C06319-2017

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. Date of Report (Date of earliest event reported)
   Oct 24, 2017
2. SEC Identification Number
   12942
3. BIR Tax Identification No.
   000-104-320-000
4. Exact name of issuer as specified in its charter
   Marcventures Holdings Inc.
5. Province, country or other jurisdiction of incorporation
   Manila, Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   4th Floor Citibank Center, Paseo de Roxas, Makati City
   Postal Code
   1227
8. Issuer's telephone number, including area code
   (+632)831-4479 or (+632)831-4483
9. Former name or former address, if changed since last report
   n/a
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	1,844,088,599

11. Indicate the item numbers reported herein
   -

Marcventures Holdings, Inc.
MARC

PSE Disclosure Form 4-23 - Mergers and Consolidations
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 and/or Section 5 of the Revised Disclosure Rules

Subject of the Disclosure

Merger of Marcventures Holdings Inc., Asia Pilot Mining Phils. Corp. and BrightGreen Resources Holdings Inc.with Marcventures Holdings Inc. as the surviving entity

Background/Description of the Disclosure

Merger of Marcventures Holdings Inc., Asia Pilot Mining Phils. Corp. and BrightGreen Resources Holdings Inc.with Marcventures Holdings Inc. as the surviving entity

Date of Approval by Board of Directors	Sep 8, 2017
Date of Approval by Stockholders	Oct 23, 2017
Other Relevant Regulatory Agency, if applicable	SEC and BIR
Date of Approval by Relevant Regulatory Agency	TBA
Date of Approval by Securities and Exchange Commission	TBA

Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction

APMPC is the owner of Alumina Mining Philippines Inc. (AMPI) and Bauxite Resources Inc. (BARI). AMPI holds MPSA 179-2002 VIII (SBMR) with an area of 6,694 Hectares located in Motiong, San Jose De Buan and Wright, Province of Samar issued on December 5, 2002. On the other hand, BARI holds MPSA 180-2002 VIII (SBMR) with an area of 5,435 Hectares located in Gandara, San Jose de Buan and Wright, Province of Samar issued on December 5, 2002. The merger with APMPC will allow MHI to gain control of AMPI and BARI, whose mineral resource is Bauxite Ore-- the main raw material of aluminium. The merger will allow MHI to grow its business, diversify its products and expand its source of income. Bauxite has been observed to be more stable in prices as compared to other commodities even during the slump of metal prices.

BHI is the owner of BrightGreen Resources Corp. ("BRC") which holds MPSA 015-93-XIII approved on 01 July 1993, covering approximately 4,860 hectares of Carrascal and Cantilan, Surigao del Sur. The mining tenement is contiguous to the mining tenement of MHI's wholly-owned subsidiary, Marcventures Mining and Development Corp. (MMDC). MHI's objective in merging with BHI is to gain control of BRC in order to increase the nickel reserves of MHI's owned nickel mines pursuant to a possible venture into Nickel Processing.

Description of the transaction including the timetable for implementation and related regulatory requirements, if any

Merger of Marcventures Holdings Inc. (MHI), Asia Pilot Mining Phils. Corp. (APMPC) and BrightGreen Resources Holdings Inc. (BHI) with Marcventures Holdings Inc. as the surviving entity.

The timetable for implementation of the merger cannot be fixed as the same is subject to shareholders' and regulatory approvals.

Identities of the parties to the transaction

Name	Nature of Business	Nature of any material relationship with the Issuer, their directors/officers or any of their affiliates
Marcventures Holdings Inc.	Holding Company	Issuer
BrightGreen Resources Holdings Inc.	Holding Company	MARC and BHI have certain common shareholders, officers or directors. Mr. Isidro C. Alcantara, Jr. holds interest in both MARC and BHI through Caulfield Heights Inc., where he, his wife and sons are directors and shareholders. He is the President of MARC, Vice Chairman of MMDC, Chairman of BHI and BRC. Mr. Anthony M. Te, the son of MHI director Macario U. Te is a shareholder and director of MMDC, BHI and BRC. Rolando Santos and Atty. Diane Madelyn Ching are both officers of MARC and BHI
Asia Pilot Mining Philippines Corp.	Mining Company	none

Terms and conditions of the transaction

Plan of merger

As consideration for the merger, the Company shall issue 675,000,000 shares in favor of APMPC shareholders and 450,000,000 shares in favor of BHI shareholders or a total of 1,125,000,000 shares at a par value of PhP 1.00 per share.

Ratio of exchange of shares

As consideration for the merger, the Company shall issue 675,000,000 shares in favor of APMPC shareholders and 450,000,000 shares in favor of BHI shareholders or a total of 1,125,000,000 shares at a par value of PhP 1.00 per share.

Basis upon which the exchange ratio was determined

Audited Financial Statements of APMPC and BHI as of June 30, 2017.

Number of shares subject of the merger

As consideration for the merger, the Company shall issue 675,000,000 shares in favor of APMPC shareholders and 450,000,000 shares in favor of BHI shareholders or a total of 1,125,000,000 shares at a par value of PhP 1.00 per share.

Timetable

The timetable for implementation of the merger cannot be fixed as the same is subject to shareholders' and regulatory approval. The Parties, however, are expecting to complete the transaction by the end of the year.
Conditions precedent to closing of the transaction, if any
Approval of the shareholders of MARC, APMPC and BHI, approval of the SEC of the Merger and increase in capital stock, issuance of BIR ruling
Procedures for exchange
Upon SEC approval of the increase in capital stock and merger of the three entities as well as BIR's issuance of a ruling, MARC shall issue 675,000,000 shares in favor of APMPC shareholders and 450,000,000 shares in favor of BHI shareholders or a total of 1,125,000,000 shares at a par value of PhP 1.00 per share.

Description of the company subject of the transaction

Nature and business
Mining Company
Discussion of major projects and investments
APMPC is the owner of Alumina Mining Philippines Inc. (AMPI) and Bauxite Resources Inc. (BARI). AMPI holds MPSA 179-2002 VIII (SBMR) with an area of 6,694 Hectares located in Motiong, San Jose De Buan and Wright, Province of Samar issued on December 5, 2002. On the other hand, BARI holds MPSA 180-2002 VIII (SBMR) with an area of 5,435 Hectares located in Gandara, San Jose de Buan and Wright, Province of Samar issued on December 5, 2002. BHI is the owner of BrightGreen Resources Corp. (“BRC”) which holds MPSA 015-93-XIII approved on 01 July 1993, covering approximately 4,860 hectares of Carrascal and Cantilan, Surigao del Sur. The mining tenement of BRC is contiguous to the mining tenement of MHI’s wholly-owned subsidiary, Marcventures Mining and Development Corp. (MMDC).

List of subsidiaries and affiliates, with percentage holdings

Name	% Ownership
Alumina Mining Philippines Inc. (subsidiary of APMPC)	100
Bauxite Resources Inc. (subsidiary of APMPC)	100
BrightGreen Resources Corp. (subsidiary of BHI)	100
Marcventures Mining and Development Corp. (subsidiary of MHI)	100

Capital structure

Authorized capital stock

Type of Security /Stock Symbol	Amount	Number of Shares
Common/ APMPC	100000000	1,000,000
Common/BHI	25000000	25,000,000
Common/MARC	2000000000	2,000,000,000

Subscribed Shares

Type of Security /Stock Symbol	Amount	Number of Shares
Common/APMPC	100000000	1,000,000
Common/BHI	25000000	25,000,000
Common/MARC	1844088599	1,844,088,599

Paid-Up Capital

Amount	100000000
Number of Shares	1,000,000

Issued Shares

Type of Security /Stock Symbol	Amount	Number of Shares
Common/APMPC	100000000	1,000,000
Common/BHI	25000000	25,000,000
Common/MARC	1844088599	1,844,088,599

Outstanding Shares

Type of Security /Stock Symbol	Amount	Number of Shares
Common/APMPC	100000000	1,000,000
Common/BHI	25000000	25,000,000
Common/MARC	1844088599	1,844,088,599

Par Value

Type of Security /Stock Symbol	Amount
Common/ APMPC	100.00
Common/BHI	1.00
Common/MARC	1.00

Ownership Structure (including percentage holdings)

Name	Number of Shares	% Ownership
Please see attach	0	0

Board of Directors

Name	(Regular or Independent)
Please see attach	please see attach

Principal Officers

Name	Position/Designation
please see attach	please see attach

Effect(s)/impact on the business, financial condition and operations of the Issuer

The merger with APMPC will allow MHI to gain control of AMPI and BARI, whose mineral resource is Bauxite Ore-- the main raw material of aluminium. The merger will allow MHI to grow its business, diversify its products and expand its source of income. Bauxite has been observed to be more stable in prices as compared to other commodities even during the slump of metal prices.

BHI is the owner of BrightGreen Resources Corp. (“BRC”) which holds MPSA 015-93-XIII approved on 01 July 1993, covering approximately 4,860 hectares of Carrascal and Cantilan, Surigao del Sur. The mining tenement is contiguous to the mining tenement of MHI’s wholly-owned subsidiary, Marcventures Mining and Development Corp. (MMDC). MHI’s objective in merging with BHI is to gain control of BRC in order to increase the nickel reserves of MHI’s owned nickel mines pursuant to a possible venture into Nickel Processing.

Other Relevant Information

Please see attachment for additional information

Amending disclosure to indicate the date of approval by stockholders.

Filed on behalf by:

Name	Raquel Frondoso
Designation	Compliance Officer

107052016005232

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931 to 39 Fax:(632)725-5293 Email: mis@sec.gov.ph

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Company Representative

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Company Information

SEC Registration No.	CS201316025
Company Name	ASIA PILOT MINING PHILS. CORPORATION
Industry Classification	Metallic Core Mining
Company Type	Stock Corporation

Document Information

Document ID	107052016005232
Document Type	FINANCIAL STATEMENT-ANNUAL
Document Code	FS
Period Covered	June 30, 2016
No. of Days Late	0
Department	CED/CRMD
Remarks	

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

CS201316025

Company Name

ASIA PILOT
MINING PHILS.
CORPORATION

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

Unit 706-A TWO E-Com Center
PALM Coast St.
MOA Complex
Pasay City, M.M.

Form Type	Department requiring the report	Secondary License Type, If Applicable
FS15		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
asiapilotmining@yahoo.com	242-65-02	n / a

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
5	JUNE 15 of each year	DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Facsimile Number/s
KAREN DELA CRUZ	asiapilotmining@yahoo.com	242-65-02	

Contact Person's Address

WAM'S Bldg., Jovita Ave., Brgy. 40, Bacolod City, Negros Or.

Note: 1. In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new person designated.

2.: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

ASIA PILOT MINING PHILS. CORPORATION
Unit 706-A TWO E-COM Center, Palm Coast St., MOA Complex, Pasay City
T.I.N. 008-383-802-000

FINANCIAL STATEMENTS
As of June 30, 2016

PHILIPPINE CURRENCY

ASIA PILOT MINING PHILS. CORPORATION

Unit 706-A Two E-COM Ctr. Palm St., MOA Complex, Pasay City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY ON THE FINANCIAL STATEMENTS

The Management of **ASIA PILOT MINING PHILS. CORPORATION**, is responsible for the preparation and fair presentation of the financial statements for the quarter ended **June 30, 2016 and year ended December 31, 2015** in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs). This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submit the same to the stockholders.

