

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended 31 December 2020
2. SEC Identification Number 0102415
3. BIR Tax Identification No. 000-056-514
4. ZEUS HOLDINGS, INC.
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 21/F, Lepanto Bldg, 8747 Paseo de Roxas, Makati City
Address of principal office 1226
Postal Code
8. (632) 8815-9447
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>Common</u>	<u>2,737,044,807</u>
<u>Outstanding loans</u>	<u>Nil</u>

11. Are any or all of these securities listed on a Stock Exchange.

Yes [x] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

PHILIPPINE STOCK EXCHANGE

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The

Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes ☒ No ☐

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

Yes ☐ No ☒

13. Aggregate market value of the voting stock held by non-affiliates of the registrant.

₱502,957,358.89 as of 31 December 2020.

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☒ No ☐

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

Description	Exhibit
N/A	N/A

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Business Development

Zeus Holdings, Inc. ("Company") was incorporated on 31 December 1981 as JR Garments, Inc. under Securities and Exchange Commission (SEC) registration number 0102415, as a corporation engaged in garments manufacturing, distribution and export.

On 9 September 1996, the SEC approved the change of name of the Company from JR Garments, Inc. to ZEUS HOLDINGS, INC. and the change in its primary purpose to that of an investments holding company. The Company now has the following primary purpose:

"To purchase, subscribe for or otherwise acquire and own, hold, use, manage, develop, sell, assign, transfer, mortgage, pledge exchange or otherwise dispose of real and personal property of every kind and description, including but not limited to shares of stock, debentures notes, evidence of indebtedness and other securities, contracts or obligations of any corporation or corporations, association or associations, domestic foreign and to pay therefore in whole or in part, in cash or by exchanging therefore, stocks, bonds and other evidences of indebtedness of securities of this or any other corporation, while the owner or holder of any such real or personal property, stocks, bonds, debentures, notes, evidence of indebtedness or other securities, contracts or obligations, to receive, collect and dispose of the interest, dividends and income arising from such property and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers on any stock so owned, without however engaging in dealership in securities or in the stock brokerage business or in the business of an investment company under the Investment Company Act; to do any act designed to protect, preserve, improve or enhance the value of, or otherwise develop any real or personal property at any time held or controlled by the Corporation or in which it at that time may be interested."

The Company discontinued its garments operation on 31 August 1996 and consequently, all of its employees were terminated. On 27 December 1996, the Company disposed all its assets and liabilities relating to the garments operation.

The Company also increased its authorized capital stock from P100 million to P3 billion. The increase was approved by the SEC on 6 January 1997. Of the capital increase, 1,538,463,907 shares were subscribed and paid by way of assignment of rights in real property worth P31.423 million and common shares of stock of Mindanao Portland Cement Corporation ("MPCC") at a transfer value of P1.457 billion by the new investors and the conversion of advances to equity of P50 million by existing shareholders. This major transaction marked the entry of the Company in the cement business. The Company became the majority owner (99.63%) of MPCC, a company engaged in the manufacturing and distribution of cement.

On 1 July 1998, the Company's major stockholders, Far East Cement Corporation and Eagle Cement Corporation sold in favor of Blue Circle Philippines, Inc. ("BCPI") and Round Royal, Inc. ("RRI") shares of stock comprising 57% of its outstanding capital stock. As of 31 December 1999, the shareholdings of Round Royal, Inc. comprised 50% while BCPI was at 24%.

Also on 1 July 1998, MPCC issued a One Billion Peso Convertible Note with a maturity date of 1 July 2003 in favor of BCPI. The Convertible Note can be settled either by: (1) payment of the principal amount plus interest, or (2) conversion into such number of common shares of MPCC issued at par value sufficient to cover the Note plus interest.

The Company, for its part, entered into an Option Agreement with BCPI on 1 July 1998. Under the Option Agreement, the holder of the Convertible Note issued by MPCC was given the right to require the Company to purchase from it the whole (and not just a part) of the Convertible Note. The Put Option may be exercised at any time within five (5) years from the execution of the Option Agreement. The holder of the Convertible Note may be paid either: (1) the principal amount plus accrued interest, or (2) such number of new shares of the Company issued at par value as may be sufficient to cover the value of the Convertible Note.

BCPI subsequently assigned its rights under the Option Agreement in favor of RRI. In a letter dated 7 December 1999, RRI served notice upon the Company that it was exercising its option under the Option Agreement to require the Company to issue, in its favor, new shares in the amount of P1,095,000,000.00 (principal amount of the loan plus interest) in exchange for the Convertible Note. As a result thereof, the outstanding capital stock of the Company was increased to P2,733,463,907.00 from P1,638,463,907.00.

On 8 December 1999, the Board of Directors of the Company approved the integration of its operations and activities with the operations and activities of Fortune Cement Corporation ("Fortune") and its subsidiary, Republic Cement Corporation ("Republic") and Iligan Cement Corporation ("Iligan") under the following swap ratios:

1,000 common shares of Republic	= 1,575 Fortune shares
	= 14,411 Company shares
	= 206 Iligan shares

The integration of the four (4) companies was effected on 20 October 2000. As a result thereof, Republic obtained majority control of the Company.

On 15 December 2000, the Company divested its equity interest in MPCC in favor of Republic.

In accordance with the SEC Tender Offer Rules, PICOP Holdings, Inc. (now known as ZHI Holdings, Inc. or "ZHIHI") offered to purchase the 98.18% equity interest of Republic in the Company at a price of P0.04826 per share. ZHIHI likewise offered to buy the remaining 1.82% equity stake of minority shareholders under the same terms. The offer period began on 22 November 2000 and ended on 20 December 2000. Republic accepted the offer of ZHIHI and divested all its equity holdings in the Company in favor of the latter. Minority shareholders owning 290,000 common shares of the Company also accepted the tender offer of ZHIHI. As a result, ZHIHI acquired a 98.533% equity stake in the Company.

In August 2001, ZHIHI sold off 14,864,576 of its shares in the Company or approximately 0.53% of its equity therein. Thus, ZHIHI retained a 98% equity stake in the Company.

In June 2007, ZHIHI further sold off 2,555,788,753 of its shares in the Company, or approximately 93.5% of the outstanding capital stock of Zeus, to F. Yap Securities, Inc.-In Trust For Various Clients, namely Zamcore Realty Corporation ("Zamcore"), Horizon Resources Corporation, Lindsay Resources Corporation, Sharone King, Charles Paw, Grace Cerdania, and George Ivan Ang, thus further reducing its equity stake in the Company to 4.5%. At present, the largest stockholder of the Company is Zamcore, holding a 26.65% equity stake in the Company.

On 13 July 2009, pursuant to its business plan of going into the mining industry, the Company entered into an Operating Agreement with Olympic International Sales Corporation ("Olympic"), whereby the Company was appointed as operator of Olympic's mining claims situated in the municipalities of Carrascal, Cantillan and Madrid, Province of Surigao del Sur, with an approximate area of 4,656.9165 hectares (the "Mining Claims"). The Mining Claims are currently the subject of Application for Production Sharing Agreement No. 000115-XI ("APSA"), pending with the Mines and Geosciences Bureau ("MGB"), CARAGA Regional Office No. XIII, Surigao City. Under the Operating Agreement, the Company will be responsible for the prosecution of the APSA until the same is approved and a Mineral Production Sharing Agreement issued. The Company will explore, and if warranted, develop and operate the Mining Claims.

Also on 13 July 2009, in consideration for the Company's appointment as operator of the Mining Claims, the Company entered into an Agreement to Subscribe to Shares and to Issue Shares with Olympic, whereby the Company would issue to Olympic 10,000,000 shares out of the Company's unissued capital and granted Olympic the option to subscribe to 110,000,000 shares of the Company as follows:

- a) Ten Million (10,000,000) shares from the Company's unissued capital within one (1) year from the issuance of the Mineral Production Sharing Agreement ("MPSA"); and
- b) One Hundred Million (100,000,000) shares from the Company's unissued capital within five (5) years from the issuance of the MPSA.

To date, the MGB has yet to issue the MPSA.

Notwithstanding the foregoing, the Company currently has minimal operations and, thus, has no full-time employees.

On 5 July 2013, the Company approved the conversion of the existing Deposits for Future Subscription ("DFS") of ZHIHI and F. Yap Securities, Inc.-In Trust For Various Clients, in the total amount of P3,580,900, to common shares of stock the Company. On 6 August 2013, the SEC approved the valuation of the DFS as full payment for 3,580,900 common shares of stock of the Company, at P1.00 per share.

Business of Issuer

Competition

The Company is engaged in business as an investment holding company. As an investment holding enterprise, the Company competes with other investment holding companies in the Philippines in terms of investment prospects. Its previous lone subsidiary, MPCC, was engaged in the manufacture and distribution of cement but, as heretofore stated, the Company divested its equity interest therein in December 2000.

