	133,405
Publication fees	87,680	82,820	97,907
Utilities – note 11	72,000	72,000	72,000
Taxes and licenses	61,759	19,373	19,271
Donation	35,000	30,000	26,756
Office supplies	2,065	1,980	5,667
Travel and transportation	507	350	9,530
Miscellaneous	179,239	154,874	143,177
	<b>₱ 2,469,340</b>	<b>₱ 2,253,286</b>	<b>₱ 2,190,963</b>

Membership fees and dues include annual PSE listing and registration.

Miscellaneous expense mainly consists of website maintenance fees and deficiency tax.

**13. OTHER INCOME (net)**

Other income (net) for the years ended December 31 consists of:

	2024	2023	2022
Interest income			
Advances to related parties – note 11	₱ 5,933,195	₱ 5,933,195	₱ 5,933,195
Cash in bank – note 5	98	122	158
Recovery (provision for) impairment on input tax – note 6	508,246	( 199,458)	( 217,487)
Provision for impairment on advances to related parties - note 11	(21,320,767)	–	–
Unrealized foreign exchange gain (loss) – note 11	( 205,232)	31,925	( 394,365)
	<b>(₱15,084,460)</b>	<b>₱ 5,765,784</b>	<b>₱ 5,321,501</b>

#### 14. INCOME TAXES

##### *Reconciliation of tax expense*

The reconciliation of income (loss) before income tax computed at the regular corporate income tax rate to the provision for income tax as shown in the statement of comprehensive income is as follows:

	2024	2023	2022
Income (loss) before income tax	(P17,567,381)	P 3,505,847	P 3,115,749
Income tax benefit at statutory rate:	(P 4,391,845)	P 876,462	P 778,937
Income tax effect on:			
Interest income subjected to final tax	( 25)	( 30)	( 39)
Nondeductible expense	5,351,442	20,287	21,082
Change in unrecognized deferred tax assets	( 75,754)	41,883	( 584,458)
	<b>P 883,818</b>	<b>P 938,602</b>	<b>P 215,522</b>

The composition of deferred tax assets (net) and liability as at December 31 is as follows:

	2024	2023
<b>Deferred tax assets</b>		
Provision for input VAT	P 581,361	P 708,423
Unrealized foreign exchange loss	649,589	598,281
Lease liability	46,210	12,081
	<b>1,277,160</b>	<b>1,318,785</b>
Unrecognized deferred tax assets	(1,230,950)	(1,306,704)
	<b>P 46,210</b>	<b>P 12,081</b>
<b>Deferred tax liability</b>		
Right-of-use asset	(P 45,489)	(P 11,878)

The Company has deductible temporary differences that are available for offset against future taxable income for which no deferred tax assets have been recognized in the financial statements. Deferred tax assets of the temporary differences amounting to P1,230,950 and P1,306,704 in 2024 and 2023, respectively, were not recognized as management believes that it is more likely than not, that the carry-forward benefits will not be realized in the future.

Deferred tax assets and liability are determined using the income tax rates in the periods the temporary differences are expected to be recovered or settled.

#### 15. INCOME PER SHARE

The following table presents information necessary to calculate the income per share:

	2024	2023	2022
Net income (loss) for the year	(P17,567,381)	P2,567,245	P 2,900,227
Weighted average number of common shares outstanding during the year	1,171,486,871	1,171,486,871	1,171,486,871
	<b>(P 0.016)</b>	<b>P 0.002</b>	<b>P 0.002</b>

## 16. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which results from both its operating and financing activities. The Company's risk management is coordinated with the BOD and focuses on actively securing the short-term cash flows to finance its operation.

The Company's principal financial instruments comprise of cash in bank, advances to related parties, financial assets at FVOCI, accounts payable and other liabilities (excluding liabilities to government agencies), lease liability and advances from a related party. The main purpose of these financial instruments is to raise financing for the Company's operations. The Company does not actively engage in trading of financial assets for speculative purposes nor does it have options.

The most significant financial risks in which the Company is exposed to are described below:

### *Credit risk*

Credit risk refers to the risk that a counterparty will default its contractual obligation resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its financial assets which composed of cash and advances to related parties.

In order to minimize credit risk, the Company has developed and maintained internal credit risk grading to categorize exposures according to their degree of risk of default. The Company uses its own trading records to rate its major customers and other debtors.

The maximum credit risk exposure of the financial assets is the carrying amount of the financial assets shown on the face of statement of financial position, as summarized below:

		December 31, 2024		
	Basis of recognizing ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash in bank– note 5	(a)	₱ 91,574	₱ –	₱ 91,574
Advances to related parties – note 11	(b) Lifetime ECL	484,613,554	( 242,526,151)	242,087,403
<b>Total</b>		<b>₱ 484,705,128</b>	<b>(₱ 242,526,151)</b>	<b>₱ 242,178,977</b>

		December 31, 2023		
	Basis of recognizing ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash in bank– note 5	(a)	₱ 95,841	₱ –	₱ 95,841
Advances to related parties – note 11	(b) Lifetime ECL	481,601,650	( 221,205,384)	260,396,266
<b>Total</b>		<b>₱ 481,697,491</b>	<b>(₱ 221,205,384)</b>	<b>₱ 260,492,107</b>

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash as described below.