LALAINE I. ANGELES, the independent auditor appointed by the stockholders, has examined 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 examination.

RUBY SY
CHAIRMAN/PRESIDENT

KAREN C. DELA CRUZ
TREASURER

Signed this ______ day of ____________

STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN

The Management of **ASIA PILOT MINING PHILS. CORPORATION**, is responsible for all information and representations contained in the Annual Income Tax Return for the quarter ended **June 30, 2016**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all other tax returns filed for the reporting period, including but not limited, to the value added tax and/or percentage tax returns, documentary stamp tax returns, and any all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the quarter ended June 30, 2016 and the accompanying Annual Income Tax Return are in accordance with the books and records of **ASIA PILOT MINING PHILS. CORPORATION**, complete and correct in all material respects. Management likewise affirms that:

a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

b) Any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of Income Tax Return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

c) The **ASIA PILOT MINING PHILS. CORPORATION** has filed all applicable tax returns, report and statements required to be filed under Philippine Tax Laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

RUBY SY
CHAIRMAN/PRESIDENT

Lalaine I. Angeles
CERTIFIED PUBLIC ACCOUNTANT
Rm. 302 Pacific Land Bldg. 460 Quintin Paredes St. cor. Gandara, Binondo, Manila

TO THE SECURITIES AND EXCHANGE COMMISSION

In connection with my examination of the financial statements of **ASIA PILOT MINING PHILS. CORPORATION** which are to be submitted to the Commission, I hereby represent the following:

1. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);

2. That said financial statements are presented in conformity with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs) in all cases where I shall express an unqualified opinion; Except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;

3. That I shall fully meet the requirements of independence as provided for in Section 14 of the Code of Professional Ethics for CPAs;

4. That in the conduct of the audit, I shall comply with the Philippine Standards on Auditing promulgated by the Board of Accountancy. In case of my departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion; and

5. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements;

6. That relative to the expression of my opinion on the said financial statements, I shall not commit any act discreditable to the profession as provided for in Section 23 of the Code of Professional Ethics for CPAs.

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

LALAINE I. ANGELES
CPA Cert. No. 0082436
BOA Cert. No. 0896 /Sept. 27, 2013 to Dec. 31, 2016
B.I.R. Accreditation No. 06-001011-1-2015 valid up to Nov. 11, 2018
T.I.N. 115-751-627
PTR NO. 10420083/Manila/January 19, 2016

Manila
July 1, 2016

Lalaine I. Angeles
CERTIFIED PUBLIC ACCOUNTANT
Rm. 302 Pacific Land Bldg. 460 Quintin Paredes St. cor. Gandara, Binondo, Manila

REPORT OF INDEPENDENT PUBLIC ACCOUNTANT

To the Board of Directors and Stockholders
ASIA PILOT MINING PHILS. CORPORATION
Unit 706-A TWO E-COM Ctr. Palm Coast St.,
MOA Complex Pasay City

Report on the Financial Statements

I have audited the accompanying financial statements of **ASIA PILOT MINING PHILS. CORPORATION**, which comprise the statement of financial position as at **June 30, 2016 and year ended December 31, 2015**, and the statement of income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Philippine Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on my judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of **ASIA PILOT MINING PHILS. CORPORATION** as at **June 30, 2016 and year ended December 31, 2015**, and of its financial performance and its cash flows for the period then ended in accordance with Philippine Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs).

Report on the Supplementary Information Required under Revenue Regulations 15-2010

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

RECEIVED
B. BENEDICTO
JUL 01 2016

LALAINE I. ANGELES
CPA Cert. No. 0082436
BOA Cert. No. 0896 /Sept. 27, 2013 to Dec. 31, 2016
B.I.R. Accreditation No. 06-001011-1-2015 valid up to Nov. 11, 2018
T.I.N. 115-751-627
PTR NO. 10420083/Manila/January 19, 2016
Manila
July 1, 2016

Lalaine I. Angeles
CERTIFIED PUBLIC ACCOUNTANT
Rm. 302 Pacific Land Bldg. 460 Quintin Paredes St. cor. Gandara, Binondo, Manila

To the Board of Directors and Stockholders
ASIA PILOT MINING PHILS. CORPORATION
Unit 706-A TWO E-COM Ctr. Palm Coast St.,
MOA Complex Pasay City

I have examined the financial statements of **ASIA PILOT MINING PHILS. CORPORATION,** for the quarter ended **June 30, 2016**, on which I have rendered the attached report dated , July 1, 2016

In compliance with SRC Rule 68, I am stating that the said company has a total number of **5 (FIVE)** stockholders owning one Hundred (100) or more shares each.

LALAINE I. ANGELES
CPA Cert. No. 0082436
BOA Cert. No. 0896 /Sept. 27, 2013 to Dec. 31, 2016
B.I.R. Accreditation No. 06-001011-1-2015 valid up to Nov. 11, 2018
T.I.N. 115-751-627
PTR NO. 10420083/Manila/January 19, 2016

Manila
July 1, 2016

ASIA PILOT MINING PHILS. CORPORATION
Unit 706-A Two E-Com Ctr. Palm Coast St., MOA Complex Pasay City
T.I.N. 008-600-158-000

STATEMENT OF FINANCIAL POSITION
As of June 30, 2016

ASSETS

	June 2016	2015
Current Assets:		
Cash	99,669,520.00	6,890,020.00
Other Receivables	-	-
Total Current Assets	99,669,520.00	6,890,020.00
Non-Current Assets:	-	-
TOTAL ASSETS	99,669,520.00	6,890,020.00

LIABILITIES AND STOCKHOLDER'S EQUITY

	June 2016	2015
Current Liabilities:		
Other Payable	-	-
Stockholder's Equity:		
Authorized Capital Stock of 1,000,000 share with par value of P100.00 per share	100,000,000.00	100,000,000.00
Subscribe Capital Stock	100,000,000.00	25,000,000.00
Paid-Up Capital	100,000,000.00	7,220,000.00
Add: Retained Earnings (Deficit)	(330,480.00)	(329,980.00)
Total Stockholders' Equity	99,669,520.00	6,890,020.00
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	99,669,520.00	6,890,020.00

See accompanying Note to Financial Statements

BUREAU OF INTERNAL REVENUE
RDO 51 - PASAY CITY
COLLECTION
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B BENEDICT C.

JUL 0 1 2016

ASIA PILOT MINING PHILS. CORPORATION
Unit 706-A Two E-Com Ctr. Palm Coast St., MOA Complex Pasay City
T.I.N. 008-600-158-000

INCOME STATEMENT
For the Year's Ended June 30, 2016 and 2015

	June 2016	2015
SALES REVENUE	-	-
Less: Cost of Sales	-	-
Gross Income	-	-
Less: Operating Expenses		
Taxes & License	500.00	500.00
Net Income Before Tax	(500.00)	(500.00)
Less: Income Tax	-	-
Net Income After Tax	(500.00)	(500.00)
Add: Retained Earnings, beg	(329,980.00)	(329,480.00)
RETAINED EARNINGS end	**(330,480.00)**	**(329,980.00)**

See accompanying Note to Financial Statements

PASAY CITY
RECEIVED
C. BENEDICTO

JUL 01 2016

ASIA PILOT MINING PHILS. CORPORATION
Unit 706-A Two E-Com Ctr. Palm Coast St., MOA Complex Pasay City
T.I.N. 008-600-158-000

STATEMENT OF CHANGES IN EQUITY
For the Year's Ended June 30, 2016 and 2015
(in Philippine Pesos)

	June 2016	2015
Share Capital		
Authorized Capital Stock of 1,000,000 shares with par value of P100.00 per share	100,000,000.00	100,000,000.00
Subscribed Capital Stock	100,000,000.00	25,000,000.00
Share Capital	100,000,000.00	7,220,000.00
Cumulative Earnings		
Cumulative Earnings, beg.	(329,980.00)	(329,480.00)
Add: Net Income/Loss	(500.00)	(500.00)
Cumulative Earnings, end	**(330,480.00)**	**(329,980.00)**

See accompanying Note to Financial Statements

ASIA PILOT MINING PHILS. CORPORATION
Unit 706-A Two E-Com Ctr. Palm Coast St., MOA Complex Pasay City
T.I.N. 008-600-158-000

STATEMENT OF CASH FLOW
For the Year's Ended June 30, 2016 and 2015
(in Philippine Pesos)

	June 2016	2015
Cash flow from operating activities:		
Net Income/(Loss)	(500.00)	(500.00)
Adjustment to reconcile net income		
to net cash provided by operating activities:		
Changes in assets and liabilities		
Decrease (Increase) in Assets:		
Other Receivable - current	-	-
Prepaid Expenses	-	-
Other Receivable - non current	-	-
Net Increase (Decrease) in cash	(500.00)	(500.00)
Cash flow from investing activities		
Net Cash used in investing activities	-	-
Cash flow from financing activities		
Additional Capital	92,780,000.00	
Net Cash provided by (used in) financing activities	92,780,000.00	-
Net Increase (Decrease) in Cash and Cash Equivalents	92,779,500.00	(500.00)
Cash balance, beg.	6,890,020.00	6,890,520.00
Cash balance, end	99,669,520.00	6,890,020.00

See accompanying Note to Financial Statements

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

CS201316025

Company Name

ASIA PILOT MINING PHILS. CORPORATION

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

UNIT 706A TWO ECOM CENTER PALM COAST STREET MOA COMPLEX PASAY CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
5		06/30

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number

Contact Person's Address

UNIT 706-A TWO E-COM CENTER, PALM COAST ST., MOA COMPLEX, PASAY CITY

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurance thereof with information and complete contact details of the new contact person designated.

Note 2: All boxes must be properly and completely filled-up. Failure to do so shall cause delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Asia Pilot Mining Phils. Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for six months ended June 30, 2017 and year ended December 31, 2016, in accordance with the Philippine Financial Reporting Standards, 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 Asia Pilot Mining Phils. Corporation'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 shareholders.

Ocampo, Mendoza, Leong, Lim & Co. and Rayos Accounting and Associates, the independent auditors appointed by the shareholders, have audited the financial statements of **Asia Pilot Mining Phils. Corporation** in accordance with Philippine Standards on Auditing and, in its report to the shareholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

RUBY SY
Chairman of the Board

RUBY SY
President

ISAGANI P. YU
Treasurer

Subscribed and sworn to before me this AUG 2 3 2017, affiants exhibiting to me their Competent Evidence of Identity as follow:

Name	Tax Identification Number (TIN)
Ruby Sy	111-115-536
Isagani P. Yu	109-104-214

Notary Public

FRANCISCO ... MALATE JR.
NOTARY PUBLIC
UNTIL DEC. 31, 2017
PTR NO. 0866134
1-3-17 PARANAQUE CITY
IBP NO. ...
1-4-16-17 PASAY CITY
ROLL NO. 1708...
MCLE NO. 00202...