However, with the execution of the Operating Agreement with Olympic for the Company's operation of Olympic's mining claims in Surigao Del Sur, the Company has begun its entry into the mining industry and could possibly compete with other mining companies in the Philippines in terms of generation of mineral products should its planned exploration of Olympic's mining claims be successful.

At this time, the Company is not in a position to discuss the relative financial and market strengths of its competitors either in the holding or mining sector because it does not have the relevant data.

Major Risks

Given the divestment by the Company of all its interest in its lone subsidiary and its current limited operations, the business risks facing the Company at present are minimal.

Franchises

The Company has no existing or pending patents, trademarks, copyrights, licenses, franchises, concessions or royalty agreements, and these are not expected to play a significant role in the operations of the Company in the immediate and medium term.

Government Approvals for Principal Services

Except as regards the operation of the Olympic mining claims which is the subject of an APSA currently pending with the MGB, if and when such is pursued, the present operations of the Company do not necessitate the obtaining of any special government approvals for its products and services.

The Company does not foresee any major impact of existing or probable government regulations on its business.

Research and Development Activities

Given the minimal operations of the Company, it has not engaged in research and development activities during the preceding year.

Costs and Effects of Compliance with Environmental Laws

Compliance costs are minimal given the present status of operations of the Company.

Item 2. Properties

The Company sold all of its real properties valued at P31,423,000.00 in August 2001 and used the proceeds thereof to settle in part its accumulated advances from its previous stockholders. With the disposition of its equity interest in its sole subsidiary and the sale of all of its real estate assets, the Company does not have any major properties at this time.

Item 3. Legal Proceedings

There is no pending legal proceeding involving the Company.

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Stockholders' Meeting ("ASM") of the Company was held on 30 July 2020. In the course thereof, the following matters were submitted to the vote of the stockholders:

1. Call to Order
2. Proof of due notice of the meeting and determination of quorum
3. Approval of the Minutes of the Annual Meeting on June 27, 2019
4. Approval of the 2019 Audited Financial Statements
5. Ratification of Corporate Acts
6. Election of Directors
7. Appointment of External Auditor

8. Transaction of such other and further business as may properly come before the meeting.

Items 1 to 4 and 6 above were unanimously approved/ratified. In addition, the following were elected as members of the Company's Board of Directors: Felipe U. Yap, Artemio F. Disini, Ramon T. Diokno, Pablo T. Ayson, Jr., Jose Raulito E. Paras, Odette A. Javier, Stephen Y. Yap and two independent directors, Douglas John Kirwin and Manuel Jeffrey N. David.

Punongbayan & Araullo was re-appointed as the Company's external auditor.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

The Company's common equity is traded at the Philippine Stock Exchange. For the last three years, the highs and lows of stock market prices are as follows:

		HIGH	LOW
2020	January – March	0.138	0.138
	April – June	0.150	0.132
	July – September	0.133	0.131
	October – December	0.184	0.177
2019	January – March	0.385	0.365
	April – June	0.33	0.32
	July – September	0.24	0.235
	October – December	0.202	0.19
2018	January – March	0.211	0.194
	April – June	0.221	0.204
	July – September	0.20	0.20
	October – December	0.223	0.223

The Company's stock was last traded at the PSE on 28 May 2021 at the price of P0.21 per share.

Holders

As of 15 May 2021, the Company has a total of eight hundred twenty-five (825) stockholders, the top twenty (20) of whom are as follows:

	<u>Name of Stockholder</u>	<u>No. of Shares</u>	<u>Percentage (%) of Shareholding</u>
1.	PCD NOMINEE CORPORATION (FILIPINO)	1,435,829,612	53.21%
2.	ZAMCORE REALTY AND DEVELOPMENT CORPORATION	599,377,728	21.90%
3a.	F. YAP SECURITIES IN TRUST FOR LINDSAY RESOURCES CORPORATION	410,019,586	14.98%
3b.	F. YAP SECURITIES IN TRUST FOR HORIZON RESOURCES CORPORATION	120,000,000	4.38%
4.	PCD NOMINEE CORPORATION (NON-FILIPINO)	69,964,101	2.56%
5.	F. YAP SECURITIES, INC.	65,000,000	2.37%
6.	R. COYIUTO SECURITIES, INC.	10,310,000	0.38%
7.	FAR EAST CEMENT CORPORATION	6,283,906	0.23%
8.	LI CHIH-HUI	8,000,000	0.29%
9.	LUCIO W. YAN	2,500,000	0.09%
10.	F. YAP SECURITIES IN TRUST FOR	2,405,300	0.09%
11.	VARIOUS CLIENTS		
	LINDA H. BUGARIN	2,325,006	0.08%
12.	ZHI HOLDINGS, INC.	1,175,600	0.04%
13.	PEREGRINE SECURITIES PHILS., INC.	592,000	0.02%
14a.	JOLLY R. BUGARIN	500,000	0.02%
14b.	TIONG SHOU SY &/OR JUANITA S. TAN	500,000	0.02%
15.	MARTIN P. LORENZO	300,000	0.01%
16.	WANDA MICHELLE BUENCAMINO	232,000	0.01%
17.	VICTORIA Z. EGAN	160,000	0.01%
18.	IMELDA TAN UY	88,000	0.003%
19.	DAVID OSMEÑA	70,000	0.003%
20.	LUZ SIY	65,000	0.002%

Dividends

The Company has not declared any cash dividend for the last two (2) fiscal years.

Aside from the general legal restrictions that dividends may be paid only from surplus profits and in such a manner as will not impair the capital of the corporation, there are no other restrictions on the Company from paying dividends on common equity. It is not likely that any additional restrictions will arise in the foreseeable future.

Recent Sales of Unregistered Securities

The Company has not sold any unregistered securities in the past three (3) years.

Item 6. Management's Discussion and Analysis or Plan of Operation

Plan of Operation for 2021

The Company shall continue to prosecute Application for Production Sharing Agreement No. 000115-XI ("APSA") in the name of Olympic International Sales Corporation ("Olympic") with whom the Company has an Operating Agreement. The Company is also evaluating other mining sites located in the Northern and Southern regions.

Since the Company has no operations/source of revenues, the major stockholders will continue to provide the cash requirements of the Company. Until the APSA is approved, no major changes in the Company's activities and expenses are expected.

Management's Discussion and Analysis of Financial Condition and Results of Operations for 2020, 2019 and 2018

YEAR 2020

As of December 31, 2020, total assets of the company amounted to P416,189 compared against last year's P954,770.

Decrease in Input Value Added Tax was due to impairment. Decrease in accounts payable and accrued expenses was due to derecognition of long outstanding payables.

The Company posted a net loss of P518,611 during the year, lower by 29% from last year's P727,218 due to lower administrative expenses.

The top 5 performance indicators of the Company are as follows:

Ratios	Formula	31-Dec-20	31-Dec-19	31-Dec-18
Current Ratio	Current assets / Current liabilities	1.80 416,189 / 230,578	1.20 954,770 / 795,548	1.10 868,690 / 792,250
Debt to Equity Ratio	Total liabilities / Equity	1.24 230,578 / 185,611	5 795,548 / 159,222	10.36 792,250 / 76,440
Capital Adequacy Ratio	Equity / Total assets	0.45 185,611 / 416,189	0.17 159,222 / 954,770	0.09 76,440 / 868,690
Book value per share	Equity / Total # of shares	0.00007 185,611 / 2,737,044,807	0.00006 159,222 / 2,737,044,807	0.00003 76,440 / 2,737,044,807
Loss per Share	Net loss / Total # of shares	-0.00019 -518,611 / 2,737,044,807	-0.00027 -727,218 / 2,737,044,807	-0.00026 -708,488 / 2,737,044,807

Current ratio shows the Company's ability to meet its short term financial obligation. As of December 31, 2020, the Company has P1.80 cents worth of current assets for every peso of liabilities as compared to last year's P1.20.

Debt to Equity ratio indicates the extent of the Company to which debt is covered by shareholder's fund. It reflects the relative position of the equity holders and the lenders. As of December 31, 2020, the Company's debt to equity is 1.24 compared to last year's 5. The major shareholder is willing to support the Company as the need arises.

Capital Adequacy Ratio is computed by dividing the Total Equity over Total Assets. It measures the financial strength of the Company. As of December 31, 2020, the Company's Adequacy Ratio is 0.45 compared to last year's 0.17.

Book value per share measures the recoverable amount in the event of liquidation if assets are realized at book value. The Company has book value per share of P0.00007 as of December 31, 2020.

Loss per share is calculated by dividing net loss by the weighted average number of shares issued and outstanding. As of December 31, 2020, the Company's loss per share posted at P0.00019 per share.