(a) *Cash in bank*

The credit risk for cash in bank is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in bank is insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱1,000,000 for every depositor per banking institution.

(b) *Advances to related parties*

For advances to related parties, the Company has applied the general approach to measure the loss allowance using the management's adopted policy on ECL.

The management continues to review receivable from related parties for any legally enforceable right to offset with liabilities with the expressed intention of the borrower to settle on a net basis.

Impaired accounts represent advances to related parties that have not paid for a while and for which the Company believes that a portion of the receivables may not be collected. The allowance is estimated based on the Company's estimate for accounts which it believes may no longer be collected.

As at December 31, 2024 and 2023, the Company has entered into agreements with its related party to settle the advances (see Note 11).

*Liquidity risk*

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company is mainly exposed to liquidity risk through its maturing liabilities. The Company has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met.

The Company manages liquidity risk through continuous collection of advances to related parties which is considered as cash inflow to finance its operation. The Company continuously monitoring forecast and actual cash flows and matching the maturity profiles of liabilities.

The details of the maturity analysis of the Company's liabilities are as follows:

<b>December 31, 2024</b>	<b>Total</b>	<b>On demand</b>	<b>Less than three months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>
<b>Account payable and other liabilities*</b>	<b>₱ 367,000</b>	<b>₱ –</b>	<b>₱ –</b>	<b>₱ 367,000</b>	<b>₱ –</b>
<b>Lease liability</b>	<b>184,838</b>	<b>–</b>	<b>–</b>	<b>137,908</b>	<b>46,930</b>
<b>Advances from a related party</b>	<b>4,796,623</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,796,623</b>
	<b>₱ 5,348,461</b>	<b>₱ –</b>	<b>₱ –</b>	<b>₱ 504,908</b>	<b>₱ 4,843,553</b>

December 31, 2023	Total	On demand	Less than three months	3 to 12 months	1 to 5 years
Account payable and other liabilities*	₱ 378,852	₱ —	₱ —	₱378,852	₱ —
Lease liability	48,323	—	—	48,323	—
Advances from a related party	4,591,391	—	—	—	4,591,391
	₱ 5,018,566	₱ —	₱ —	₱427,175	₱4,591,391

\*excluding government liabilities

The Company's current ratio is 0.04:1 as at December 31, 2024 and 2023. This shows that for every peso of currently maturing liabilities, the Company has a fund of ₱0.04 in 2024 and 2023 to settle its obligations.

### **Equity price risk**

Equity price risk is the risk that the fair value of equity instrument decreases as a result of changes in the value of individual stocks. The Company's exposure to equity price risk arises from investments held by the Company and classified in the Company's statements of financial position either as financial asset at FVOCI.

Equity instruments designated at FVOCI in listed and non-listed companies are held for strategic rather than trading purposes. The Company does not actively trade these investments. The Company also invested in portfolio of listed shares which are held for trading and has designated equity instrument in a non-listed Company at FVOCI.

If the price of the financial assets at FVOCI had been 10% higher/lower, other comprehensive income for the years ended December 31, 2024 and 2023 would decrease/increase by ₱1,590,762 and ₱8,177,447, respectively.

### **Foreign currency risk**

The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to the U.S. dollars. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency.

Significant fluctuation in the exchange rates could significantly affect the Company's financial position.

The Company is mainly exposed to foreign currency risk through its advances from a related party of \$82,922 which amounted to ₱4,796,623 and ₱4,591,391 as at December 31, 2024 and 2023, respectively.

The sensitivity rate used on reporting foreign currency risk internally to key management personnel is 10% and it represents management's assessment of reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary assets and liabilities and adjusts their translation at the period end for a 10% in foreign exchange rates. A positive number indicates an increase in net income when the Philippine peso strengthens at 10% against the relevant currency. For 10% weakening of the Philippine peso against the relevant currency, there would be an equal and opposite impact on the net income.

If foreign exchange rates had been 10% higher/lower, the net income before tax would increase/decrease by ₱8,292 in 2024 and 2023. Equity as at December 31, 2024 and 2023 would increase/decrease by ₱6,219.

**Capital Risk Objective and Management**

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern.

The BOD have the overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Company's external environment and the risks underlying the Company's business operations and industry.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including accounts payable and other liabilities, lease liability and advances from a related party as shown in the statements of financial position) less cash. Total capital is calculated as equity as shown in the statements of financial position plus net debt.

Gearing ratio compares some form of owner's equity to borrowed funds. It is a measure of financial leverage demonstrating the degree to which the Company's activities are funded by owner's funds versus creditors' funds.