Doc. No. 64;
Page No. 13;
Book No. XXV;
Series of 2017.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

The Shareholders and the Board of Directors
Asia Pilot Mining Phils. Corporation
Unit 706-A Tower A, Two Ecom Center
Palm Coast St., MOA Complex, Pasay City
Metro Manila

Opinion

We have audited the financial statements of **Asia Pilot Mining Phils. Corporation** which comprise the statement of financial position as of June 30, 2017 and the statements of comprehensive income/loss, changes in shareholders' equity and cash flows for six months ended June 30, 2017 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Asia Pilot Mining Phils. Corporation as of June 30, 2017 and its financial performance and its cash flows for six months ended June 30, 2017 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Opinion

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

Emphasis of Matter

We draw attention on the Company's ability to continue as a going concern and the management assessed that there is uncertainty as to its ability to continue as a going concern when the Company entered into a merger agreement on December 15, 2016 (Please refer to Note 1 for further discussion).

Other Matter

The financial statements of **Asia Pilot Mining Phils. Corporation** for the year ended December 31, 2016 were audited by Rayos Accounting and Associates whose report dated May 22, 2017 disclosed an unqualified opinion.

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.

As of June 30, 2017, we have determined that there are no key audit matters to communicate in our report.

Other Information

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

As of June 30, 2017, no other information was included in the report.

Responsibilities of Management and Those Charged with Governance for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standards (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 Asia Pilot Mining Phils. Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatement 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 audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 auditor's 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 auditor's report. However, future events or conditions may cause to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 auditor's 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 Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on Taxes in Notes 17 and 18 of the Notes to the Financial Statements in compliance with RR 15-2010 and RR 19-2011 of the Bureau of Internal Revenue and the tabular schedule of standards and interpretation of the Securities and Exchange Commission are not a required part of the basic financial statements. Such information have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

OCAMPO, MENDOZA, LEONG, LIM & CO.

By:

MARCOS T. LIM
Partner
CPA Registration No. 50121
TIN No. 122-822-032-000
PTR No. 5998525, Issued on January 3, 2017, at Manila
SEC Accreditation No. 0166-FR-2 (Group B) for the Firm, Expires on 04/30/2018
PRC/BOA Reg. Practitioner No. 0737 for the Firm, Expires on 12/31/2018
BIR Accreditation No. 07-000568-2-2015 for the Firm, Expires on 09/04/2018
BIR Accreditation No. 07-000596-2-2015 for the Signing Partner, Expires on 09/04/2018
CDA Accreditation No. CEA-008-AF for the Firm, Expires on 06/18/2020

July 26, 2017
Metro Manila

ASIA PILOT MINING PHILS. CORPORATION

STATEMENT OF FINANCIAL POSITION
June 30, 2017
(With Comparative Figures in 2016)
(In Philippine Pesos)

	Note(s)		Six Months 6/30/2017		Year 12/31/16
A S S E T S					
Current Asset					
Cash	4	₱	39,520	₱	39,520
Non-Current Assets					
Advances to affiliates	5		62,983,000		62,983,000
Investment in subsidiaries	6		614,421,513		36,247,000
Total Non-Current Assets			677,404,513		99,230,000
TOTAL ASSETS		₱	677,444,033	₱	99,269,520
LIABILITY AND SHAREHOLDERS' EQUITY					
Current Liability					
Accrued expense	8	₱	50,000	₱	-
Shareholders' Equity					
Capital shares	11		100,000,000		100,000,000
Other comprehensive income	13		578,174,513		-
Deficit			(780,480)		(730,480)
Total Shareholders' Equity			677,394,033		99,269,520
TOTAL LIABILITY AND SHAREHOLDERS' EQUITY		₱	677,444,033	₱	99,269,520

ASIA PILOT MINING PHILS. CORPORATION

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For Six Months Ended June 30, 2017
(With Comparative Figures in 2016)
(In Philippine Pesos)

	Note(s)		Six Months 6/30/2017		Year 12/31/2016
Capital Shares					
Authorized - 1,000,000 shares at Php100 par value per share					
Subscribed and paid-up - 1,000,000 shares	11	₱	100,000,000	₱	100,000,000
Other comprehensive income	13	₱	578,174,513	₱	-
Deficit					
Beginning		₱	(730,480)	₱	(329,980)
Net loss			(50,000)		(400,500)
End			(780,480)		(730,480)
TOTAL SHAREHOLDERS' EQUITY		₱	677,394,033	₱	99,269,520

ASIA PILOT MINING PHILS. CORPORATION

STATEMENT OF COMPREHENSIVE INCOME/(LOSS)
For Six Months Ended June 30, 2017
(With Comparative Figures in 2016)
(In Philippine Pesos)

	Note(s)		Six Months 6/30/2017		Year 12/31/2016
SALES	-	₱	-	₱	-
DIRECT EXPENSES	-		-		-
GROSS PROFIT			-		-
ADMINISTRATIVE EXPENSES	12		50,000		400,500
LOSS BEFORE TAX EXPENSE			50,000		400,500
INCOME TAX EXPENSE					
Current	-		-		-
NET LOSS			50,000		400,500
OTHER COMPREHENSIVE INCOME					
Revaluation surplus	13		578,174,513		-
TOTAL COMPREHENSIVE INCOME/(LOSS)		₱	578,124,513	₱	(400,500)

ASIA PILOT MINING PHILS. CORPORATION

STATEMENT OF CASH FLOWS
For Six Months Ended June 30, 2017
(With Comparative Figures in 2016)
(In Philippine Pesos)

	Note(s)	Six Months 6/30/2017	Year 12/31/2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax expense	-	₱ (50,000)	₱ (400,500)
Change in current liability			
Accrued expense	8	50,000	-
Net Cash Used in Operating Activities		-	(400,500)
CASH FLOW FROM INVESTING ACTIVITIES			
Change in advances to affiliates	5	-	(36,247,000)
Change in investment in subsidiaries	6	-	(62,983,000)
Net Cash Used in Investing Activities		-	(99,230,000)
CASH FLOWS FROM A FINANCING ACTIVITY			
Proceeds from issuance of capital shares	11	-	92,780,000
Net Change in Cash		-	(6,850,500)
Cash, Beginning		39,520	6,890,020
CASH, END		₱ 39,520	₱ 39,520

ASIA PILOT MINING PHILS. CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
As Of and For Six Months Ended June 30, 2017
(With Comparative Figures in 2016)
(All Amounts in Philippine Pesos)

Note 1 – General Information and Status of Operation

General Information

Asia Pilot Mining Phils. Corporation (the "Company") is a stock corporation incorporated and registered with the Securities and Exchange Commission (SEC) with registration number CS201316025 on August 14, 2013. The Company's registered principal and business address Unit 706-A Two E-Com Center, Palm Coast St., MOA Complex, Pasay City.

The Company is primarily established to engage in operating coal mines and of prospecting, exploring and of mining, milling, concentrating, converting, smelting, treating, refining, preparing for market manufacturing, buying, selling, exchanging and otherwise producing and dealing in all other kinds of ores, metal and minerals, hydrocarbons, acids, and chemicals, and in the products and by-products of every kind and description and by whatever process, the same can be or may hereafter be produced. To purchase, lease, option, locate, or otherwise acquire, own, exchange, sell, or otherwise dispose of, pledge, mortgage, deed in trust, hypothecate, and deal in mines, mining claims, mineral lands, coal lands, timberlands, water and water rights, and other property both real and personal.

The Company did not generate income on its primary objectives as of June 30, 2017 and December 31, 2016.

The Company holds 99.9980% of equity interest in Alumina Mining Philippines, Inc. and 99.9900% in Bauxite Resources, Inc. Alumina Mining Philippines, Inc. and Bauxite Resources, Inc. are both domestic corporations engage in mining business.

Status of Operation

On December 15, 2016, the Company's Board of Directors approved the plan to merge with Marcventures Holdings, Inc. as the surviving entity subject to due diligence audit and approval of the shareholders. The financial statements were prepared for the purpose of the application for merger with SEC.

The Company did not commence operation from the time it was incorporated.

There is a change of accounting policy from cost method to equity method in accounting for investment in subsidiaries of the Company.

The accompanying financial statements of The Company as of and for the six months ended June 30, 2017 and year ended December 31, 2016 were authorized for issue by the Board of Directors on July 26, 2017. The Board of Directors is empowered to make revisions even after the date of issue.

Note 2 – Basis of Preparation, Statement of Compliance and Summary of Significant Accounting Policies

Basis of Preparation

The financial statements of the Company have been prepared under the historical cost and other measurement basis provided for under the Standards. The financial statements are presented in Philippine Peso, the Company's functional and presentation currency.

Statement of Compliance

The accompanying financial statements of the Company have been prepared in accordance with 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 Reporting Standards Council (FRSC) and adopted by SEC.

Presentation of Financial Statements

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable 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 liability simultaneously. Income and expense are not offset in the statement of comprehensive income/loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Note 3.

Adoption of New and Revised Accounting Standards

The accounting policies adopted are consistent with those of the previous financial years except for the adoption of the following new and amended standards and Philippine Interpretations. Adoption of these new and amended standards and interpretation did not have any effect on the financial performance or position of the Company. They did, however, give rise to additional disclosures.

- Amendment to PFRS 12, *Clarification of the Scope of the Standard* (Part of *Annual Improvements to PFRSs* 2014 - 2016 Cycle)

The amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

- Amendments to PFRS 7, *Disclosure Initiative*, changes in liabilities arising from financing activities:

  a) An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

  b) An entity shall disclose the following changes in liabilities arising from financing activities: (a) changes from financing cash flows; (b) changes arising from obtaining or losing control of subsidiaries or other businesses; (c) the effect of changes in foreign exchange rates; (d) changes in fair values; and (e) other changes.

  c) Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. In addition, the disclosure requirement in paragraph 44A of the PAS 7 also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

  d) One way to fulfil the disclosure requirement in paragraph 44A of the PAS 7 is by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including the changes identified in paragraph 44B of the PAS 7. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and the statement of cash flows.

  e) If an entity provides the disclosure required by paragraph 44A in combination with disclosures of changes in other assets and liabilities, it shall disclose the changes in liabilities arising from financing activities separately from changes in those other assets and liabilities

- Amendments on PFRS 12, *Income Taxes*, recognition of Deferred Tax assets for Unrealised Losses clarify the following changes:

  a) Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

  b) The carrying amount of an asset does not limit the estimation of probable future taxable profits.

c) Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

d) An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

Amendments on PFRS 12 are specifically the following:

a) *Paragraph 27A* - When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, it considers whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. If tax law imposes no such restrictions, an entity assesses a deductible temporary difference in combination with all of its other deductible temporary differences. However, if tax law restricts the utilisation of losses to deduction against income of a specific type, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type.

b) *Paragraph 29* - Compares the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences. This comparison shows the extent to which the future taxable profit is sufficient for the entity to deduct the amounts resulting from the reversal of those deductible temporary differences.

c) *Paragraph 29A* - The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this. For example, when an asset is measured at fair value, the entity shall consider whether there is sufficient evidence to conclude that it is probable that the entity will recover the asset for more than its carrying amount. This may be the case, for example, when an entity expects to hold a fixed-rate debt instrument and collect the contractual cash flows.

d) *Paragraph 98G* - Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12), issued in January 2016, amended paragraph 29 and added paragraphs 27A, 29A and the example following paragraph 26. An entity shall apply those amendments for annual periods beginning on or after January 1, 2017. If an entity applies those amendments for an earlier period, it shall disclose that fact. An entity shall apply those amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

New or Revised Standards, Amendments to Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2018, and have not been applied in preparing these financial statements. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS, PAS and Philippine Interpretations from International Financial Reporting Interpretation Committee (IFRIC) to have significant impact on its financial statements.