(a) Full Fiscal Years

Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations of the following:

(i) *Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.*

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company and its subsidiaries liquidity increasing or decreasing in any material way.

(ii) *Events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation*

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

(iii) *Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.*

There are no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

(iv) *Material Commitment for Capital Expenditure*

The Company has not entered into any material commitment for capital expenditure.

(v) Others

There are no known trends, events or uncertainties that have material impact on net sales/revenues/income from continuing operations.

The Company did not recognize income or loss during the quarter that did not arise from continuing operations.

There are no known causes for material change (of material item) from period to period.

There are no known seasonal aspects that had a material effect on the financial condition or results of operations.

YEAR 2019

As of December 31, 2019, total assets of the company amounted to P954,770 compared against last year's P868,690.

Increase in cash represents cash infusion received from stockholders.

Input Value Added Tax increase on account of listing and audit fees. Increase in accounts payable and accrued expenses is due to accrual of expenses.

The Company posted a net loss of P727,218 during the year, higher by 0.03% from last year's P708,488 due to higher administrative expenses.

The top 5 performance indicators of the Company are as follows:

Ratios	Formula	31-Dec-19	31-Dec-18	31-Dec-17
Current Ratio	Current assets / Current liabilities	1.20 954,770 / 795,548	1.10 868,690 / 792,250	1.14 875,171 / 770,243
Debt to Equity Ratio	Total liabilities / Equity	5 795,548 / 159,222	10.36 792,250 / 76,440	7.34 770,243 / 104,928
Capital Adequacy Ratio	Equity / Total assets	0.17 159,222 / 954,770	0.09 76,440 / 868,690	0.12 104,928 / 875,171
Book value per share	Equity / Total # of shares	0.00006 159,222 / 2,737,044,807	0.00003 76,440 / 2,737,044,807	0.00004 104,928 / 2,737,044,807
Loss per Share	Net loss / Total # of shares	-0.00027 -727,218 / 2,737,044,807	-0.00026 -708,488 / 2,737,044,807	-0.00025 -683,042 / 2,737,044,807

Current ratio shows the Company's ability to meet its short term financial obligation. As of December 31, 2019, the Company has P1.20 cents worth of current assets for every peso of liabilities as compared to last year's P1.10.

Debt to Equity ratio indicates the extent of the Company to which debt is covered by shareholder's fund. It reflects the relative position of the equity holders and the lenders. As of December 31, 2019, the Company's debt to equity is 5 compared to last year's 10.36. The major shareholder is willing to support the Company as the need arises.

Capital Adequacy Ratio is computed by dividing the Total Equity over Total Assets. It measures the financial strength of the Company. As of December 31, 2019, the Company's Adequacy Ratio is 0.17 compared to last year's 0.09.

Book value per share measures the recoverable amount in the event of liquidation if assets are realized at book value. The Company has book value per share of P0.00006 as of December 31, 2019.

Loss per share is calculated by dividing net loss by the weighted average number of shares issued and outstanding. As of December 31, 2019, the Company's loss per share posted at P0.00027 per share.

(a) Full Fiscal Years

Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations of the following:

(i) *Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.*

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company and its subsidiaries liquidity increasing or decreasing in any material way.

(ii) *Events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation*

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

(iii) *Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.*

There are no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

(iv) *Material Commitment for Capital Expenditure*

The Company has not entered into any material commitment for capital expenditure.

(vi) *Others*

There are no known trends, events or uncertainties that have material impact on net sales/revenues/income from continuing operations.

The Company did not recognize income or loss during the quarter that did not arise from continuing operations.

There are no known causes for material change (of material item) from period to period.

There are no known seasonal aspects that had a material effect on the financial condition or results of operations.

YEAR 2018

As of December 31, 2018, total assets of the company amounted to P868,690 compared against last year's P875,171.

Decrease in cash is due to settlement of accounts.

Input Value Added Tax increase on account of listing and audit fees. Increase in accounts payable and accrued expenses is due to accrual of expenses.

The Company posted a net loss of P708,488 during the year, higher by 0.04% from last year's P683,042 due to higher administrative expenses.

The top 5 performance indicators of the Company are as follows:

Ratios	Formula	31-Dec-18	31-Dec-17	31-Dec-16
Current Ratio	Current assets / Current liabilities	1.10 868,690 / 792,250	1.14 875,171 / 770,243	0.98 :1 759,599 / 771,629
Debt to Equity Ratio	Total liabilities / Equity	10.36 792,250 / 76,440	7.34 770,243 / 104,928	-64.14 :1 771,629 / -12,030
Capital Adequacy Ratio	Equity / Total assets	0.09 76,440 / 868,690	0.12 104,928 / 875,171	-0.02 :1 -12,030 / 759,599
Book value per share	Equity / Total # of shares	0.00003 76,440 / 2,737,044,807	0.00004 104,928 / 2,737,044,807	-0.00004 -12,030 / 2,737,044,807
Loss per Share	Net loss / Total # of shares	-0.00026 -708,488 / 2,737,044,807	-0.00025 -683,042 / 2,737,044,807	-0.00025 -685,638 / 2,737,044,807

Current ratio shows the Company's ability to meet its short term financial obligation. As of December 31, 2018, the Company has P1.10 cents worth of current assets for every peso of liabilities as compared to last year's P1.14.

Debt to Equity ratio indicates the extent of the Company to which debt is covered by shareholder's fund. It reflects the relative position of the equity holders and the lenders. As of December 31, 2018, the Company's debt to equity is 10.36 compared to last year's 7.34. The major shareholder is willing to support the Company as the need arises.

Capital Adequacy Ratio is computed by dividing the Total Equity over Total Assets. It measures the financial strength of the Company. As of December 31, 2018, the Company's Adequacy Ratio is 0.09 compared to last year's 0.12.

Book value per share measures the recoverable amount in the event of liquidation if assets are realized at book value. The Company has book value per share of P0.00003 as of December 31, 2018.

Loss per share is calculated by dividing net loss by the weighted average number of shares issued and outstanding. As of December 31, 2018, the Company's loss per share posted at P0.00026 per share.

(a) Full Fiscal Years

Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations of the following:

(i) *Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.*

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company and its subsidiaries liquidity increasing or decreasing in any material way.

(ii) *Events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation*

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

(iii) *Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.*

There are no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

(iv) *Material Commitment for Capital Expenditure*

The Company has not entered into any material commitment for capital expenditure.

(vii) *Others*

There are no known trends, events or uncertainties that have material impact on net sales/revenues/income from continuing operations.

The Company did not recognize income or loss during the quarter that did not arise from continuing operations.

There are no known causes for material change (of material item) from period to period.

There are no known seasonal aspects that had a material effect on the financial condition or results of operations.

The Company has not entered into any material commitment for capital expenditure.

Item 7. Financial Statements

The Audited Consolidated Financial Statements of the Company for the years ended 31 December 2018 and 2017 is attached hereto.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

There are no known disagreements with the external auditors on accounting principles or practices, financial disclosures, or on the scope or procedure of the audit.

Audit and Audit-Related Fees

The total fees for services rendered by the external auditor are as follows:

	2020	2019	2018
Professional Fee	170,000.00	170,000.00	165,000.00
Out of pocket expenses (15%)	25,500.00	25,500.00	24,750.00
Vat (12%)	23,460.00	23,460.00	22,770.00
Total	218,960.00	218,960.00	212,520.00

The services rendered by the external auditor includes the audit of the Company's annual financial statements, review of interim financial statements and services that are normally provided by the external auditors in connection with statutory and regulatory filings or engagements for the years ended 31 December 2020 and 2019. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

Other than the audit fees, we did not have any other audit-related fees for the years ended December 31, 2020 and 2019.

As a matter of policy, the Audit Committee pre-approves all audit and non-audit services as these are proposed or endorsed before these services are performed by the external auditors, with the objective, among others, of ensuring that non-audit fees do not outweigh the fees earned from the external audit.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The Company's Board of Directors is composed of nine (9) members of proven competence and integrity, led by a Chairman who is tasked to ensure that the Board functions in an effective and collegial manner. Two of the Company's nine (9) directors are independent directors.