The gearing ratios as at December 31 were as follows:

	2024	2023
Debt	₱ 8,451,227	₱8,141,585
Cash	91,574	95,841
Net debt	8,359,653	8,045,744
Equity	249,904,751	334,222,800
Gearing ratio	0.033:1.00	0.024:1.00

The Company is subject to externally imposed capital requirement amounting to ₱6,250,000 which is the minimum paid-up capital requirement of SEC for mining companies. As at December 31, 2024 and 2023, the Company is in compliance with this externally imposed capital requirement.

**17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The reconciliation about the changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes for the years ended December 31 is as follows:

	Balance as at January 1, 2024	Effect of foreign exchange rates	New leases	Changes from financing cash flows	Balance as at December 31, 2024
Advances from a related party	₱4,591,391	₱205,232	₱ -	₱ -	₱4,796,623
Lease liability	48,323		272,934	( 136,419)	184,838
	₱4,639,714	₱205,232	₱272,934	(₱ 136,419)	₱4,981,461

	Balance as at January 1, 2023	Effect of foreign exchange rates	New leases	Changes from financing cash flows	Balance as at December 31, 2023
Advances from a related party	₱4,623,316	(₱31,925)	₱ –	₱ –	₱4,591,391
Lease liability	191,672	–	–	(143,349)	48,323
	₱4,814,988	(₱31,925)	₱ –	(₱143,349)	₱4,639,714

## 18. FAIR VALUE INFORMATION

### *Assets measured at fair value*

The following table gives information about how the fair values of the Company's assets, which are measured at fair value at the end of each reporting period, are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at December 31		Fair value hierarchy	Valuation techniques
	2024	2023		
<b>Financial assets at FVOCI</b>				
Quoted	₱12,800,122	₱16,062,898	Level 1	Quoted prices in an active market
Unquoted	3,107,499	65,711,573	Level 3	Adjusted net asset method
	₱15,907,621	₱81,774,471		

### *Assets and liabilities not measured at fair value*

The following table gives information about how the fair values of the Company's assets and liabilities, which are not measured at fair value but the fair values are disclosed at the end of each reporting period, are determined.

	2024		2023		Valuation techniques	Fair value hierarchy
	Carrying Value	Fair Value	Carrying Value	Fair Value		
<b>Financial Asset</b>						
Advances to related parties	242,087,403	228,002,331	260,396,266	245,964,542	Discounted value of future cash flows	Level 3
	₱245,194,902	₱231,109,830	₱326,107,839	₱311,676,115		
<b>Financial Liabilities</b>						
Lease liability	₱ 46,930	₱ 44,200	₱ –	₱ –	Discounted value of future cash flows	Level 3
Advances from a related party	4,796,623	4,517,547	4,591,391	4,336,926	Discounted value of future cash flows	Level 3
	₱4,843,553	₱4,561,747	₱4,591,391	₱4,336,926		

For the long-term financial assets and liabilities, the fair value of the non-interest bearing noncurrent assets and liabilities are determined based on the discounted value of future cash flows using the prevailing credit adjusted PHP BVAL for 2024 and 2023 that are specific to the tenor of the instruments' cash flow as at reporting date. Discount rates used are 6.1776% in 2024 and from 5.8674% in 2023.

The carrying amounts of cash in bank, accounts payable and other liabilities (excluding liabilities to government agencies), and current portion of lease liability approximate their fair values due to the relatively short-term maturities of these financial instruments.

**19. SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE**

On December 28, 2010, Revenue Regulations (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS.

*a) Output Value-Added Tax*

The Company declared output VAT for the year ended December 31, 2024 as follows:

	Gross revenues	Output VAT
Subject to 12% VAT	P5,933,195	P 711,983
Zero rated	-	-
Exempt	-	-
<b>Total</b>	<b>P5,933,195</b>	<b>P 711,983</b>

*b) Input Value-Added Tax*

	2024
At beginning of year	P2,833,692
Current purchases and payments for:	
Domestic purchases of goods other than capital goods	800
Domestic purchases of goods and services	202,937
	<b>3,037,429</b>
Claimed against output	<b>(711,983)</b>
	<b>P2,325,446</b>

*c) Importations*

The Company did not pay nor accrue custom duties or tariff fees as the Company did not import any goods or equipment for the year ended December 31, 2024.

*d) Excise Tax*

The Company did not pay nor accrue any excise tax as there was no related transaction that requires the payment of the said tax for the year ended December 31, 2024.

*e) Documentary Stamp Tax*

The Company did not pay nor accrue any documentary stamp tax as there was no related transaction that requires the payment of the said tax for the year ended December 31, 2024.

*f) Taxes and licenses*

Details of taxes and licenses account are broken down as follows:

	2024
Business permits	P58,887
Community tax	2,872
	<b>P61,759</b>

*g) Withholding taxes*

The total amount of expanded withholding tax accrued and paid is P99,654 for the year ended December 31, 2024.