The Company will adopt the following new or revised standards, amendments to standards and interpretations in the respective effective dates:

To be Adopted on January 1, 2018

- PFRS 9, *Financial Instruments: Classification and Measurements* reflects the first phase on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. The standard is effective for annual periods beginning on or before January 1, 2018. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

To be Adopted on January 1, 2019

- PFRS 16, Leases sets out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). PFRS 16 is effective from January 1, 2019. A company can choose to apply IFRS 16 before that date but only if it also applies PFRS 15 Revenue from Contracts with Customers. PFRS 16 replaces the previous leases Standards, PAS 17 Leases, and the related Interpretations. Recognition comprises the following:

  a) Lessees – all leases result in a company (the lessee) obtaining the right to use an asset at the start of the lease and if, lease payments are made over time, also obtaining financing. Accordingly, PFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by PAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement.

  b) Lessors - PFRS 16 substantially carries forward the lessor accounting requirements in PAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases and to account for those two types of leases differently.

Summary of Significant Accounting Policies

Financial Instruments

Financial instruments are recognized in the statement of financial position when the Company 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 trade date – the date on which The Company commits to purchase or sell the asset.

Financial instruments are recognized initially at fair value of the consideration given (in the case of an asset) or received (in the case of a liability). Except for financial assets at fair value through profit or loss (FVPL), the initial measurement of financial assets includes transaction costs. Financial assets under PAS 39 are classified as either financial assets at FVPL, loans and receivables, held to maturity investments and AFS investments. The financial assets of the Company are of the nature of loans and receivables. Also under PAS 39, financial liabilities are classified as FVPL or other financial liabilities. The Company's financial liabilities are of the nature of other financial liabilities.

Financial Assets and Liabilities

Financial assets include cash and financial instruments. The Company classifies its financial assets, other than hedging instruments, into the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which date a choice of classification or accounting treatment is available, subject to compliance with specific provisions of applicable accounting standards.

Determination of Fair Value

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 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 nonfinancial 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.

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; and

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 and non-recurring fair value measurements. 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.

The Company recognizes transfers into and transfers out of fair value hierarchy levels by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) as at the date of the event or change in circumstances that caused the transfer.

"Day 1" Difference. Where 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 statement of income/loss 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 statement of income/loss 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.

Cash
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of placement and that are subject to an insignificant risk of change in value.

Other Financial Liabilities
Issued financial instruments or their components, which are not designated at FVPL, are classified as other financial liabilities when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole, the amount separately determined as the fair value of the liability component on the date of issue. After initial measurement, other financial liabilities are subsequently measured at amortized costs using the effective interest rate method. Any effects of restatement of foreign currency denominated liabilities are recognized in the statement of comprehensive income/loss. This accounting policy applies primarily on the Company's borrowings, accounts payable and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable).

All loans and borrowings are initially recognized at the fair value of the consideration received plus directly attributable transaction costs. The fair value of the interest bearing long term debt is based on the discounted value of future cash flows using the applicable rates for similar types of loans. For floating rate long term debt which is priced monthly, the carrying value approximates the fair value because of recent and regular repricing based on current market rates. For floating rate long term debt, which is repriced semi-annually, the fair value is determined by discounting the principal amount plus the next interest payment using the prevailing market rate for the period up to the next repricing date.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in the statement of comprehensive income/loss when the liabilities are derecognized as well as through the amortization process.

For the current year, the Company has no outstanding loans and borrowings bearing interest.

Receivables, payables and other basic financial instruments
Initial measurement. Financial assets and financial liabilities are initially measured at the transaction price including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss unless the arrangement constitutes a financing transaction. If the arrangement constitutes a financing transaction, the

financial instruments are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Measurement subsequent to initial recognition. Debt instruments are measured at amortized costs using the effective interest method. Debt instruments classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be received or paid unless the arrangement constitutes a financing transaction. If the arrangement constitutes a financing transaction, the Company shall measure the debt instrument at the present value of the future payments discounted at the market rate of interest for a similar debt instrument.

For investments in non-convertible preference shares and non-puttable ordinary or preference shares like publicly traded shares or shares whose fair value can be measured reliably, the instruments are measured at fair value with changes in fair value recognized in profit or loss while all other investments are measured at cost less impairment.

Impairment of Financial Assets

Assets Carried at Amortized Cost

The Company assesses at each reporting date whether a financial or group of financial assets is impaired. If there is objective evidence that an impairment loss on financial assets carried at amortized cost (e.g., receivables) has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through use of allowance account. The amount of the loss shall be recognized in the statement of comprehensive income/loss.

The Company first assesses whether its objective evidence of impairment, such as aging of assets and/or status of debtors, exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial asset with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. If, in a subsequent period, the amount of the impairment loss decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income/loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

With respect to receivables, the Company maintains a provision for impairment of receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this provision is evaluated by management on the basis of factors that affect the collectibility of the accounts. A review of the age and status of receivables, designed to identify accounts to be provided with allowance, is performed regularly.

Reversal of impairment. If in a subsequent period, the amount of an impairment loss decreased and it can be related objectively to an event occurring after the impairment was recognized, the Company reverses the previously recognized impairment loss either directly or by adjusting an allowance account.

However, the reversal shall not result in a carrying amount of the financial asset net of any allowance account that exceeds what the carrying amount would have been had the impairment not previously been recognized. The Company recognizes the amount of the reversal in profit or loss immediately.

Fair value measurement. The Company uses the following hierarchy to estimate the fair value of the financial assets in the form of shares: 1. quoted price for an identical asset in an active market or current bid price; 2. price of a recent transaction for an identical asset; 3. valuation technique; 4. current fair value of another substantially the same asset; 5. discounted cash flow analysis; and 6. option pricing models.

If a reliable measure of fair value is no longer available for an asset measured at fair value, its carrying amount at the last date the asset was reliably measurable becomes its new cost. The Company measures the asset at this cost amount less impairment until a reliable measure of fair value becomes available.

Derecognition of Financial Instruments

Financial Asset
A financial asset (or, where applicable, a part of a financial asset or part of a Company of financial assets) is derecognized where:

- 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 a 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 the risk and rewards of the asset but has transferred the control of the asset.

Where the Company has transferred its right to receive cash flows from an asset or has entered into 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.

Financial Liability
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or 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 statement of comprehensive income/loss.

Offsetting
Financial assets and liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Investment in Subsidiary
Prior to January 1, 2017, the Company accounts for its investment in a subsidiary using the cost method in its separate financial statements. However following changes in PFRS 27, Equity Method in separate financial statements was now adopted by the management.

The management believes that the change to equity method gives fairer presentation to the financial statements of the Company as it allows to reflect the right amount of the Investment in Subsidiary of a company. Prospective application was applied instead of that retrospective due to that immaterial amounts will affect the retained earnings that it will be more efficient to apply the equity method prospectively.

The amount adjusted for the Investment in Subsidiary account using equity method is as follows

	6/30/2017	12/31/2016
Balance at beginning of year		
Alumina Mining Philippines, Inc. (AMPI)	**11,249,500**	11,249,500
Bauxite Resources, Inc. (BRI)	**24,997,500**	24,997,500
Additions		
Revaluation of Mine and Mining Properties of AMPI	**278,961,863**	-
Revaluation of Mine and Mining Properties of BRI	**299,212,650**	-
	614,421,513	36,247,000

Under the equity method, an investment in subsidiary is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss of the subsidiary after the acquisition date. Distributions received from a subsidiary reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the company's proportionate interest in the subsidiary arising from changes in the subsidiary's other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences.

When the Company's share of losses of an subsidiary exceeds the Company's interest in that subsidiary, the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal and constructive obligations or made payments on behalf of the subsidiary. If the subsidiary subsequently reports profits, the company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The requirements of PAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in subsidiary. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with PAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized in accordance with PAS 36 to the extent that the recoverable amount of that the recoverable amount of the investment subsequently increases.

Subsidiary is an entity controlled by the Company. Control is defined as the exposure or rights to variable returns from its involvement with the subsidiary and the ability to affect those returns through its power over the subsidiary. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Company has less than majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangement; and
- The Company's voting rights and potential voting rights.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An assessment of the carrying amount of the investment in a subsidiary is performed when there is an indication that these investments have been impaired.

Revaluation of Asset

Under revaluation, asset is carried at revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, provided that fair value can be measured reliably.

If a revaluation results in an increase in value, it should be credited to other comprehensive operation and accumulated in equity under the heading "revaluation surplus" unless it represents the reversal of a revaluation decrease of the same asset previously recognized as an expense, in which case it should be recognized in profit or loss.

A decrease arising as a result of a revaluation should be recognized as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset.

When a revalued asset is disposed of, any revaluation surplus may be transferred directly to retained earnings, or it may be left in equity under the heading revaluation surplus. The transfer to retained earnings should not be made through profit or loss.

The Company recognized revaluation surplus from its share in its subsidiaries due to the application of equity method of accounting for investment in subsidiaries.

Impairment of Nonfinancial Assets
Nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying of amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposals while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income/loss.

Recovery and impairment losses recognized in prior years are recorded when there is indication that the impairment losses recognized for the asset no longer exist or have decreased. The recovery is recorded in the statement of comprehensive loss. However, the increased carrying amount of an asset due to a recovery of an impairment loss is recognized to the extent that it does not exceed the carrying amount that would have been determined (net of depletion, depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

Income Taxes
Current Income Tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Income Tax

Deferred income tax liability is provided, using the statement of financial position liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

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

Expense Recognition

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions in assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized in the period these were incurred.

Cost and expenses are recognized in the income statement upon consumption of the goods and /or utilization of the service or at the date they are incurred. Expenditure for warranties if any is recognized and charged against the associated provision when the related revenue is recognized.

Administrative Expenses

These expenses constitute costs of administering the company's day-to-day operation and are recognized when incurred and includes rental and taxes and licenses.

Related Party Transactions and Relationships

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more of the intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

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

Foreign Currency Transactions

Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the 'functional currency'). The financial statements are presented in Philippine Pesos which is the Company's functional and presentation currency.

Functional currency is the currency of the primary economic environment in which the entity operates or in which it primarily generates and expends cash, while presentation currency is the currency in which the financial statements are presented.