The following are the members of the Board of Directors and the Senior Officers of the Corporation, each of whom was elected as such for a period of one (1) year at the ASM held on 30 July 2020, with their respective age, nationality period of service, and directorships/officerships in other companies indicated:

a. **FELIPE U. YAP** – Director/Chairman (4 November 1998 to present)

- *Chairman and Chief Executive Officer of Lepanto Consolidated Mining Company** (1988 to present), Lepanto Investment & Development Corporation, Diamant Manufacturing and Trading Corporation, Diamond Drilling Corporation of the Philippines, Far Southeast Gold Resources, Inc., Manila Mining Corporation* (1998 to present), and Shipside, Inc.
- *Director and Chairman of Prime Orion Philippines, Inc. from 2000-2016; Vice-Chairman effective February 24, 2016.*
- *Director/Chairman of FLT Prime Insurance Corporation, Orion Land Inc., Tutuban Properties, Inc., Orion I Holdings Philippines, Inc., and Kalayaan Copper-Gold Resources, Inc.*
- *Director of Manila Peninsula Hotel, Inc., Philippine Associated Smelting & Refining Corporation, Orion Property Development, Inc., and BA-Lepanto Condominium Corporation*

b. **ARTEMIO F. DISINI** – Director (14 November 2014 to present) and President (25 April 2016)

- *Chairman of the Chamber of Mines of the Philippines until 2017*
- *President of Sulu Sea Mineral Management Corporation*
- *Trustee of the Philippine-Australian Business Council*
- *Trustee of JVO Foundation, Inc.*

c. **DOUGLAS JOHN KIRWIN** – Independent Director (29 June 2017 to present)

- *Exploration Manager of Ivanhoe Mines from 1995 (when it was known as Indochina Goldfields Ltd) until 2012*
- *Vice President of the Society of Economic Geology from 2009 to 2011, where he continues to serve as an honorary lecturer. He is now semi-retired with a part time consulting business.*
- *Director, Manila Mining Corporation since 2014.*

d. **RAMON T. DIOKNO** - Director (30 July 2020)

- *Chief Finance Officer of Lepanto Consolidated Mining Company*
- *Director of Alcantara Consolidated Resources, Inc.*

- Chief Finance Officer of the Diamond Drilling Corporation of the Philippines, Lepanto Investment and Development Corporation and Diamant Manufacturing and Trading Corporation.
- e. **STEPHEN Y. YAP** – Director (28 November 2007 to present)
- *President of Starman Sales, Inc.*
 - *Vice-President for Group Property Investments of Tutuban Properties, Inc. until 2017*
 - *Director of Manila Mining Corporation* (April 2013 to present)*
- e. **ATTY. MANUEL JEFFREY N. DAVID** – Independent Director
- *Associate at Aranas Law Offices*
 - *Director, Fastmedia Solutions, Inc.*
 - *Director, Softmedia Marketing and Services, Inc.*
 - *Director, Aroma Asia Food Trading Enterprises, Inc.*
- f. **ATTY. JOSE RAULITO E. PARAS** - Director
- *Managing Partner of Andres Padernal and Paras Law Offices*
 - *Director of Philippine Fire and Marine Insurance Corporation from 15 April 2008; Chairman and Chief Executive Officer effective 12 May 2016.*
 - *Director of Manila Mining Corporation since 2019*
- g. **ATTY. PABLO T. AYSON, JR.** - Director
- *Vice President-Mining Claims of Lepanto Consolidated Mining Company.*
 - *Vice President of Manila Mining Corporation and Far Southeast Gold Resources, Inc. and a Director of Kalayaan Copper-Gold Resources, Inc.*
- h. **ATTY. ODETTE A. JAVIER** – Director and Corporate Secretary
- *Vice President-Assistant Corporate Secretary of Lepanto Consolidated Mining Company.*
 - *Assistant Corporate Secretary of Manila Mining Corporation and Far Southeast Gold Resources, Inc.*
 - *Director and Corporate Secretary of Lepanto Investment & Development Corporation and Diamant Manufacturing and Trading Corporation.*

The Nomination Committee of the Company is composed of Mr. Stephen Y. Yap with Mr. Ramon T. Diokno, and Atty. Manuel Jeffrey N. David as members. The Audit Committee is chaired by Mr. Douglas John Kirwin, with Mr. Ramon T. Diokno and Mr. Stephen Y. Yap as members.

Other than the aforementioned executive officers, there are no employees at present who are expected to make a significant contribution to the Company's business.

Terms of Office

The directors of the Company are elected each year to serve until the next annual meeting of stockholders and until their successors are elected and qualified, except in case of death, resignation, disqualification or removal from office. The term of office of all officers is coterminous with that of the board of directors that elected or appointed them.

Family Relationships

The Chairman, Mr. Felipe U. Yap, is the uncle (third civil degree) of Director Stephen Y. Yap.

Involvement in Certain Legal Proceedings

There has been no occurrence of any of the following events during the past five (5) years that are material to any evaluation of the ability of any director or executive officer of the Company:

- a. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b. Any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c. Being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- d. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Development Program for Directors and Senior Management

As part of the Company's continuing education program, the Company's directors and officers attend at least one corporate governance seminar per year. They also attend external courses relevant to their role in the Company.

The following are the seminars attended by the Company's directors and officers for the past three (3) years:

Name of Director/Officer	Date of Training	Corporate Governance Seminar	Name of Training Institution
Felipe U. Yap	28 October 2020	Corporate Governance	Institute of Corporate Directors
Artemio F. Disini	28 October 2020	Corporate Governance	Institute of Corporate Directors
Ramon T. Diokno	28 October 2020	Corporate Governance	Institute of Corporate Directors

Pablo T. Ayson, Jr.	28 October 2020	Corporate Governance	Institute of Corporate Directors
Manuel Jeffrey N. David	28 October 2020	Corporate Governance	Institute of Corporate Directors
Douglas John Kirwin	28 October 2020	Corporate Governance	Institute of Corporate Directors
Odette A. Javier	28 October 2020	Corporate Governance	Institute of Corporate Directors
Jose Raulito E. Paras	28 October 2020	Corporate Governance	Institute of Corporate Directors
Stephen Y. Yap	28 October 2020	Corporate Governance	Institute of Corporate Directors

Attendance of Directors in Meetings

The following is the record of the directors' attendance in board meetings held for the year 2019:

Board	Name	Date of Election	No. of Meetings Held During the Year 2020	No. of Meetings Attended	%
Chairman	Felipe U. Yap	21 June 2016	3	3	100%
Member	Artemio F. Disini	21 June 2016	3	3	100%
Member	Douglas John Kirwin	21 June 2016	3	3	100%
Member	Ramon T. Diokno	30 July 2020	2	2	100%
Member	Pablo T. Ayson, Jr.	29 June 2017	3	3	100%
Member	Odette A. Javier	21 June 2016	3	3	100%
Member	Jose Raulito E. Paras	21 June 2016	3	3	100%
Member	Stephen Y. Yap	21 June 2016	3	3	100%
Independent	Manuel Jeffrey N. David	21 June 2016	3	3	100%

All directors attended the Annual Stockholders' Meeting held on 30 July 2020, which is the lone stockholders' meeting held in 2020.

Item 10. Executive Compensation

The members of the Board of Directors and the executive officers of the Company have not received any compensation for the last two fiscal years. There are no other arrangements between the Company and any of its directors for any form of compensation for services rendered during the last completed fiscal year and the ensuing year. There are likewise no arrangements for employment contracts, termination of employment and change in control arrangements between the Company and any of its executive officers.

Item 11. Security Ownership of Certain Beneficial Owners and Management

A. Ownership of Certain Record and Beneficial Owners (more than 5%) (as of 15 May 2021)

Title of Class	Name and Address of Record and Relationship With Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Amount and Nature of Record/Beneficial Ownership (indicate by "r" or "b")	Percent of Class
Common	PCD Nominee Corporation** / G/F Makati Stock Exchange, Ayala Ave., Makati City / Stockholder	PCD Participants (Brokers) / Various Individuals and Corporations / Clients	Filipino	1,435,829,612	52.46%
Common	Zamcore Realty and Development Corporation* / 5/F Lepanto Bldg., Paseo De Roxas, Makati City / Stockholder	Zamcore Realty and Development Corporation	Filipino	599,377,728 (r)	21.90%
Common	F. Yap Securities, Inc.*** / 23/F East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City / Broker	Lindsay Resources Corporation / Client	Filipino	410,019,586 (r)	14.98%
Common	F. Yap Securities, Inc.**** / 23/F East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City / Broker	Horizon Resources Corporation / Client	Filipino	120,000,000 (r)	4.38%

* PCD Nominee Corporation, a private company and wholly-owned subsidiary of the Philippine Central Depository, Inc. (PCDI), is the registered owner of the Zeus shares. However, beneficial ownership of such shares pertains to the PCD participants (brokers) and/or their clients (corporations or individuals), in whose names these shares are recorded in their respective books. The Company has no knowledge as to whether a single individual or entity holds beneficial ownership of at least 5% or more of Zeus shares registered in the name of PCD Nominee Corporation.

**Zamcore Realty and Development Corporation acquired all of its shares in Zeus through its broker F. Yap Securities, Inc. (FYSI). These shares were part of the 2,555,788,753 shares of stock in the Company sold by ZHI Holdings, Inc. to FYSI In Trust For Various Clients on 20 June 2007.