*h) Deficiency tax assessment and tax cases*

The Company had no deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR as at December 31, 2024.

*i.) Other information*

All other information prescribed to be disclosed by the BIR has been included in this Note.

\* \* \*



**Statement Required by Rule 68, Part I, Section 3.F,  
Revised Securities Regulation Code (SRC)**

To the Board of Directors and Stockholders of  
**FORUM PACIFIC, INC.**  
35<sup>th</sup> Floor, One Corporate Center  
Doña Julia Vargas Ave., corner Meralco Avenue  
Ortigas Center, Pasig City

We have audited the accompanying financial statements of **Forum Pacific, Inc.** (the 'Company'), as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 14, 2025. In connection with our audit, we obtained a certification from the Company's corporate secretary as to the number of stockholders and their corresponding shareholdings as at December 31, 2024. In relation to the certification issued by the corporate secretary, we conducted certain tests necessary to validate the related Company's entries and balances.

In compliance with Revised SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of the work performed, as at December 31, 2024, the Company has eight hundred forty-eight (848) stockholders owning one hundred (100) or more shares each.

**DIAZ MURILLO DALUPAN AND COMPANY**

Tax Identification No. 003-294-822  
BOA/PRC No. 0234, effective until June 23, 2026  
SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and  
valid in the audit of 2021 to 2025 financial statements of SEC covered institutions  
BIR Accreditation No. 08-001911-000-2025, effective until March 11, 2028

By:



Michelle Marie A. Recto  
Partner

CPA Certificate No. 130623  
SEC Accreditation No. 130623-SEC, Group A, issued on June 15, 2021 and  
valid in the audit of 2020 to 2024 financial statements of SEC covered institutions  
Tax Identification No. 291-885-209  
PTR No. 10478585, January 9, 2025, Makati City  
BIR Accreditation No. 08-001911-007-2025, effective until February 17, 2028

April 14, 2025



**Global Reach, Global Quality**

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 8894 5892 / 8844 9421 / Fax: +63(2) 8818 1872  
Cebu Office : Unit 504 Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 6000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8029  
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Palawan Office : 2F MRC Building, Pineda Road, Brgy. San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone +63(48) 716 1580  
Website : www.dmdcpa.com.ph

**Independent Auditors' Report on  
Components of Financial Soundness Indicators**

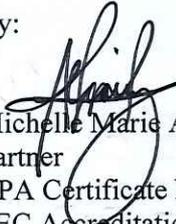
To the Board of Directors and Stockholders of  
**FORUM PACIFIC, INC.**  
35<sup>th</sup> Floor, One Corporate Center  
Doña Julia Vargas Ave., corner Meralco Avenue  
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **Forum Pacific, Inc.** (the 'Company') as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 14, 2025. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, is the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

**DIAZ MURILLO DALUPAN AND COMPANY**

Tax Identification No. 003-294-822  
BOA/PRC No. 0234, effective until June 23, 2026  
SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and  
valid in the audit of 2021 to 2025 financial statements of SEC covered institutions  
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By:

  
Michelle Marie A. Recto  
Partner  
CPA Certificate No. 130623  
SEC Accreditation No. 130623-SEC, Group A, issued on June 15, 2021 and  
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April 14, 2025



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Website : www.dmdcpa.com.ph

**FORUM PACIFIC, INC.**  
**SCHEDULE SHOWING FINANCIAL SOUNDNESS**  
**PURSUANT TO REVISED SRC RULE 68**  
**DECEMBER 31, 2024**

Ratio	Formula	2024	2023
Profitability ratios: Return on assets	Net income	NA	₱ 2,567,245
	Divided by: Total assets	258,355,978	342,364,385
	Return on assets	NA	0.01:1
Return on equity	Net income	NA	₱ 2,567,245
	Divided by: Total equity	249,904,751	334,222,800
	Return on equity	NA	0.01:1
Net profit margin	Net income	NA	₱ 2,567,245
	Divided by: Total revenue	-	-
	Net profit margin	NA	NA
Gross profit margin	Total revenue	₱ -	₱ -
	Less: Cost of service	-	-
	Gross profit	-	-
	Divided by: Total revenue	-	-
	Gross profit margin	NA	NA
Solvency and liquidity ratios: Current ratio	Current assets	₱ 132,787	₱ 134,054
	Divided by: Current liabilities	3,562,185	3,538,316
	Current ratio	0.04:1	0.04:1
Debt to equity ratio	Total liabilities	₱ 8,451,227	₱ 8,141,585
	Divided by: Total shareholder's equity	249,904,751	334,222,800
	Debt to equity ratio	0.03:1	0.02:1
Quick ratio	Quick assets*	₱ 91,574	₱ 95,841
	Divided by: Current liabilities	3,538,316	3,538,316
	Quick ratio	0.03:1	0.03:1
Cashflow liquidity ratio	Cashflow from operations	(₱ 2,775,558)	(₱ 1,791,516)
	Divided by: Current liabilities	3,562,185	3,538,316
	Cashflow liquidity ratio	(0.78:1)	(0.51:1)
Financial leverage ratio Asset to equity ratio	Total assets	₱ 258,355,978	₱ 342,364,385
	Divided by: Total shareholder's equity	249,904,751	334,222,800
	Asset to equity ratio	1.03:1	1.02:1
Debt to asset ratio	Total liabilities	₱ 8,451,227	₱ 8,451,227
	Divided by: Total assets	258,355,978	342,364,385
	Debt to asset ratio	0.03:1	0.02:1