Transactions and Balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Outstanding foreign currency denominated assets and liabilities are translated at the exchange rate prevailing at reporting date. Foreign exchange gains or losses resulting from the settlement of such transactions or realized gain or loss and from the translation of monetary assets and liabilities denominated in foreign currency or unrealized gain or loss is recognized in the statement of comprehensive income/loss.

Capital Shares

Common shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from proceeds. The excess of proceeds from issuance of share over par value of share are credited to share premium.

If payment is deferred and the time value of the money is material, the initial measurement is on a present value system.

Where the Company purchases its own shares (treasury shares), the consideration paid including any directly attributable incremental costs is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

Contingencies

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

Events After the Reporting Date

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

Note 3 – Summary of Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the financial statements and related notes. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of The Company's financial statements. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Determining Functional Currency

Based on the economic substance of the underlying circumstances relevant to the functional currency of the Company has been determined to be the Philippine Pesos. The Philippine Pesos is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the revenues and expenses of the Company. Since the Company's financial reports are stated in Philippine Pesos, fluctuations in exchange rates of this currency will not materially affect the stated balances in the statement of financial position.

Classification of Financial Instruments

The Company exercises judgements in classifying a financial instrument, or its component parts, on initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement 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 statement of financial position.

The Company determines the classification of financial instruments at initial recognition and re-evaluates this designation at every reporting date.

Establishing Control over Subsidiaries. The Company determined that it has control over its subsidiaries by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following are also considered:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual agreements
- the Company's voting rights and potential voting rights

Going Concern
The Company's management has made an assessment of the Company's ability to continue as a going concern and assessed that there is uncertainty about the Company's ability to continue as a going concern since it entered into a merger agreement as stated in the Note 1 of the Notes to Financial Statements. However, the merger is still for pending approval of the shareholders. Therefore, the financial statements were prepared on a going concern basis.

<u>Estimates and Assumptions</u>
The financial statements prepared in compliance with PFRS require management to make estimates and assumptions that affect amounts reported in the financial statements and related notes. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

Determination of Fair Value of Financial Assets and Liabilities
Where the fair value of financial instruments recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from the observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgement includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors affect the reported fair value of financial instruments. The assumptions used to estimate the fair value of financial assets and liabilities are described in Note 14.

Impairment of Investment in a Subsidiaries. The Company assesses impairment on its investment in a subsidiaries whenever events or changes in circumstances indicate that the carrying amount of an asset may be recoverable.

Among others, the factors that the Company considers important which could trigger an impairment review on its investment in a subsidiary include the following:

- Deteriorating or poor financial condition
- Recurring net losses; and
- Significant changes (i.e. technological, market, economic, or legal environment in which the subsidiary operates) with an adverse effect on the subsidiary have taken place during the period, or will take place in the near future.

The Company's investment in subsidiaries amounted to ₱614,421,513 and ₱36,247,000 as of June 30, 2017 and December 31, 2016.

Estimation of Realizable Amount of Deferred Tax Assets
The Company carries in its books the amount of deferred tax assets based on tax rates applicable. However, based on experience, the Company doesn't generate enough taxable profit on which to apply the taxes. In the event that in the succeeding years the Company will not generate income, then the whole amount of deferred tax assets will be charged to profit and loss.

Deferred tax asset arising from NOLCO have not been recognized as June 30, 2017 and December 31, 2016 because the management believes that it is not probable that future taxable income will be available against which the Company can utilize the benefits therefrom.

Note 4 – Cash

This account pertains to cash on hand amounted to ₱39,520 as of June 30, 2017 and December 31, 2016.

Note 5 – Advances to Affiliates

This account refers to advances to affiliates amounted to ₱62,983,000 as of June 30, 2017 and December 31, 2016. These are non-interest bearing, non-collateral cash advance. The parties have agreed that the ensuing balance will be carried at face in both companies' records and shall be payable in 2-3 years.

Note 6 – Investment in Subsidiaries

The details of the Company's investment in subsidiaries is as follows:

	6/30/2017	12/31/16
Balance at beginning of year		
Alumina Mining Philippines, Inc. (AMPI)	**11,249,500**	11,249,500
Bauxite Resources, Inc. (BRI)	**24,997,500**	24,997,500
Additions		
Revaluation of Mine and Mining Properties of AMPI	**278,961,863**	-
Revaluation of Mine and Mining Properties of BRI	**299,212,650**	-
	614,421,513	36,247,000

The ownership of the Company is summarized as follows:

	6/30/2017 Direct	12/31/2016 Direct
Alumina Mining Philippines, Inc.	**99.9980%**	99.9980%
Bauxite Resources, Inc.	**99.9900%**	99.9900%

The summarized financial information of the subsidiaries is as follows:

	6/30/2017	12/31/2016
Alumina Mining Philippines, Inc.		
Current asset	**27,013**	27,013
Non-current asset	**444,943,017**	46,418,099
Current liability	**50,000**	-
Non-current liabilities	**155,225,575**	35,668,100
Net loss	**50,000**	360,500
Revaluation surplus	**278,967,443**	-
Bauxite Resources, Inc.		
Current asset	**45,192**	45,192
Non-current asset	**479,254,292**	51,764,900
Current liability	**50,000**	-
Non-current liabilities	**155,561,718**	27,314,900
Net loss	**50,000**	360,500
Revaluation surplus	**299,242,574**	-

The investments are accounted for at cost for purposes of preparing the financial statements. Management believes that, based on impairment assessment performed, these investments are not impaired.

Based on the assessment of impairment performed, management believes that provision for impairment is not necessary.

Note 7 – Related Party Disclosures

In the normal course of business, the Company has the following significant transactions with its related parties:

	Nature of Transactions	Amount of Transactions 6/30/2017	Outstanding Balance 6/30/2017	Amount of Transactions 12/31/2016	Outstanding Balance 12/31/2016	Terms and Conditions
Alumina Mining Philippines, Inc.	Loans and borrowings	-	**35,668,100**	35,668,100	35,668,100	non-interest bearing, unsecured, settled in cash, payable in 2-3 years, no impairment
Bauxite Resources, Inc.	Loans and borrowings	-	**27,314,900**	27,314,900	27,314,900	non-interest bearing, unsecured, settled in cash, payable in 2-3 years, no impairment
		-	**62,983,000**	62,983,000	62,983,000	

The Company has not contracted any employees, hence, it has no compensation paid to its key management personnel in 2017 and 2016.

Note 8 – Accrued Expense

This account pertains to the accrued professional fee amounting to ₱50,000 as of June 30, 2017.

Note 9 – Income Taxes

Computation of income tax is as follows:

	6 months 6/30/2017	Year 12/31/2016
Income Tax Based on Regular Rate		
Loss before tax expense	**50,000**	400,500
Tax rate	**30%**	30%
Tax asset	**15,000**	120,150

The Company has no taxable income for the six months ended June 30, 2017 and year ended December 31, 2016. The management believes that it is not probable that sufficient taxable profit will be available for the utilization of the deferred tax asset within the prescription period of three years.

As of June 30, 2017, the NOLCO that the Company can claim as deduction from future taxable income are as follow:

Year Incurred	Amount	Expired	Balance	Carry forward Benefits Up To
6/30/2017	50,000		50,000	December 31, 2022
12/31/2016	400,500	-	400,500	December 31, 2021
12/31/2015	500	-	500	December 31, 2020
	P451,000	-	P451,000	

The Company has NOLCO amounting to PHP 451,000 as of June 30, 2017 for which no deferred tax assets have been recognized amounting to PHP 135,300 as of June 30, 2017. This can be used for offset against future taxable income for the next five years immediately following the year of such loss. As per BIR RR No. 14-2001 Section 6 provided, however, that for mines other than oil and gas wells, a net operating loss without the benefit of incentives provided for under Executive Order No. 226, otherwise known as the Omnibus Investment Code of 1987, as amended, incurred in any of the first ten (10) years of operation maybe carried over as deduction from taxable income for the next five (5) years, immediately following the year of such loss. Provided, further, that the entire amount of the loss shall be carried over to the first of the five (5) taxable years following the loss, and any portion of such loss which exceeds the taxable income of such first year shall be deducted in like manner from the taxable income of the next remaining four (4) years.

Note 10 – Reclassification

In conformance with PAS 1, Presentation of Financial Statements, the Company made a reclassification to conform to the current year's presentations. Management believes that the current year's presentation provides reliable and more relevant information on the financial position of the Company.

Note 11 – Capital Shares

The Company has an authorized capital of 1,000,000 shares at ₱100 par value a share for a total authorized capital of ₱100,000,000:

	6/30/2017		12/31/2016	
Subscribed and paid-up	No. of Shares	Amount	No. of Shares	Amount
Ordinary	1,000,000	100,000,000	1,000,000	100,000,000

The Company has five (5) shareholders as of June 30, 2017 and December 31, 2016, respectively.

Note 12 – Administrative Expenses

This account consists of:

	6/30/2017	12/31/16
Rental	-	400,000
Professional fees	50,000	-
Taxes and licenses	-	500
	50,000	400,500

Professional fees refers to cost paid to professionals and the like for services rendered to the company.

Taxes and licenses pertains to amount incurred and paid to local government authorities for compliance purposes.

Note 13 – Supplemental Disclosures on Significant Non-Cash Transactions

The Company recognized its share in revaluation surplus which is a significant non-cash investing activity amounting to ₱578,174,513 net of tax from its subsidiaries for the six month ending June 30, 2017.

Note 14 – Financial Assets and Liabilities

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements. There are no material unrecognized financial assets and liabilities as of June 30, 2017 and December 31, 2016:

	6/30/2017		12/31/2016	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets				
Cash	39,520	39,520	39,520	39,520
Advances to affiliates	62,983,000	62,983,000	62,983,000	62,983,000
	63,022,520	63,022,520	63,022,520	63,022,520
Financial Liability				
Accrued expense	50,000	50,000	-	-

Current Asset and Current Liability

The carrying values of cash and accrued expense were assessed to approximate their fair values due to the short-term nature of these accounts.

Non-Current Assets
Advances to affiliates approximate their fair values due to either the demand clause of the instrument or the nature of this liability.

Note 15 – Financial Risk Management Objectives and Policies

The Company's financial instruments comprise of cash, advances to affiliates.

The main risks arising from the Company's financial instruments are:

- Credit risk
- Liquidity risk
- Interest rate risk

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the risk management framework of the Company. The risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities of the Company. The Company's BOD and management review and agree on the policies for managing each of these risks as summarized below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge and perform obligation and cause the other party to incur a financial loss.

The Company's credit risks are primarily attributable to and other financial assets of the Company. To manage credit risks, the Company maintains defined credit policies and monitors its exposure to credit risks on a continuous basis. The Company adheres to fixed limits and guidelines in its dealings with counterparty banks. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Company closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits. The exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The Company's maximum exposures to credit risks arising from financial instruments are shown in the following table:

		Gross Maximum Exposure	
	Note(s)	**June 30, 2017**	December 31, 2016
Cash	4	**39,520**	39,520
Advances to affiliates	5	**62,983,000**	62,983,000
		63,022,520	63,022,520

The following tables provide the credit quality of the Company's financial assets that are neither past due nor impaired and past due or impaired.