***FYSI holds the 410,019,586 Zeus shares in trust for Lindsay Resources Corporation.

****FYSI holds the 120,000,000 Zeus shares in trust for Horizon Resources Corporation.

B. Security Ownership of Management (other than as Nominees) (as of 15 May 2021)

NONE

Title of class of the shares owned and percentage of ownership of all directors and executive officers as a group:

Title of Class	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	Percent of class
Common	Felipe U. Yap	1 *(d)	Filipino	0%
	Artemio F. Disini	1 *(d)	Filipino	0%
	Ramon T. Diokno	1 *(d)	Filipino	0%
	Pablo T. Ayson, Jr.	1 *(d)	Filipino	0%
	Douglas John Kirwin	1 *(d)	Australian	0%
	Odette A. Javier	1 *(d)	Filipino	0%
	Jose Raulito E. Paras	1 *(d)	Filipino	0%
	Stephen Y. Yap	1 *(d)	Filipino	0%
	Manuel Jeffrey N. David	1 *(d)	Filipino	0%
		Total 9		

Natural persons owning more than 5% of the registrant's voting shares and who have the power to vote the same: NONE.

C. Voting Trust Holders of 5% or More

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

D. Changes in Control

There has been no change in the control of the Company since the beginning of the last fiscal year.

Item 12. Certain Relationships and Related Transactions

The Company's related parties include its stockholders. The transactions with related parties are shown in the succeeding page.

1.1 Cash Infusions from Stockholders

On the following dates, the BOD authorized the acceptance of additional cash infusions from F. Yap Securities, Inc. – In Trust for Various Clients (FYSI), a stockholder, as shown on the succeeding page.

<u>Date Authorized</u>	<u>Amount</u>	<u>Month Received</u>
July 3, 2020	P 250,000	July 2020
January 14, 2020	295,000	January 2020
July 11, 2019	185,000	July 2019
May 22, 2019	150,000	May 2019
March 20, 2019	175,000	March 2019
January 21, 2019	300,000	January 2019
June 6, 2018	80,000	June 2018
June 5, 2018	200,000	June 2018
January 31, 2018	200,000	January 2018
January 8, 2018	200,000	January 2018
August 18, 2017	100,000	August 2017
May 26, 2017	200,000	May 2017
March 23, 2017	150,000	March 2017
January 18, 2017	350,000	January 2017
January 11, 2016	250,000	June 2016
January 11, 2016	100,000	April 2016
January 11, 2016	300,000	January 2016
September 24, 2014	1,000,000	September 2014
September 4, 2013	900,000	September 2013
October 24, 2012	750,000	October 2012
December 29, 2011	550,000	December 2011
March 16, 2011	420,000	March 2011
January 10, 2011	280,000	January 2011
May 18, 2010	300,000	May 2010
December 18, 2009	350,000	December 2009
November 26, 2008	<u>690,300</u>	December 2008
	P <u>8,725,300</u>	

Of the total cash infusion received, P1,340,300 was recognized as Deposits for Future Stock Subscriptions (see Note 5.2) and the remaining amount of P7,385,000 was reflected as part of APIC, P545,000 in 2020, P810,000 in 2019, P680,000 in 2018, P800,000 in 2017, P650,000 in 2016, P1,000,000 in 2014, P900,000 in 2013, P750,000 in 2012, and P1,250,000 in 2011 (see Note 7.2).

1.2 Conversion of Advances from Stockholders and Application of Deposits for Future Stock Subscriptions

On September 30, 2008, the Company's BOD approved the conversion of all of its outstanding advances from stockholders, FYSI and ZHI Holdings, Inc. (ZHIHI), as of that date totaling P2,240,600 (previously presented under Due to Related Parties account) to Deposits for Future Stock Subscriptions.

In 2013, the amount of the converted advances from FYSI and ZHIHI and portion of the cash infusions made by FYSI (see Note 5.1) totaling P3,580,900 are converted to equity (see Note 7.1).

1.3 Key Management Personnel Compensation

In 2020, 2019, and 2018, there were no expenses recognized that are related to employee benefits since the Company's finance and administrative functions are being handled by a third party.

PART IV – CORPORATE GOVERNANCE

To date, the Company has not yet fully complied with the provisions of its Manual on Corporate Governance with respect to the following:

Provisions of the Manual	Explanation
<p><i>Board of Directors; Duties and Functions.</i></p> <p>–</p> <ul style="list-style-type: none"> • Establishment and maintenance of an investor relations program that will keep the stockholders informed of important developments in the Corporation. • Identification of the sectors in the community in which the Corporation operates or which are directly affected by its operations and formulate a clear policy of accurate, timely and effective communications with them. • Establishment and maintenance of an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including regulatory authorities. 	<ul style="list-style-type: none"> • Due to limited operations, the Corporation has yet to establish an investor relations program. In any case, all important developments are posted in the Corporation's website (www.zeusholdingsinc.com), which is easily accessible and regularly updated. • Due to limited operations, the Corporation does not perceive a need at this time to formulate a communications policy with regard to relevant sectors of the community. • Due to limited operations, the Corporation has yet to establish an alternative dispute resolution system for settlement of conflicts.
<p><i>Compensation and Remuneration Committee; Duties and Responsibilities.</i> –</p> <ul style="list-style-type: none"> • Establishment of a formal and transparent procedure for developing a policy on executive remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel. • Designation of amount of remuneration sufficient to attract and retain directors and officers who are needed to run the 	<p>Due to limited operations, the Company has no compensation scheme for its directors and officers at this time.</p>

Corporation successfully. <i>Audit Committee; Duties and Responsibilities.</i> — • Organization of an internal audit department.	Due to limited operations, the Company does not perceive a need at this time for the organization of an internal audit department.
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PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

<u>Descriptions</u>	<u>Exhibit</u>
1. Audited Financial Statements	1

(b) Reports on SEC Form 17-C

During the period covered by this report, the reports on 17-C (Current Report) filed with the Commission cover the following:

<u>Date of Report</u>	<u>Subject</u>
June 18, 2020	Setting of Annual Stockholders' Meeting
July 30, 2020	Results of Organizational Meeting
July 30, 2020	Results of Annual Stockholders' Meeting

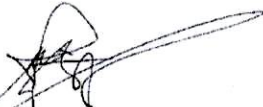
SUSTAINABILITY REPORT

ZEUS HOLDINGS, INC. has no business operations and employees at this time. While it has good governance policies and codes of conduct in place, the application especially on hiring of people and procurement of goods is nil. Having no operations, the Company has at this time no impact on the environment, economy, or community.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on May 31, 2021.

By:


FELIPE U. YAP
Chairman
SSS No. 06-0091101-0


ARTEMIO F. DISINI
President
TIN 117-434-713


MA. LOURDES B. TUASON
Treasurer
SSS No. 03-2082979-6

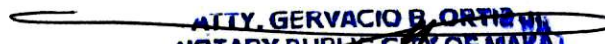

ODETTE A. JAVIER
Corporate Secretary
SSS No. 03-7641344-4

MAKATI CITY

MAY 31 2021

SUBSCRIBED AND SWORN TO before me this ____ day of May 31, 2021 at Makati City, affiant exhibiting to me their SSS ID nos. indicated above.

Doc. No. 341
Page No. 70
Book No. X
Series of 2021.


ATTY. GERVACIO B. ORTIGAS
NOTARY PUBLIC CITY OF MAKATI
UNTIL DECEMBER 31, 2022
IBP NO. 75729-LIFETIME MEMBER
ICL COMPLIANCE NO. VI-0024312
APPOINTMENT NO. M-183 (2019-2020)
PTR NO. 8531011 JAN. 4, 2021
MAKATI CITY ROLL NO. 40091
GROUND FLOOR 8747 PASEO DE
BOJAS, LEPANTO BLDG

ZEUS HOLDINGS, INC.

21/F Lepanto Building, 8747 Paseo de Roxas, Makati City
Tel No. 815-9447 / Fax No. 810-5583

2020 SUSTAINABILITY REPORT

Zeus Holdings, Inc. (ZHI) is an investment holding company. With the execution of the Operating Agreement with Olympic International Sales Corporation (OISC) for the Company's operation of OISC's mining claims in Surigao Del Sur, the Company has begun its entry into the mining industry. However, OISC's Application for Production Sharing Agreement covering the mining claims in Surigao Del Sur remains pending with the Mines and Geosciences Bureau. Presently, ZHI has no operations and no employees, and its limited activities and reports are performed by officers of affiliated companies. Therefore, most of the required disclosures, policies and practices are not applicable to ZHI.