\*Includes Cash



**Statement Required by Rule 68, Part I, Section 5,  
Revised Securities Regulation Code (SRC)**

To the Board of Directors and Stockholders of  
**FORUM PACIFIC, INC.**  
35<sup>th</sup> Floor, One Corporate Center  
Doña Julia Vargas Ave., corner Meralco Avenue  
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **Forum Pacific, Inc.** (the 'Company') as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 14, 2025. The supplementary information shown in *List of Supplementary Information* are presented for the purpose of filing with the Securities and Exchange Commission and are not required part of basic financial statements. Such information is the responsibility of management and has been subjected to auditing procedures applied in the audits of basic financial statements. In our opinion, the information has been prepared in accordance with Rule 68 of the Revised Securities Regulation Code.

**DIAZ MURILLO DALUPAN AND COMPANY**

Tax Identification No. 003-294-822  
BOA/PRC No. 0234, effective until June 23, 2026  
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valid in the audit of 2021 to 2025 financial statements of SEC covered institutions  
BIR Accreditation No. 08-001911-000-2025, effective until March 11, 2028

By:



Michelle Marie A. Recto

Partner

CPA Certificate No. 130623

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valid in the audit of 2020 to 2024 financial statements of SEC covered institutions

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**FORUM PACIFIC, INC.**  
List of Supplementary Information

**Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68**

- A. Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)
- B. Amounts Receivables from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates)
- C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
- D. Long-Term Debt
- E. Indebtedness of Related Parties
- F. Guarantees of Securities of Other Issuers
- G. Capital Stock
- H. List of Top 20 Stockholders of Record

**Other Required Information**

Reconciliation of Retained Earnings Available for Dividend Declaration

Supplementary Schedule of External Auditor Fee-Related Information

**FORUM PACIFIC, INC.**  
**Schedule A. Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)**  
**December 31, 2024**

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
<b>Financial assets at</b>				
<b>FVOCI</b>				
Philippine Estates Corporation	50,196,553	₱ 12,800,121	₱ 12,800,121	₱ —
Forum Exploration, Inc. Taguig Lake City Development Corporation	62,500,000	—	—	—
	125,000	12,500,000	—	—
<b>Total financial assets at FVOCI</b>	<b>112,821,553</b>	<b>₱ 25,300,121</b>	<b>₱ 16,062,898</b>	<b>₱ —</b>
Cash in bank	—	91,574	91,574	98
		<b>₱ 81,870,312</b>	<b>₱ 16,158,739</b>	<b>₱ 98</b>

**FORUM PACIFIC, INC.**

**Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates).**

**December 31, 2024**

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Amounts collected	Amounts written-off	Current	Not Current	
The Wellex Group, Inc.	₱309,970,574	₱ 5,933,195	₱ 2,921,291	₱ -	₱ -	₱ 312,982,478	₱ 312,982,478
Forum Exploration, Inc.	171,631,076	-	-	-	-	171,631,076	171,631,076
<b>Total</b>	<b>₱481,601,650</b>	<b>₱ 5,933,195</b>	<b>₱ 2,921,291</b>	<b>₱ -</b>	<b>₱ -</b>	<b>₱ 484,613,554</b>	<b>₱ 484,613,554</b>

**FORUM PACIFIC, INC.**

**Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation  
of Financial Statement  
December 31, 2024**

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
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Not Applicable

**FORUM PACIFIC, INC.**  
**Schedule D. Long Term Debt**  
**December 31, 2024**

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
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None

**FORUM PACIFIC, INC.**  
**Schedule E. Indebtedness to Affiliates and Related Parties (Long-Term Loans**  
**from Related Companies)**  
**December 31, 2024**

Name of Affiliates	Balance at beginning of period	Balance at end of period
Forum Exploration Inc. Ltd.	₱ 4,591,391	₱ 4,796,623

**FORUM PACIFIC, INC.**  
**Schedule F. Guarantees of Securities of Other Issuers**  
**December 31, 2024**

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
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None

**FORUM PACIFIC, INC.**  
**Schedule G. Capital Stock**  
**December 31, 2024**

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	Directors, officers and employees	Others
Common Stock	3,500,000,000	1,171,486,871	-	-	420,702	1,171,066,169