June 30, 2017			
	Neither Past Due nor Impaired		
	High Grade	Standard	Total
Cash	39,520		39,520
Advances to affiliates		62,983,000	62,983,000
	39,520	62,983,000	63,022,520

December 31, 2016			
	Neither Past Due nor Impaired		
	High Grade	Standard	Total
Cash	39,520		39,520
Advances to affiliates		62,983,000	62,983,000
	39,520	62,983,000	63,022,520

The credit quality of the financial assets was determined as follows:

- Cash is classified as "High Grade" since cash is placed in high profile banking institutions with good credit rating and bank standing.

- The Company rates credit quality of advances to affiliates as standard because the counterparties have an average credit risk rating.

For assets to be classified as 'past due and impaired', contractual payments in arrears are more than one (1) year. The Company operates mainly on a 'neither past due nor impaired basis' and when evidence is available an impairment assessment will also be performed, if applicable.

Overall, the Company considers cash as high grade and standard grade accounts of good quality.

The maximum amount that best represents credit risk on financial assets pertain to their carrying amounts of ₱63,022,520 as of June 30, 2017 and December 31, 2016, respectively. The financial effect to The Company pertaining to its exposure to credit risk is not significant given its strategy to mitigate risks.

Liquidity risk

Liquidity risk arises when there is a shortage of funds and the Company, as a consequence, could not meet its maturing obligations. The Company seeks to manage its liquid funds through cash planning on a monthly basis. The Company uses historical experiences and forecasts from its collection and disbursement. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities. Also, the Company only places funds in the money market which are exceeding the Company's requirements. Placements are strictly made based on cash planning assumptions and covers only a short period of time.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of advances from related parties. The Company considers its available funds and its liquidity in managing its long-term financial requirements. For its short-term funding, the Company's policy is to ensure that there are sufficient capital inflows to match repayments of short-term debt.

The Company maintains active credit facilities with creditors and banks to increase availability of funds. Furthermore, the Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility. Treasury procedures and controls are in place to ensure that sufficient cash is maintained to cover operational and working capital requirements. Management closely monitors future and contingent obligations of the entity.

The table below summarizes the maturity profile of the Company's financial liabilities as of June 30, 2017 based on contractual undiscounted payments.

6/30/2017	Within 12 months	More than 1 year	Total
Accrued expense	50,000	-	50,000

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to cash in bank and its debt obligation with fixed interest rate. The Company, through its competencies in managing debt obligations, transacts with creditor to ensure the most advantageous terms and to reduce exposure to risk of changes in market interest rates.

Note 16 – Capital Management Objectives, Policies and Procedures

The Company's objectives when managing capital are to increase the value of shareholders' investment by applying selective investments that would further the Company's growth. The Company sets strategies with the objective of establishing a sound financial management and capital structure.

The Company monitors capital via carrying amount of equity stated in the statement of financial position. The Company's capital for the six months ended June 30, 2017 and year ended December 31, 2016 is as follows:

	6 months 6/30/2017	Year 12/31/2016
Total assets	**677,444,033**	99,269,520
Total liability	**50,000**	-
Total equity	**677,394,033**	99,269,520
Debt to equity ratio	**0.0001**	-

There are no changes made in the objectives, policies or procedures during the six months ended June 30, 2017 and year ended December 31, 2016.

Note 17 – Taxes

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

I. Output value-added tax (VAT)

The Company has no taxable business transactions during the six months ended June 30, 2017.

II. Input VAT

The Company has no transactions subjected to input taxes during the six months ended June 30, 2017.

III. Importation

The Company does not deal with importation and does not have any transactions requiring importation entries, landed cost, duties and tariffs.

IV. Excise tax

The Company is not subject to excise tax payments.

V. Taxes and Licenses

The Company has no transactions pertaining to this account during the six months ended June 30, 2017.

VI. Documentary stamp tax (DST)

The Company has no transactions pertaining to this account during the six months ended June 30, 2017.

I. Withholding taxes

The Company has no transaction subjected to withholding tax at source and no transactions subjected to withholding tax on compensation, fringe benefit tax and final withholding tax for the six months ended June 30, 2017.

II. Tax assessment

The Company has no pending case with any judicial or quasi-judicial body.

Note 18 – Supplementary Information Required by RR 19 - 2011

The amounts of taxable revenues and income, and deductible costs and expenses presented below are based on relevant tax regulations issued by the BIR.

The Company's schedules for the six months ended June 30, 2017 are shown below:

a) Revenues

There were no sales transactions during the six months ended June 30, 2017.

b) Direct Expenses

The Company did not incur any direct operating expenses during the six months ended June 30, 2017.

c) Non-operating and taxable other income

The Company did not have any non-operating taxable other income during the six months ended June 30, 2017.

d) Itemized Deductions

The Company's itemized deduction consists only of professional fee amounting to PhP50,000 during the six months ended June 30, 2017.

REPORT OF INDEPENDENT AUDITORS

The Shareholders and the Board of Directors
Asia Pilot Mining Phils. Corporation
Unit 706-A Tower A, Two Ecom Center
Palm Coast St., MOA Complex, Pasay City
Metro Manila

We have audited the financial statements of **Asia Pilot Mining Phils. Corporation** for six months ended June 30, 2017 on which we have rendered the attached report dated July 26, 2017.

In compliance with SRC Rule 68 and based on certification from the Company's Corporate Secretary, **Asia Pilot Mining Phils. Corporation** has five (5) shareholders owning one hundred (100) or more shares.

OCAMPO, MENDOZA, LEONG, LIM & CO.

By:

Marcos T. Lim
Partner
CPA Registration No. 50121
TIN 122-822-032-000
PTR No. 5998525
Issued on January 3, 2017, at Manila

REPORT OF INDEPENDENT AUDITORS

The Shareholders and the Board of Directors
Asia Pilot Mining Phils. Corporation
Unit 706-A Tower A, Two Ecom Center
Palm Coast St., MOA Complex, Pasay City
Metro Manila

We have audited the financial statements of **Asia Pilot Mining Phils. Corporation** for six months ended June 30, 2017 on which we have rendered the attached report dated July 26, 2017.

The information shown in Annex A (List of Effective Standards and Interpretation) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

In our opinion, the information on said Annex is in accordance with SRC Rule 68, as revised.

OCAMPO, MENDOZA, LEONG, LIM & CO.

By:

Marcos T. Lim
Partner
CPA Registration No. 50121
TIN 122-822-032-000
PTR No. 5998525
Issued on January 3, 2017, at Manila

REPORT OF INDEPENDENT AUDITORS

The Shareholders and the Board of Directors
Asia Pilot Mining Phils. Corporation
Unit 706-A Tower A, Two Ecom Center
Palm Coast St., MOA Complex, Pasay City
Metro Manila

We have audited the financial statements of **Asia Pilot Mining Phils. Corporation** for six months ended June 30, 2017 on which we have rendered the attached report dated July 26, 2017.

The information shown in Annex A (List of Effective Standards and Interpretation) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

In our opinion, the information on said Annex is in accordance with SRC Rule 68, as revised.

OCAMPO, MENDOZA, LEONG, LIM & CO.

By:

Marcos T. Lim
Partner
CPA Registration No. 50121
TIN 122-822-032-000
PTR No. 5998525
Issued on January 3, 2017, at Manila

ANNEX A

ASIA PILOT MINING PHILS. CORPORATION

SUPPLEMENTARY SCHEDULE OF ADOPTION OF EFFECTIVE ACCOUNTING STANDARDS AND INTERPRETATIONS
June 30, 2017

As required by SRC Rule 68 as amended

Philippine Financial Reporting Standards (PFRSs)

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources	✓		
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓
PFRS 8	Operating Segments			✓
PFRS 9	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
PFRS 10	Consolidated Financial Statements	✓		
PFRS 11	Joint Arrangements			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		

Philippine Accounting Standards (PASs)

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories			✓
PAS 7	Cash Flow Statements	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Date	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 – Deferred Tax: Recovery of Underlying Assets	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 16	Property, Plant and Equipment			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits			✓
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
PAS 19 (Amended)	Employee Benefits			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting of Retirement Benefit Plans			✓
PAS 27	Consolidated and Separate Financial Statements	✓		✓\
PAS 27 (Amended)	Separate Financial Statements	✓		
PAS 28	Investments in Associates			✓
PAS (Amended)	Investments in Associates and Joint Ventures			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share			✓
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 38	Intangible Assets			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option	✓		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓

PHILIPPINE INTERPRETATIONS – IFRIC

No.	Title	Adopted	Not Adopted	Not Applicable
IFRIC–1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC–2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC–4	Determining whether an Arrangement contains a Lease			✓
IFRIC–5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC–6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC–7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC – 8	Scope of PFRS 2			✓
IFRIC–9	Reassessment of Embedded Derivatives			✓

No.	Title	Adopted	Not Adopted	Not Applicable
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
IFRIC–10	Interim Financial Reporting and Impairment	✓		
IFRIC–12	Service Concession Arrangements			✓
IFRIC–13	Customer Loyalty Programmes			✓
IFRIC–14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendment to Philippine Interpretation IFRIC–14, Prepayments of a Minimum Funding Requirement			✓
IFRIC–16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC–17	Distributions of Non-cash Assets to Owners			✓
IFRIC–18	Transfers of Assets from Customers			✓
IFRIC–19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC – 20	Stripping Costs in the Production Phase of Surface Mine			✓
SIC – 7	Introduction of the Euro			✓
SIC – 10	Government Assistance – No Specific Relation to Operating Activities			✓
SIC – 12	Consolidation – Special Purpose Entries			✓
	Amendment to SIC – 12: Scope of SIC 12			✓
SIC – 13	Jointly Controlled Entries – Non-Monetary Contributions by Ventures			✓
SIC – 15	Operating Leases – Incentives			✓
SIC – 25	Income Taxes – Changes in the Tax Status or an Entity or its Shareholders			✓
SIC – 27	Evaluating the Substance or Transactions Involving the Legal Form of a Lease			✓
SIC – 29	Service Concession Arrangements Disclosures			✓
SIC – 31	Revenue – Barter Transactions Involving Advertising Services			✓
SIC – 32	Intangible Assets – Web Site Costs			✓

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 7 0 1 0 0 0

COMPANY NAME

BRIGHTGREEN RESOURCES HOLDINGS INC. (A Subsidiary of RYM Business Management Corp.)

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

4th Floor, Citibank Center, 8741 Paseo de Roxas, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
–	831-4479	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
7	Last Friday of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Diane Madelyn Ching	atty.dcc@gmail.com	831-4479	–

CONTACT PERSON'S ADDRESS

4th Floor, Citibank Center, 8741 Paseo de Roxas, Makati City

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.