COMPANY DETAILS	
Name of Organization	ZEUS HOLDINGS, INC.
Location of Headquarters	21 st Floor, Lepanto Building, 8747 Paseo de Roxas, Makati City
Location of Operations	N/A
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	N/A
Business Model, including Primary Activities, Brands, Products, and Services	Mining
Reporting Period	Year 2020
Highest Ranking Person responsible for this report	ODETTE A. JAVIER, Corporate Secretary

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Unit
N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Pendency of the permit sought</i>	<i>Stockholders</i>	<i>Review of other properties that may be subject of joint ventures</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Mining tenements subject of applications for permits of related parties</i>	<i>Stockholders</i>	<i>Continuing review and discussions</i>

Climate-Related Risks and Opportunities

Governance	Strategy	Risk Management	Metrics and Targets
N/A	N/A	N/A	N/A

ENVIRONMENT

Resource Management

Energy Consumption within the Organization

Disclosure	Quantity (Ave./mo.)	Units
N/A	N/A	N/A

Reduction of Energy Consumption

Disclosure	Quantity (Ave./mo)	Units
N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the Risk/s Identified?		Management Approach
N/A	N/A	N/A
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A

Water Consumption within the Organization

Disclosure	Quantity (monthly)	Units
N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A

Ecosystems and Biodiversity

Disclosure	Quantity	Units
N/A	N/A	N/A

Environmental Impact Management

Air Emissions

GHG

Disclosure	Quantity (Monthly)	Units
N/A	N/A	N/A
What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity (Ave./week)	Units
N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the Opportunity/ies Identified	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A

Hazardous Waste

Disclosure	Quantity (ave. monthly)	Units
N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A

Effluents

Disclosure	Quantity (ave. daily)	Units
N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A	N/A	N/A

Environmental Compliance**Non-compliance with Environmental Laws and Regulations**

Disclosure	Quantity	Units
N/A	N/A	N/A

SOCIAL

Employee Management: N/A

Employee Hiring and Benefits: N/A

Employee Data (Excluding Contractors)

Disclosure	Quantity	Units
N/A	N/A	N/A

Employee Benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
N/A	N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	N/A
What are the Risk/s Identified?	Management Approach
N/A	N/A
What are the Opportunity/ies Identified?	Management Approach
N/A	N/A

Employees Training and Development

Disclosure	Quantity	Units
N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	N/A
What are the Risk/s Identified?	Management Approach
N/A	N/A

What are the Opportunity/ies Identified?	Management Approach
N/A	N/A

Labor-Management Relations

Disclosure	Quantity	Units
N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	N/A

What are the Risk/s Identified?	Management Approach
N/A	N/A

What are the Opportunity/ies Identified?	Management Approach
N/A	N/A

Diversity and Equal Opportunity

Disclosure	Quantity	Units
N/A	N/A	N/A

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	N/A
What are the Risk/s Identified?	Management Approach
N/A	N/A
What are the Opportunity/ies Identified?	Management Approach
N/A	N/A

Labor Laws and Human Rights

Disclosure	Quantity	Units
N/A	N/A	N/A

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

Topic	Y/N	If Yes, cite reference in the Company Policy
N/A	N/A	N/A

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
N/A	N/A	N/A	N/A	N/A	N/A

Data Security

Disclosure	Quantity	Units
N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	N/A
What are the Risk/s Identified?	Management Approach
N/A	N/A
What are the Opportunity/ies Identified?	Management Approach
N/A	N/A

ZEUS HOLDINGS, INC.

21/F Lepanto Building, 8747 Paseo de Roxas, Makati City
Tel No. 8815-9447 / Fax No. 810-5583

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex
Roxas Boulevard, Metro Manila

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Zeus Holdings, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2020 and 2019**, 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.

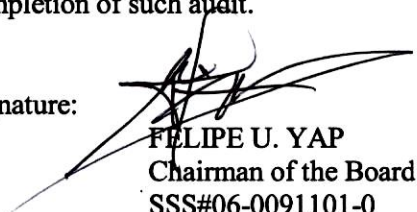
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to 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 and the additional supplementary information, and submits the same to the stockholders.

P & A Grant Thornton., the independent auditor appointed by the stockholders, have audited financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the Board of Directors and stockholders, has expressed their opinion on the fairness of presentation upon completion of such audit.

Signature:




FELIPE U. YAP
Chairman of the Board
SSS#06-0091101-0

Signature:



ARTEMIO F. DISINI
President
SSS#01-0067137-1

Signature:



MA. LOURDES B. TUASON
Treasurer
SSS#03-2082979-6

Signed this 17th day of May, 2021.

MAKATI CITY

MAY 27 2021

SUBSCRIBED AND SWORN TO before me this _____ day of May 2021 at Makati City, affiant exhibiting to me their SSS ID.

Doc. No. 7 :
Page No. 8 :
Book No. 4 :
Series of 2021.

ATTY. GERVASIO B. ORTIZ JR
NOTARY PUBLIC CITY OF MAKATI
UNTIL DECEMBER 31, 2022
IBP NO. 75729 - LIFETIME MEMBER
MCLE COMPLIANCE NO. VI-0024312
APPOINTMENT NO. M-183 (2019-2021)
PTR NO. 8531011 JAN. 4, 2021
MAKATI CITY ROLL NO. 40091
GROUND FLOOR 8747 PASEO DI
BOJAS, LEPANTO BLDG

April Rose M. Lumanglas

From: eafs@bir.gov.ph
Sent: Friday, May 28, 2021 3:11 PM
To: dominic.rivo@lepantomining.com
Subject: Your BIR AFS eSubmission uploads were received

Hi ZEUS HOLDINGS, INC.,

Valid files

- EAFS000056514AFSTY122020.pdf
- EAFS000056514OTHTY122020.pdf
- EAFS000056514ITRTY122020.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-CF87B5AG06A6E9K9DQVRX3SMP04MWXYTV2**
Submission Date/Time: **May 28, 2021 03:10 PM**
Company TIN: **000-056-514**

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

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Report of Independent Certified Public Accountants to Accompany Income Tax Return

Punongbayan & Araullo

20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders**Zeus Holdings, Inc.**

21/F, Lepanto Building
8747 Paseo de Roxas
Barangay Bel-Air, Makati City

We have audited the financial statements of Zeus Holdings, Inc. (the Company) for the year ended December 31, 2020, on which we have rendered the attached report dated May 17, 2021.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

PUNONGBAYAN & ARAULLO

By: Anthony L. Ng
Partner

CPA Reg. No. 0109764
TIN 230-169-270
PTR No. 8533236, January 4, 2021, Makati City
SEC Group A Accreditation
Partner - No. 109764-SEC (until Dec. 31, 2023)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-038-2019 (until Sept. 4, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

May 17, 2021

Report of Independent Auditors

Punongbayan & Araullo

20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders**Zeus Holdings, Inc.**

21/F, Lepanto Building
8747 Paseo de Roxas
Barangay Bel-Air, Makati City

Report on the Audit of the Financial Statements***Opinion***

We have audited the financial statements of Zeus Holdings, Inc. (the Company), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2020, 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 the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2020, in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Emphasis of a Matter

We draw attention to Note 1 to the financial statements, which describes management's assessment of the continuing impact on the Company's financial statements of the business disruption brought by the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred net losses of P518,611 and P727,218 for the years ended December 31, 2020 and 2019, respectively, which resulted into deficit amounting to P2,777,638,137 and P2,777,119,526 as of December 31, 2020 and 2019, respectively. This condition indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company, however, continuously evaluates possible business opportunities, particularly, in engaging in mining activities in the foreseeable future to revitalize its operations. In connection with our audit, we have performed audit procedures to evaluate management's plans and actions as to likelihood of improving the situation and as to feasibility under the circumstances. Accordingly, the Company's financial statements have been prepared assuming that the Company will continue as a going concern entity which contemplates the realization of assets and the settlement of liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (SEC) Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2020 but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2020 required by the Bureau of Internal Revenue as disclosed in Note 15 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditors' report is Anthony L. Ng.

PUNONGBAYAN & ARAULLO



By: Anthony L. Ng
Partner

CPA Reg. No. 0109764
TIN 230-169-270
PTR No. 8533236, January 4, 2021, Makati City
SEC Group A Accreditation
Partner - No. 109764-SEC (until Dec. 31, 2023)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-038-2019 (until Sept. 4, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

May 17, 2021

ZEUS HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash	2	P 87,967	P 69,805
Input value-added tax	3	<u>328,222</u>	<u>884,965</u>
TOTAL ASSETS		<u>P 416,189</u>	<u>P 954,770</u>
 <u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Accounts payable and accrued e:	4	P 215,430	P 795,548
Income tax payable		<u>15,148</u>	<u>-</u>
Total Liabilities		<u>230,578</u>	<u>795,548</u>
EQUITY			
Capital stock	7	2,737,044,807	2,737,044,807
Additional paid-in capital	7	40,778,941	40,233,941
Deficit	1	(<u>2,777,638,137</u>)	(<u>2,777,119,526</u>)
Net Equity		<u>185,611</u>	<u>159,222</u>
TOTAL LIABILITIES AND EQUITY		<u>P 416,189</u>	<u>P 954,770</u>

See Notes to Financial Statements.