## FORUM PACIFIC, INC.

### Schedule H. List of Top 20 Stockholders of Record December 31, 2024

Name of Stockholders	Citizenship	Tax Identification No.	Amount Subscribed	Percentage to total Outstanding
International Polymer Corporation	Filipino	210-000-232-426	P 496,887,494	26.501
PCD Nominee Corporation	Filipino	004-774-849-000	433,385,374	22.973
The Wellex Group, Inc.	Filipino	004-740-001-000	376,950,000	20.104
E.F. Durkee & Associates, Inc.	Filipino	321-002-155-628	77,838,563	4.151
Intra-Invest Sec., Inc.	Filipino	000-162-545-000	48,159,000	2.568
Metropolitan Management Corporation	Filipino	470-002-151-280	30,000,000	1.600
Juanito C. Uy	Filipino	127-179-750-000	22,625,001	1.207
Pacrim Energy N.L.	Others	324-668-750-000	21,000,000	1.120
Sapphire Securities, Inc.	Filipino	000-511-869-000	19,433,500	1.036
Benito Ong and/or Zita Y. Ong	Filipino	268-192-032-000	18,000,000	0.960
Li Chih-Hui	Filipino	004-454-732-000	17,100,000	0.912
Nestor S. Mangio	Filipino	003-754-123-000	12,500,000	0.667
A & A Securities, Inc.	Filipino	000-103-110-000	11,911,320	0.635
Mark Securities Corporation	Filipino	000-544-789-000	10,772,800	0.575
Globalinks Sec. & Stocks, Inc.	Filipino	000-849-752-000	9,400,000	0.501
Belson Securities, Inc.	Filipino	000-154-219-000	9,200,000	0.491
Wealth Securities, Inc.	Filipino	000-330-678-000	8,240,000	0.439
PCD Nominnee Corp.	Others	004-774-849-000	9,220,050	0.422
Ruben M. Gan	Filipino	174-154-039-000	7,610,000	0.406
David Go Securities Corporation	Filipino	000-320-855-000	6,880,000	0.367
			<u>P1,647,113,102</u>	

**Reconciliation of Retained Earnings Available for Dividend Declaration**

For the reporting ended December 31, 2024

**FORUM PACIFIC, INC.**

35<sup>th</sup> Floor, One Corporate Center Doña Julia Vargas Ave.,  
corner Meralco Avenue Ortigas Center, Pasig City

<b>Unappropriated Retained Earnings, beginning of reporting period</b>	P	-
<b>Add: <u>Category A: Items that are directly credited to Unappropriated Retained Earnings</u></b>		
Reversal of Retained Earnings Appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others	-	-
<b>Less: <u>Category B: Items that are directly debited to Unappropriated Retained Earnings</u></b>		
Dividend declaration during the reporting period	-	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	-	-
<b>Unappropriated Retained Earnings, as adjusted</b>		-
<b>Add/Less: Net Income (loss) for the current year</b>		-
<b>Less: <u>Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</u></b>		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) to financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a Result of certain transactions accounted for under the PFRS	-	
Sub-total		
<b>Add: <u>Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</u></b>		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total		



**Add: Category C.3: Unrealized income recognized in profit or loss in Prior periods but reversed in the current reporting period (net of tax)**

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents

—

Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)

—

Reversal of previously recorded fair value gain of Investment Property

—

Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded

—

Sub-total

**Adjusted Net Income/Loss**

**Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**

Depreciation on revaluation increment (after tax)

—

Sub-total

**Add/Less: Category E: Adjustments related to relief granted by the SEC And BSP**

Amortization of the effect of reporting relief

—

Total amount of reporting relief granted during the year

—

Others

—

Sub-total

**Add/Less: Category F: Other items that should be excluded from the Determination of the amount of available for dividends distribution**

Net movement of treasury shares (except for reacquisition of redeemable shares)

—

Net movement of deferred tax asset not considered in the reconciling items under the previous categories

—

Net movement in deferred tax asset and deferred tax liabilities

—

Related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable

—

Adjustment due to deviation from PFRS/GAAP – gain (loss)

—

Others (Effect of adoption of PFRS)

—

Sub-total

**Total Retained Earnings, end of the reporting period available for dividend**

**P**

—

**FORUM PACIFIC, INC.**

**Supplementary Schedule of External Auditor Fee-Related Information  
December 31, 2024**

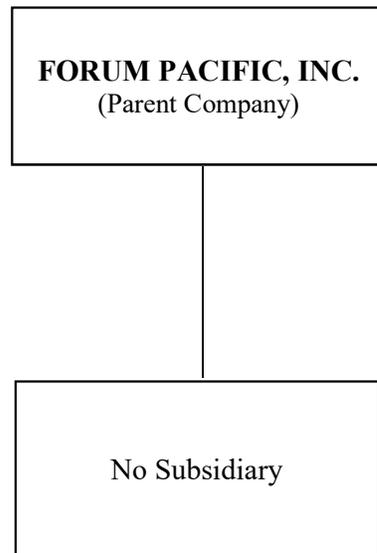
	2024	2023
<b>Total Audit Fees</b>	<b>₱470,000</b>	<b>₱465,000</b>
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-audit Fees</b>	<b>-</b>	<b>-</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱470,000</b>	<b>₱465,000</b>