BRIGHTGREEN RESOURCES HOLDINGS INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Brightgreen Resources Holdings Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the period ended **June 30, 2017**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

ISIDRO C. ALCANTARA, JR.
Chairman

ARSENIO K. SEBIAL, JR.
President

ROLANDO S. SANTOS
Treasurer

Signed this 28th day of July 2017

BOA/PRC Accreditation No. 4782
December 29, 2015, valid until December 31, 2018
SEC Accreditation No. 0207-FR-2 (Group A)
September 27, 2016, valid until September 27, 2019

Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 982 9100
Fax : +632 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
BrightGreen Resources Holdings Inc.
4th Floor, Citibank Center
8741 Paseo de Roxas, Makati City

Opinion

We have audited the accompanying financial statements of BrightGreen Resources Holdings Inc. (a subsidiary of RYM Business Management Corp.) (the Company), which comprise the statement of financial position as at June 30, 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period January 11 to June 30, 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2017, and its financial performance and its cash flows for the period January 11 to June 30, 2017 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

REYES TACANDONG & CO.

Belinda B. Fernandez

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1022-AR-2 Group A
Valid until March 15, 2020
BIR Accreditation No. 08-005144-4-2017
Valid until January 13, 2020
PTR No. 5908526
Issued January 3, 2017, Makati City

July 28, 2017
Makati City, Metro Manila

BRIGHTGREEN RESOURCES HOLDINGS INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENT OF FINANCIAL POSITION
June 30, 2017

	Note	
ASSETS		
Current Asset		
Cash in bank		₱73,806
Noncurrent Asset		
Investment in a subsidiary	4	458,386,720
		₱458,460,526
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued and other liabilities		₱2,454
Due to related parties	5	490,777
		493,231
Equity		
Capital stock		25,000,000
Deficit		(1,218,415)
Other comprehensive income	4	434,185,710
Total Equity		457,967,295
		₱458,460,526

See accompanying Notes to Financial Statements.

BRIGHTGREEN RESOURCES HOLDINGS INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 11 TO JUNE 30, 2017*

	Note	
EXPENSES		
Taxes and licenses		(₱353,699)
Penalties		(61,742)
Office supplies		(2,500)
Insurance		(1,122)
Others		(800)
		(419,863)
SHARE IN NET LOSS OF A SUBSIDIARY	4	(798,981)
INTEREST INCOME		429
LOSS BEFORE INCOME TAX		(1,218,415)
PROVISION FOR INCOME TAX	6	–
NET LOSS		(1,218,415)
OTHER COMPREHENSIVE INCOME	4	434,185,710
TOTAL COMPREHENSIVE INCOME		₱432,967,295

See accompanying Notes to Financial Statements.

*The Company was incorporated on January 11, 2017.

BRIGHTGREEN RESOURCES HOLDINGS INC.

(A Subsidiary of RYM Business Management Corp.)

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD JANUARY 11 TO JUNE 30, 2017*

	Note	
CAPITAL STOCK - ₱1 par value		
Authorized - 100,000,000 shares		
Issued and outstanding - 25,000,000 shares		₱25,000,000
DEFICIT		
Balance at beginning of period		–
Net loss		1,218,415
Balance at end of period		1,218,415
OTHER COMPREHENSIVE INCOME		
Balance at beginning of period		–
Share in other comprehensive income of a subsidiary	4	434,185,710
Balance at end of period		434,185,710
		₱457,967,295

See accompanying Notes to Financial Statements.

*The Company was incorporated on January 11, 2017.

BRIGHTGREEN RESOURCES HOLDINGS INC.
(A Subsidiary of RYM Business Management Corp.)

STATEMENT OF CASH FLOWS
FOR THE PERIOD JANUARY 11 TO JUNE 30, 2017*

	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax		(₱1,218,415)
Adjustment for:		
Share in net loss of a subsidiary	4	798,981
Interest income		(429)
Operating loss before working capital changes		(419,863)
Increase in:		
Accrued and other liabilities		2,454
Due to related parties		490,777
Net cash generated from operations		73,368
Interest received		429
Net cash provided by operating activities		73,797
CASH FLOW FROM AN INVESTING ACTIVITY		
Payment for investment in a subsidiary	4	(24,999,991)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from subscription to capital stock		25,000,000
NET INCREASE IN CASH		73,806
CASH AT BEGINNING OF PERIOD		–
CASH AT END OF PERIOD		₱73,806

See accompanying Notes to Financial Statements.

*The Company was incorporated on January 11, 2017.

BRIGHTGREEN RESOURCES HOLDINGS INC.
(A Subsidiary of RYM Business Management Corp.)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

BrightGreen Resources Holdings Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on January 11, 2017 to deal with any and all properties of every kind and description to the extent permitted by law provided it shall not engage in the business of an investment company as defined in the Republic Act 2629, *Investment Company Act*, or act as a securities broker or dealer.

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

The Company owns 100% interest in BrightGreen Resources Corp. (BGRC), a company incorporated in the Philippines and engaged in mining business. On July 1, 1993, the Philippine Department of Environment and Natural Resources approved BGRC's application for MPSA No. 015-93-XI (SMR) covering an area of approximately 4,860 hectares located in Carrascal and Cantilan, Surigao del Sur. BGRC is undertaking its continuous exploratory drilling program to block mineral resources at indicated and measured category.

The registered office address of the Company is at 4th Floor, Citibank Center, 8741 Paseo de Roxas, Makati City.

On January 30, 2017, the Board of Directors (BOD) approved the proposed plan of merger between the Company and Marcventures Holdings, Inc. (MHI) by virtue of which, MHI will be the surviving entity and the Company as the absorbed entity. The merger is expected to increase the combined mineral resource of Marcventures Mining and Development Corporation, the subsidiary of MHI. The proposed plan of merger is subject to approval by the stockholders.

The financial statements were prepared in connection with the application for proposed merger with the SEC.

The financial statements of the Company as at and for the period January 11 to June 30, 2017 were approved and authorized for issue by the BOD on July 28, 2017.

2. Summary of Significant Accounting Policies

Basis of Preparation

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

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

The financial statements of the Company have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

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

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

Further information about the assumptions made in measuring fair value is included in Note 7, Financial Risk Management Objectives and Policies.

Adoption of New and Amended PFRS
The Company adopted the following new and amended PFRS which became effective for annual periods beginning on or after January 1, 2017:

- Amendments to PAS 7, *Statement of Cash Flows - Disclosure Initiative* – The amendments require entities to provide information that enable the users of financial statements to evaluate changes in liabilities arising from their financing activities.

- Amendments to PAS 12, *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses* – The amendments clarify the accounting for deferred tax assets related to unrealized losses on debt instruments measured at fair value, to address diversity in practice.

The adoption of the foregoing new and amended PFRS did not have any material effect on the financial statements of the Company. Additional disclosures have been included in the notes to financial statements, as applicable.

New and Amended PFRS Not Yet Adopted
Relevant new and amended PFRS which are not yet effective for the period ended June 30, 2017 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2018

- PFRS 9, *Financial Instruments* – This standard will replace PAS 39, *Financial Instruments: Recognition and Measurement* (and all the previous versions of PFRS 9). It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition.

  PFRS 9 requires all recognized financial assets to be subsequently measured at amortized cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics.

  For financial liabilities, the most significant effect of PFRS 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.

  For the impairment of financial assets, PFRS 9 introduces an "expected credit loss" model based on the concept of providing for expected losses at inception of a contract; it will no longer be necessary for there to be objective evidence of impairment before a credit loss is recognized.

  For hedge accounting, PFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures.

  The derecognition provisions are carried over almost unchanged from PAS 39.

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

Financial Assets and Liabilities

a. Recognition

   Financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provision of a financial instrument. Financial instruments are initially recognized at fair value. In the case of regular way purchase or sale of financial asset, recognition and derecognition, as applicable, is done using settlement date accounting. The initial measurement of the financial instruments, except for those classified at fair value through profit or loss (FVPL), includes transaction costs.

   "Day 1" Difference. Where 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 profit or loss unless it qualifies for recognition as some other types of assets. 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 profit or loss 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.

b. Classification

The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) held-to-maturity (HTM) investments, (c) loans and receivables and (d) available-for-sale (AFS) financial assets. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities at amortized cost. The classification depends on the purpose for which the financial instruments were acquired or incurred and whether or not the instruments are quoted in an active market. Management determines the classification of the financial assets and financial liabilities at initial recognition and where allowed and appropriate, reevaluates such designation at every reporting date.

As at June 30, 2017, the Company does not have financial assets and liabilities at FVPL, HTM investments and AFS financial assets.

Loans and Receivables. Loans and receivables are financial assets with fixed or determinable payments and fixed maturities and that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not classified or designated as AFS financial assets or financial asset at FVPL. Loans and receivables are included in current assets if maturity is within 12 months from reporting date. Otherwise, these are classified as noncurrent assets.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and any transaction cost which are directly attributable in the acquisition of the financial instrument. The amortization is included in profit or loss.

This category includes cash in bank.

Other Financial Liabilities at Amortized Cost. Financial liabilities are classified in this category if these are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or through borrowing.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

This category includes accrued and other liabilities and due to related parties.

c. Derecognition

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

- the right to receive cash flows from the asset has expired; or

- 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 a third party under a "pass-through" arrangement; or

- the Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risk and rewards of the assets, but has transferred control over the asset.

When the Company has transferred its right 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, if any, is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

A financial liability is derecognized when the obligation under the liability is discharged or 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 the new liability, and the difference in the respective carrying amount is recognized in profit or loss.

d. Offsetting

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

e. Impairment of Financial Assets

Loans and Receivables. The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The carrying amount of the impaired account is reduced to the extent that it exceeds the asset's net realizable value. Impairment losses are recognized in full in profit or loss. If in a subsequent period, the amount of accumulated impairment losses has decreased because of an event occurring after impairment was recognized, the decline is allowed to be reversed to profit or loss to the extent that the resulting carrying amount will not exceed the amortized cost determined had no impairment been recognized.

Investment in a Subsidiary
The Company's investment in a subsidiary is accounted for under the equity method of accounting. Under the equity method, the investment in a subsidiary is initially recognized at cost. The carrying amount of the investment is adjusted to recognize the Company's share in net income or loss of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as recovery of investment and are recognized as a reduction of the cost of the investment.

A subsidiary is an entity in which the Company has control. Specifically, the Company controls an investee if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Impairment of Investment in a Subsidiary
The Company assesses at each reporting date whether there is an indication that investment in a subsidiary may be impaired when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, the investment in a subsidiary is written down to its recoverable amount, which is the greater of fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Equity

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

Deficit. Deficit represents accumulated net loss of the Company.

Other Comprehensive Income (OCI). OCI comprises of items of income and expenses that are not recognized in profit or loss for the year in accordance with PFRS. OCI pertains to share in other comprehensive income of a subsidiary.

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest Income. Revenue is recognized as interest accrues using the effective interest method.

Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability, other than those relating to distributions to equity participants, has arisen that can be measured reliably. Expenses are recognized as incurred.

Income Tax

Current Tax. Current tax is the expected tax payable on the taxable income or loss for the year, using tax rate and tax laws enacted or substantively enacted as of the reporting date, and any adjustment to tax payable in the previous years.