ZEUS HOLDINGS, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018*
(Amounts in Philippine Pesos)

	Notes	2020	2019	2018
EXPENSES				
Impairment loss	3	P 614,580	P -	P -
Professional fees		293,000	254,000	249,000
Taxes and licenses		286,229	274,981	279,764
Meetings and conferences		29,469	107,963	94,352
Transportation and travel		25,500	38,586	32,043
Insurance		900	-	1,800
Photocopying and reproduction		698	3,026	2,662
Communication		235	2,852	2,620
Rental		-	35,000	31,500
Other operating expenses		10,250	10,810	14,747
		1,260,861	727,218	708,488
OTHER INCOME	4	(757,398)	-	-
LOSS BEFORE TAX		503,463	727,218	708,488
INCOME TAX EXPENSE	6	15,148	-	-
NET LOSS		518,611	727,218	708,488
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE LOSS		P 518,611	P 727,218	P 708,488
Loss Per Share	8	P 0.00019	P 0.00027	P 0.00026

* The Company was incorporated on December 17, 1981. For the current and past few years, the Company has not undertaken any investing or operating activity.

See Notes to Financial Statements.

ZEUS HOLDINGS, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018*
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
CAPITAL STOCK - P1 par value	7			
Authorized - 3,000,000,000 shares				
Subscribed, issued and outstanding - 2,737,044,807 shares		<u>P 2,737,044,807</u>	<u>P 2,737,044,807</u>	<u>P 2,737,044,807</u>
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		40,233,941	39,423,941	38,743,941
Cash infusion during the year	5, 7	<u>545,000</u>	<u>810,000</u>	<u>680,000</u>
Balance at end of year		<u>40,778,941</u>	<u>40,233,941</u>	<u>39,423,941</u>
DEFICIT				
Balance at beginning of year		(2,777,119,526)	(2,776,392,308)	(2,775,683,820)
Net loss for the year		<u>(518,611)</u>	<u>(727,218)</u>	<u>(708,488)</u>
Balance at end of year	1	<u>(2,777,638,137)</u>	<u>(2,777,119,526)</u>	<u>(2,776,392,308)</u>
NET EQUITY		<u>P 185,611</u>	<u>P 159,222</u>	<u>P 76,440</u>

* The Company was incorporated on December 17, 1981. For the current and past few years, the Company has not undertaken any investing or operating activity.

See Notes to Financial Statements.

ZEUS HOLDINGS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018*
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM PRE-OPERATING ACTIVITIES				
Net loss before tax representing pre-operating loss				
before working capital changes	(P	503,463)	(P	727,218)
Decrease (increase) in input value-added tax		556,743	(59,642)
Increase (decrease) in accounts payable			(59,244)
and accrued expenses	(580,118)	3,298	22,007
Net Cash Used in Pre-operating Activities	(526,838)	(783,562)
			(745,725)
CASH FLOWS FROM A FINANCING ACTIVITY				
Cash infusion received from stockholders	5 , 7	545,000	810,000	680,000
NET INCREASE (DECREASE) IN CASH		18,162	26,438	(
				65,725)
CASH AT BEGINNING OF YEAR		69,805	43,367	109,092
CASH AT END OF YEAR		P 87,967	P 69,805	P 43,367

* The Company was incorporated on December 17, 1981. For the current and past few years, the Company has not undertaken any investing or operating activity.

See Notes to Financial Statements.

ZEUS HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020, 2019, AND 2018
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Zeus Holdings, Inc. (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on December 17, 1981 to engage in the purchase and sale of investments. The Company has no commercial operations as of December 31, 2020.

The shares of the Company are listed and traded at the Philippine Stock Exchange (PSE).

The Company's registered office address, which is also its principal place of business, is located at 21/F, Lepanto Building, 8747 Paseo de Roxas, Barangay Bel-Air, Makati City.

1.2 Status of Operations

The Company incurred net losses of P518,611 and P727,218 for the years ended December 31, 2020 and 2019, respectively, which resulted into a deficit amounting to P2,777,638,137 and P2,777,119,526 as of December 31, 2020 and 2019, respectively. For the current and past few years, the Company has not undertaken any investing or operating activity.

The recurring net losses and the inability of the Company to undertake any investing or operating activity in the current and previous years indicate that a material uncertainty exists that may cast significant doubt in the Company's ability to continue as a going concern. The Company, however, continuously evaluates possible business opportunities, particularly, in engaging in mining activities in the foreseeable future to revitalize its operations. On September 28 and November 28, 2007, the Board of Directors (BOD) and the stockholders, respectively, approved a proposed business plan involving the contemplated shift in the Company's primary purpose from an investment holding company to a mining entity.

On July 13, 2009, the Company entered into an operating agreement with Olympic International Sales Corporation (Olympic) which allows the Company to explore and, if warranted, develop Olympic's mining claims in the province of Surigao del Sur. The mining claims are the subject of an Application for Production Sharing Agreement (APSA) filed by Olympic with the Mines and Geosciences Bureau (MGB). The Company can only operate the mining claims upon the approval of the APSA and issuance of the Mineral Production Sharing Agreement (MPSA) by the Department of Environment and Natural Resources (DENR).

The operating agreement shall take effect for a period of 25 years from the date of issuance of MPSA (see Note 10). As at December 31, 2020, the MPSA has not yet been issued by the DENR while the approval of the APSA is still pending with the MGB.

The financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments on the recoverability and reclassifications of the remaining assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

1.3 Impact of COVID-19 Pandemic on Company's Business

The COVID-19 pandemic started to become widespread in the Philippines in early March 2020. The measures taken by the government to contain the virus have affected economic conditions and resulted in business disruptions. This situation ensued as of December 31, 2020 and thereafter.

While the unfavorable situation is currently expected to be temporary, management has assessed that such does not have a significant to the Company as it did not have significant business operations and has no employee for the current reporting period.

1.4 Approval of Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2020 (including the comparative financial statements as of December 31, 2019 and for the years ended December 31, 2019 and 2018) were authorized for issue by the Company's BOD on May 17, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income, expense and other comprehensive income in a single statement of comprehensive income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position as at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) *Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the Company's functional [see Note 3.1(a)] and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of New and Amended PFRS

(a) *Effective in 2020 that are Relevant to the Company*

The Company adopted for the first time the following revisions to the Conceptual Framework and, amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2020:

Conceptual Framework	:	Revised Conceptual Framework for Financial Reporting
PAS 1 and PAS 8 (Amendments)	:	Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
PFRS 7 and PFRS 9 (Amendments)	:	Financial Instruments: Disclosures and Financial Instruments – Interest Rate Benchmark Reform

Discussed below are the relevant information about these pronouncements.

- (i) *Revised Conceptual Framework for Financial Reporting.* Key changes in the revised conceptual framework include (a) increasing the prominence of stewardship in the objective of financial reporting, (b) reinstating prudence as a component of neutrality, (c) defining a reporting entity, which may be a legal entity, or a portion of an entity, (d) revising the definitions of an asset and a liability, (e) removing the probability threshold for recognition and adding guidance on derecognition, (f) adding guidance on different measurement basis, and, (g) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements. The application of the revised conceptual framework had no significant impact on the Company's financial statements.

- (ii) PAS 1 (Amendments), *Presentation of Financial Statements*, and PAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*. The amendments provide a clearer definition of ‘material’ in PAS 1 by including the concept of ‘obscuring’ material information with immaterial information as part of the new definition, and clarifying the assessment threshold (i.e., misstatement of information is material if it could reasonably be expected to influence decisions made by primary users, which consider the characteristic of those users as well as the entity’s own circumstances). The definition of material in PAS 8 has been accordingly replaced by reference to the new definition in PAS 1. In addition, amendment has also been made in other standards that contain definition of material or refer to the term ‘material’ to ensure consistency. The application of these amendments had no significant impact on the Company’s financial statements.
- (iii) PFRS 7 (Amendments), *Financial Instruments: Disclosures*, and PFRS 9 (Amendments), *Financial Instruments – Interest Rate Benchmark Reform*. The amendments clarify that an entity would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. The application of these amendments had no significant impact on the Company’s financial statements.

(b) *Effective in 2020 that are not Relevant to the Company*

The amendments to PFRS 3, *Business Combinations-Definition of a Business*, are not relevant to the Company's financial statements.

(c) *Effective Subsequent to 2020 but not Adopted Early*

There are amendments and improvements to existing standards effective for annual periods subsequent to 2020, which are adopted by the FRSC.

Management will adopt the relevant pronouncements in the succeeding page in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company’s financial statements.