**Audit and Non-audit fees of other related entities**

	2024	2023
Audit Fees		
Non-audit services fees:	<b>₱</b> -	<b>₱</b> -
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Audit and Non-audit Fees of other related entities</b>	<b>₱</b> -	<b>₱</b> -



**FORUM PACIFIC, INC.**  
**Map of Conglomerate or Group of Companies within Which the Company Belongs**  
**December 31, 2024**



***Forum Pacific, Inc.***

*Sustainability Reporting*  
*December 31, 2024*

# Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

## Contextual Information

Company Details	
Name of Organization	<b>FORUM PACIFIC, INC.</b>
Location of Headquarters	35 <sup>th</sup> Flr. One Corporate Center, Dona Julia Vargas, cor. Meralco Ave., Ortigas Center, Pasig City
Location of Operations	PHILIPPINES
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	NONE
Business Model, including Primary Activities, Brands, Products, and Services	Holding Company – Engage in investing, purchasing and acquiring assets of any kind and description
Reporting Period	For the year ended 2024
Highest Ranking Person responsible for this report	Annabelle Abunda – Finance and Compliance Officer

*\*If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

## Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. <sup>1</sup>
<p>For its initial submission of Sustainability Report, Forum Pacific Inc. carefully assessed the materiality impact of the Company related to economic, environmental and social topics. The Company has considered different factors in evaluating the materiality such as company policies, laws and regulations of the local government and current issues in the economy.</p> <p>The reference used by the Company is the Sustainability Accounting Standards Board (SASB) Map from the Sustainability Reporting Guidelines for Public Listed Companies issued by Securities and Exchange Commission (SEC).</p> <p>As per assessment, since there’s no operation and employee for the year 2024, the Company identified that it most likely to affect only two of the topics:</p> <ul style="list-style-type: none"> <li>A. Economic Impact – Economic Performance, Procurement Practices</li> <li>B. Social Impact – Supply Chain Management and Data Security</li> </ul>

<sup>1</sup> See [GRI 102-46](#) (2016) for more guidance.

## ECONOMIC

### Economic Performance

Currently, the Company has no operation and employee. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

#### Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	0.00	PhP
Direct economic value distributed:		
a. Operating costs	2,386,162	PhP
b. Employee wages and benefits	0.00	PhP
c. Payments to suppliers, other operating costs	0.00	PhP
d. Dividends given to stockholders and interest payments to loan providers	0.00	PhP
e. Taxes given to government	946,095	PhP
f. Investments to community (e.g. donations, CSR)	35,000	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The impact is seen on the generation of zero income due to the none operation of the Company.	Directors, Stockholders, Service Providers and Government	Management and directors have committed to provide full financial support to the Company in order to meet its working capital requirements and settle obligations as they fall due especially government liabilities.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The risk is the continuous payments of obligatory expenses such as government liabilities, fees, etc.	Directors, Stockholders, Service Providers and Government	The management continuously evaluate Company's financial status by undertaking different approach such as considering to invest into potential renewable energy sources and advancing to affiliates and design collection programs.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The opportunity is the prompt payments of taxes, lease and fees such as professional, consultancy and membership fees.	Directors, Service Providers and Government	The Company commits to continuously pay government and suppliers on time to maintain good relationship and avoid penalties.

#### Climate-related risks and opportunities<sup>2</sup>

Currently, the Company has no operations and not yet implement certain metrics and targets to assess and manage the relevant climate-related risks and opportunity at this moment. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

Governance	Strategy	Risk Management	Metrics and Targets
Not Applicable	Not Applicable	Not Applicable	Not Applicable

<sup>2</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

Recommended Disclosures			
Not Applicable	Not Applicable	Not Applicable	Not Applicable

## Procurement Practices

Currently, the Company has no operation. These metrics and targets will be further developed in tune with the nature of the businesses that will be entered into.

### Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
All of the procurement budget of the company was spent on local service providers and suppliers of the company.	Service Providers, and Suppliers	The Company commits to continuously keep a good relationship with the stakeholders by paying its dues on time.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The present service providers or suppliers may not be sufficient to meet the standard requirements of the Company	Service Providers and Suppliers	The Company may open doors to other service providers or suppliers that may give good quality of service or supplies.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The opportunity to use a wide range of local service provider or suppliers.	Service Providers and Suppliers	The Company may use other service providers/suppliers in the available market.

## Anti-corruption

Currently, the Company has no operation and employee but has Anti-Corruption Policies and Procedures. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

### Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	0	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company has no material impact at this moment under this category.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There's no risk/s identified at this moment for this category.	Not applicable	Not applicable

<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	Not applicable	Not applicable

Incidents of Corruption

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.		