Deferred tax. Deferred tax is recognized using the liability method on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax losses can be utilized. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at reporting date.

Current tax and deferred tax are recognized in the profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity.

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

Related Party Transactions and Balances
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

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

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

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

3. Significant Judgment, Accounting Estimate and Assumption

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

Judgment
In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

Establishing Control over BGRC. The Company determined that it has control over BGRC by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

Accounting Estimate and Assumption
The key assumption concerning the future and other key source of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is described below.

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

The Company's unrecognized deferred tax assets amounted to ₱0.1 million as at June 30, 2017 (see Note 6). Management assessed that it is not probable that the Company will have sufficient future taxable profits against which the NOLCO can be utilized before its expiration.

4. Investment in a Subsidiary

On May 22, 2017, the Company subscribed to 20,000,000 shares of BGRC at ₱1 per share and paid ₱6.2 million with unpaid subscription of ₱13.8 million.

On June 16, 2017, the Company acquired 20,000,000 shares from other stockholders for a total consideration of ₱18.7 million. On the same date, BGRC became a wholly-owned subsidiary of the Company.

Movements in this account are as follows:

	June 30, 2017
Acquisition cost	₱24,999,991
Accumulated share in net earnings of a subsidiary:	
Balance at beginning of the period	–
Share in net loss	(798,981)
Share in other comprehensive income	434,185,710
	433,386,729
Balance at end of year	₱458,386,720

Share in other comprehensive income pertains to the share in revaluation surplus on deferred exploration costs of BGRC.

The summarized financial information of BGRC is as follows:

	June 30, 2017
Total assets	₱694,888,462
Total liabilities	294,758,747
Net loss	(4,793,887)
Other comprehensive income	434,185,710

5. Related Party Transaction

In the normal course of business, the Company has the following related party transactions:

Related Parties	Nature of Transaction	June 30, 2017 Transaction Amount	Outstanding Balance
Under common management			
Marcventures Mining and Development Corporation (MMDC)	Advances for working capital	₱288,267	₱288,267
Subsidiary			
BGRC	Advances for working capital	202,510	202,510
			₱490,777

Outstanding balances at year end are unsecured, noninterest-bearing and payable on demand.

Compensation of Key Management Personnel

There is no key management compensation during the period. The Company's administrative and accounting functions are being handled by MMDC at no cost to the Company.

6. Income Taxes

There is no provision for income tax since the Company is in a tax loss position.

The Company will be subject to minimum corporate income tax after the fourth taxable year following the commencement of its operations.

The reconciliation of provision for income tax computed at the applicable statutory tax rate to provision for income tax shown in the statement of comprehensive income is as follows:

Loss computed at statutory tax rate	(₱365,524)
Unrecognized deferred tax asset	107,436
Add (deduct) tax effects of:	
Share in net loss of a subsidiary	239,694
Nondeductible expenses	18,523
Interest income subjected to final tax	(129)
	₱–

Deferred tax asset on NOLCO amounting to ₱0.1 million has not been recognized because the management assessed that it is not probable that the Company will have sufficient future taxable profits against which the NOLCO can be utilized before its expiration.

As at June 30, 2017, NOLCO amounting to ₱0.4 million can be claimed as deduction from future taxable income until 2020.

7. Financial Risk Management Objectives and Policies

The Company has risk management policies that systematically view the risks that could prevent the Company from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Company's objectives are achieved. The Company's risk management takes place in the context of normal business processes such as strategic planning and business planning.

Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Company's established business objectives.

Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash in bank and due to related parties. The primary purpose of these financial instruments is to finance the Company's operations. The main risks arising from the use of these financial instruments are credit risk and liquidity risk. Management reviews and approves the policies for managing each of these risks which are summarized below.

Credit Risk. Credit risk arising from the inability of counterparty to meet the terms of the Company's financial instrument is generally limited to the amount, if any, by which the counterparty's obligations exceed the obligation of the Company. With respect to credit risk arising from the financial assets of the Company, which comprise cash in bank, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Cash in bank is classified as high grade since these are deposited in reputable banks having good credit rating and low probability of insolvency.

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

Fair Value of Financial Assets and Financial Liability

Due to the short-term nature of transactions, the carrying amounts of the financial asset and liability approximate fair values at reporting period. The fair values have been categorized as Level 3 (significant unobservable inputs).

Capital Management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk. The Company manages it capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or convert related party advances to an equity component item.

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
December 29, 2015, valid until December 31, 2018
SEC Accreditation No. 0207-FR-2 (Group A)
September 27, 2016, valid until September 27, 2019

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

The Stockholders and the Board of Directors
BrightGreen Resources Holdings Inc.
4th Floor, Citibank Center
8741 Paseo de Roxas, Makati City

We have audited the accompanying financial statements of BrightGreen Resources Holdings Inc. (a subsidiary of RYM Business Management Corp.) (the Company) as at and for the period January 11 to June 30, 2017, on which we have rendered our report dated July 28, 2017.

In compliance with Securities Regulations Code Rule No. 68, as amended, we are stating that the Company has three (3) stockholders owning one hundred (100) or more shares.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1022-AR-2 Group A
Valid until March 15, 2020
BIR Accreditation No. 08-005144-4-2017
Valid until January 13, 2020
PTR No. 5908526
Issued January 3, 2017, Makati City

July 28, 2017
Makati City, Metro Manila

Asia Pilot Mining Philippines Corp.

Asia Pilot Mining Philippines Corp. ("APMPC") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 14, 2013.

APMPC is the owner of Alumina Mining Philippines Inc. (AMPI) and Bauxite Resources Inc. (BARI). AMPI holds MPSA 179-2002 VIII (SBMR) with an area of 6,694 Hectares located in Motiong, San Jose De Buan and Wright, Province of Samar issued on December 5, 2002. On the other hand, BARI holds MPSA 180-2002 VIII (SBMR) with an area of 5,435 Hectares located in Gandara, San Jose de Buan and Wright, Province of Samar issued on December 5, 2002. The merger with APMPC will allow MHI to gain control of AMPI and BARI, whose mineral resource is Bauxite Ore-- the main raw material of aluminium.

APMPC's registered business address is at G/F 31 Bingo St., Sta. Mesa Heights, Quezon City.

APMPC has an authorized capital stock of One Hundred Million Pesos (PhP 100,000,000.00) divided into 1,000,000 shares with a par value of PhP 100.00 per share. It has 5 shareholders namely:

Name	Subscribed	Amount (Par value Php100.00)	Paid up
Karen C. Dela Cruz	100	10,000.00	10,000.00
Steven M. Herrera	100	10,000.00	10,000.00
Ruby Sy	249,800	24,980,000.00	24,980,000.00
Rodolfo P. Yu	637,500	63,750,000.00	63,750,000.00
Isagani P. Yu	112,500	11,250,000.00	11,250,000.00
Total	**1,000,000.00**	**100,000,000.00**	**100,000,000.00**

The foregoing shareholders are likewise the directors of the APMPC. The officers of APMPC are Ruby Sy- President; Isagani Yu- Treasurer and Rodolfo Yu- Corporate Secretary.

Listed below is the number of shares held or to be held by APMPC shareholders in Marcventures before and after the merger.

	BEFORE THE MERGER		**AFTER THE MERGER**	
Name	**Existing No. of shares in MARC**	**% of Ownership**	**No. of shares to be issued by MARC**	**% of Ownership in Marc**
Karen C. Dela Cruz	0	0	67,500	0%
Steven M. Herrera	0	0	67,500	0%
Ruby Sy	0	0	168,615,000	6%
Rodolfo P. Yu	0	0	430,312,500	14%
Isagani P. Yu	0	0	75,937,500	3%
Total Oustanding	0	0	675,000,000	23%

BrightGreen Resources Holdings Inc.

BrightGreen Resources Holdings Inc. was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on January 11, 2017. BHI is the owner of BrightGreen Resources Corp. ("BRC") which holds MPSA 015-93-XIII approved on 01 July 1993, covering approximately 4,860 hectares of Carrascal and Cantilan, Surigao del Sur. The mining tenement is contiguous to the mining tenement of MHI's wholly-owned subsidiary, Marcventures Mining and Development Corp. (MMDC).

The Company is a subsidiary of RYM Business Management Corp., a company registered and domiciled in the Philippines. The shareholders of BHI are as follows:

Name	Subscribed	Par Value	Paid Up
RYM Business Management Corporation	20,999,997	1.00	20,999,997
Arsenio K. Sebial, Jr.	1	1.00	1
Isidro C. Alcantara, Jr.	1	1.00	1
Anthony M. Te	1,500,000	1.00	1,500,000
Caulfield Heights Inc.	2,499,999	1.00	2,499,999
Diane Madelyn C. Ching	1	1.00	1
Hermogene H. Real	1	1.00	1
Total	25,000,000		25,000,000

The Directors and Officers of BHI are as follows:

Name	Board	Position	Age	Nationality
Isidro C. Alcantara, Jr.	Chairman	-	63	Filipino
Arsenio K. Sebial, Jr.	Member	President/CEO	61	Filipino
Hermogene H. Real	Member	-	63	Filipino
Diane Madelyn C. Ching	Member	Corporate Secretary	33	Filipino
Anthony M. Te	Member	-		Filipino
Rolando S. Santos	-	Treasurer	67	Filipino

Listed below is the number of shares held or to be held by BHI shareholders in Marcventures before and after the merger.

	BEFORE		**AFTER**	
Name	**Existing No. of shares**	**% of Ownership**	No. of shares to be issued by MARC	% of Ownership in Marc
RYM Business Management Corporation	-	0%	378,000,000	13%
Arsenio K. Sebial, Jr.	-	0%	-	0%
Isidro C. Alcantara, Jr.	22,732,000	1%	-	0%
Anthony M. Te	-	0%	27,000,000	1%
Caulfield Heights Inc.	5,600,000	0%	45,000,000	2%
Diane Madelyn C. Ching	-	0%	-	0%
Hermogene H. Real	0	0%	-	0%
Total Outstanding		0%	450,000,000	15%

Marcventures Holdings Inc. ("MARC") and BrightGreen Resources Holdings Inc. ("BHI") are related parties having certain common shareholders, officers or directors. Mr. Isidro C. Alcantara, Jr. holds interest in both MARC and BHI through Caulfield Heights Inc., where he, his wife and sons are directors and shareholders. He is the President of MARC, Vice Chairman of MMDC, Chairman of BHI and BRC. On the other hand, Mr. Anthony M. Te is a shareholder and director of MMDC, BHI and BRC. Mr. Anthony Te is the son of MHI director, Macario U. Te. Mr. Arsenio K. Sebial, Jr. is the President of MMDC and BHI and a director in BRC. Further, Mr. Reuben F. Alcantara, the son of MHI director, Mr. Isidro C. Alcantara, is the President of BRC and VP Marketing of MMDC and MARC. In addition, Mr. Rolando Santos is the Treasurer of MARC, MMDC, BHI and BRC. Moreover, Atty. Diane Madelyn Ching is a director of BHI, Asst. Corporate Secretary of MHI and Corporate Secretary of BHI, MMDC and BRC.