# ENVIRONMENT

## Resource Management

Currently, the Company has no operation. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

### Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	0	kWh

### Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	0	GJ
Energy reduction (LPG)	0	GJ
Energy reduction (diesel)	0	GJ
Energy reduction (electricity)	0	kWh
Energy reduction (gasoline)	0	GJ

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.		

### Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	0	Cubic meters
Water recycled and reused	0	Cubic meters

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There's no opportunity/ies identified at this moment for this category.		

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	0	kg/liters
• non-renewable	0	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company has no material impact at this moment under this category.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There's no risk/s identified at this moment for this category.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There's no opportunity/ies identified at this moment for this category.		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	0 (identify all sites)	
Habitats protected or restored	0	ha
IUCN <sup>3</sup> Red List species and national conservation list species with habitats in areas affected by operations	0 (list)	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company has no material impact at this moment under this category.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There's no risk/s identified at this moment for this category.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There's no opportunity/ies identified at this moment for this category.		

<sup>3</sup> International Union for Conservation of Nature

## Environmental impact management

Currently, the Company has no operation. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

### Air Emissions

#### GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.		

### Air pollutants

Disclosure	Quantity	Units
NO <sub>x</sub>	0	kg
SO <sub>x</sub>	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.		

## Solid and Hazardous Wastes

Currently, the Company has no operation. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

### Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	0	kg
Reusable	0	kg
Recyclable	0	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.		

### Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.		

### Effluents

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	0	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.		

## Environmental compliance

### Non-compliance with Environmental Laws and Regulations

Currently, the Company has no operation. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.		

## SOCIAL

### Employee Management

Currently, the Company has no operation and employee. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

#### Employee Hiring and Benefits

##### Employee data

Disclosure	Quantity	Units
Total number of employees <sup>4</sup>		
a. Number of female employees	0	#
b. Number of male employees	0	#
Attrition rate <sup>5</sup>	0	rate
Ratio of lowest paid employee against minimum wage	0	ratio

##### Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	NA	NA	NA
PhilHealth	NA	NA	NA
Pag-ibig	NA	NA	NA
Parental leaves	NA	NA	NA
Vacation leaves	NA	NA	NA
Sick leaves	NA	NA	NA
Medical benefits (aside from PhilHealth))	NA	NA	NA
Housing assistance (aside from Pag-ibig)	NA	NA	NA
Retirement fund (aside from SSS)	NA	NA	NA
Further education support	NA	NA	NA
Company stock options	NA	NA	NA
Telecommuting	NA	NA	NA
Flexible-working Hours	NA	NA	NA
(Others)	NA	NA	NA

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

#### Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	0	hours
b. Male employees	0	hours

<sup>4</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

<sup>5</sup> Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Average training hours provided to employees		
a. Female employees	0	hours/employee
b. Male employees	0	hours/employee

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

#### Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

#### Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	0	%
% of male workers in the workforce	0	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

\*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

## Workplace Conditions, Labor Standards, and Human Rights

Currently, the Company has no operation and employee. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

### Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	0	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

### Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	NA	
Child labor	NA	
Human Rights	NA	

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

### Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Suppliers and service providers are primarily evaluated base on the quality, timeliness and costing they offer. However, management reserves the right to terminate a supply relationship if there are proven accusations of material wrong-doing on the part of the suppliers or service providers (e.g. non-compliance with government laws and regulations)

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The impact is on the service providers/suppliers' quality and efficient services required by the Company	All services and purchases by the Company are carefully evaluated and approved by officers of the Company.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

### Relationship with Community

Currently, the Company has no operation. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

### Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Not material to the company in 2023 due to no operation					

\*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: \_\_\_\_\_ - \_\_\_\_\_

Certificates	Quantity	Units
FPIC process is still undergoing	0	#
CP secured	0	#

<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

## Customer Management

Currently, the Company has no operation. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

### Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	0	N

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The impact is on the service providers/suppliers' quality and efficient services required by the Company	All services and purchases by the Company are carefully evaluated and approved by officers of the Company.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

### Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	0
No. of complaints addressed	0	0

\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

### Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	0
No. of complaints addressed	0	0

\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by governments.

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.	

<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company has no material impact at this moment under this category.	
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

Data Security

Currently, the Company has no operation and employee but already implemented the Data Privacy Act of 2012. These metrics and targets will be developed in tune with the nature of the businesses that will be entered into.

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The proper implementation of the Data Privacy Act of 2012 has been put into measures.	All information of any stakeholders are confidentially kept by the company. Any disclosures that the Company may make, will only be done within the Data Privacy Act.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
There's no risk/s identified at this moment for this category.	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
There's no opportunity/ies identified at this moment for this category.	

## UN SUSTAINABLE DEVELOPMENT GOALS

### Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Investments	Contributes investments to other companies	No significant potential impacts identified	

*\* None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*