- (i) PAS 37 (Amendments), *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract* (effective January 1, 2022). The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

- (ii) Annual Improvements to PFRS 2018-2020 Cycle. Among the improvements, the amendments to PFRS 9 (Amendments), *Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Liabilities*, which are effective from January 1, 2022, are relevant to the Company. The improvements clarify the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- (iii) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective January 1, 2023). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

2.3 Financial Instruments

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

(a) Classification and Measurement of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement of the Company's financial assets are described below.

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

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

Except for receivables, if any, that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, *Revenue from Contracts with Customers*, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL).

The Company's only financial asset at amortized cost is presented in the statement of financial position as Cash. Cash is defined as demand deposits maintained in a local bank. These deposits earn interest based on daily bank deposit rates and are subject to insignificant risk of changes in value.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). Any interest earned is recognized in the statement of comprehensive income.

(b) *Impairment of Financial Assets*

At the end of the reporting period, the Company assesses its ECL on a forward-looking basis associated with its financial assets carried at amortized cost. Recognition of credit losses is no longer dependent on the Company's identification of a credit loss event. Instead, the Company considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for financial assets at amortized cost. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information.

The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of likelihood of default over a given time horizon, either over the next 12 months or the remaining lifetime of the obligation.
- *Loss given default* – It is an estimate of loss arising in case where a default occurs at a given time. It is based on the difference between the contractual cash flows of a financial due from a counterparty and those that the Company would expect to receive, including the realization of any collateral or any credit enhancement.
- *Exposure at default* – It represents the gross carrying amount of the financial instruments subject to the impairment calculation.

As of December 31, 2020, management has not recognized any expected credit losses since management's only financial asset is cash.

(c) *Derecognition of Financial Assets*

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.4 Other Assets

Other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as non-current assets.

The Company's input value-added tax (VAT) is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amounts, which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

2.5 Financial Liabilities

Financial liabilities, which pertain to accounts payable and accrued expenses, except tax related liabilities, are recognized when the Company becomes a party to the contractual terms of the instrument. All interest-related charges, if any, incurred on a financial liability are recognized as an expense in the statement of comprehensive income.

Accounts payable and accrued expenses are recognized initially at their fair values and subsequently measured at amortized cost, using the effective interest method for maturities beyond one year, less settlement payments.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period, or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation, or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

2.6 Offsetting Financial

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when the Company currently has legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.7 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those case where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.8 Expense Recognition

Expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred.

2.9 Income Taxes

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting date. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for, using the liability method, on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are 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 period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

2.10 Related Party Relationships and Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

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

Based on the requirement of SEC MC No. 2019-60, *Rules of Material Related Party Transactions for Publicly Listed Companies*, transactions meeting the materiality threshold but not share transactions, such but not limited to dividends, repurchase, and right offerings are considered material.

All individual material related party transactions shall be approved by at least two-thirds vote of the board of directors, provided that both independent directors of the Company are present in the meeting and that if the related party(ies) are board members, the board member shall abstain from participating in discussions and voting to approve the material related party transactions.

2.11 Equity

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital (APIC) includes any premiums received on the initial issuance of capital stock and subsequent cash infusion from stockholders approved by the BOD to be presented as APIC. Any transaction costs associated with the issuance of shares are deducted from APIC, net of any related income tax benefits.

Deficit represents all current and prior period results as reported in the profit or loss section of the statement of comprehensive income.

2.12 Loss Per Share

Loss per share is determined by dividing net loss by the weighted average number of issued and outstanding shares during the year.

The Company has no potentially dilutive shares; hence, no information on dilutive loss per share is presented.

2.13 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Determination of Functional Currency

The Company has determined that its functional currency is the Philippine pesos, which is the currency of the primary economic environment in which the entity operates.

(b) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provisions and contingencies are discussed in Note 2.7 and relevant disclosures are presented in Note 9.

3.2 Key Sources of Estimation Uncertainty

Presented below and on the succeeding page are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the Company may not have sufficient future taxable profits against which its deferred tax from minimum corporate income tax can be utilized within the prescribed period. Accordingly, the Company did not recognize the deferred tax assets as of December 31, 2020 and 2019 (see Note 6).

(b) Impairment of Non-financial Assets

PFRS requires that an impairment review be performed when certain impairment indicators are present. The Company's policy on estimating the impairment of non-financial assets, specifically its input VAT, is discussed in detail in Note 2.4.

Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, certain input VAT may not be fully recoverable; thus, allowance for impairment loss was recognized in 2020 amounting to P614,580 (nil in 2019 and 2018). As of December 31, 2020, and 2019, the carrying value of input VAT amounted to P328,222 and P884,965, respectively.

4. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The composition of this account as of December 31 is shown below.

	<u>2020</u>		<u>2019</u>
Accounts payable	P 146,930	P	599,348
Accrued expenses	60,800		193,400
Withholding tax payable	<u>7,700</u>		<u>2,800</u>
	<u>P 215,430</u>	P	<u>795,548</u>

Accrued expenses represent unpaid professional fees. Due to their short duration, management considers the carrying amounts of Accounts Payable and Accrued Expenses recognized in the statements of financial position to be reasonable approximation of their fair values.

In 2020, the Company derecognized certain long outstanding payables amounting to P561,898. Moreover, in 2020, the Company also reversed certain over accrual of expenses amounting to P195,500. The gain on reversal of these liabilities is presented as other income in the 2020 statement of comprehensive income. There was no similar transaction in 2019 and 2018.

5. RELATED PARTY TRANSACTIONS

The Company's related parties include its stockholders. The transactions with related parties are shown in the succeeding page.

5.1 Cash Infusions from Stockholders

On the following dates, the BOD authorized the acceptance of additional cash infusions from F. Yap Securities, Inc. – In Trust for Various Clients (FYSI), a stockholder, as shown on the succeeding page.

<u>Date Authorized</u>	<u>Amount</u>	<u>Month Received</u>
July 3, 2020	P 250,000	July 2020
January 14, 2020	295,000	January 2020
July 11, 2019	185,000	July 2019
May 22, 2019	150,000	May 2019
March 20, 2019	175,000	March 2019
January 21, 2019	300,000	January 2019
June 6, 2018	80,000	June 2018
June 5, 2018	200,000	June 2018
January 31, 2018	200,000	January 2018
January 8, 2018	200,000	January 2018
August 18, 2017	100,000	August 2017
May 26, 2017	200,000	May 2017
March 23, 2017	150,000	March 2017
January 18, 2017	350,000	January 2017
January 11, 2016	250,000	June 2016
January 11, 2016	100,000	April 2016
January 11, 2016	300,000	January 2016
September 24, 2014	1,000,000	September 2014
September 4, 2013	900,000	September 2013
October 24, 2012	750,000	October 2012
December 29, 2011	550,000	December 2011
March 16, 2011	420,000	March 2011
January 10, 2011	280,000	January 2011
May 18, 2010	300,000	May 2010
December 18, 2009	350,000	December 2009
November 26, 2008	690,300	December 2008
	<u>P 8,725,300</u>	

Of the total cash infusion received, P1,340,300 was recognized as Deposits for Future Stock Subscriptions (see Note 5.2) and the remaining amount of P7,385,000 was reflected as part of APIC, P545,000 in 2020, P810,000 in 2019, P680,000 in 2018, P800,000 in 2017, P650,000 in 2016, P1,000,000 in 2014, P900,000 in 2013, P750,000 in 2012, and P1,250,000 in 2011 (see Note 7.2).

5.2 Conversion of Advances from Stockholders and Application of Deposits for Future Stock Subscriptions

On September 30, 2008, the Company's BOD approved the conversion of all of its outstanding advances from stockholders, FYSI and ZHI Holdings, Inc. (ZHIHI), as of that date totaling P2,240,600 (previously presented under Due to Related Parties account) to Deposits for Future Stock Subscriptions.

In 2013, the amount of the converted advances from FYSI and ZHIHI and portion of the cash infusions made by FYSI (see Note 5.1) totaling P3,580,900 are converted to equity (see Note 7.1).

5.3 Key Management Personnel Compensation

In 2020, 2019, and 2018, there were no expenses recognized that are related to employee benefits since the Company's finance and administrative functions are being handled by a third party.

6. INCOME TAXES

The Company is subject to the minimum corporate income tax (MCIT), which is computed at 2% of gross income, net of allowable deductions, as defined under the tax regulations, or regular corporate income tax (RCIT), whichever is higher. For the year ended December 31, 2020, the Company incurred MCIT amounting to P15,148. No RCIT and MCIT was recognized in 2019 and 2018 as the Company is in a tax loss position during those years.

The Company is in tax loss position in 2020 and previous years. Accordingly, the Company has accumulated net operating loss carryover (NOLCO) which can be claimed as deduction against future taxable income within the prescribed validity as indicated below.

<u>Year</u>	<u>Original Balance</u>	<u>Expired Balance</u>	<u>Remaining Balance</u>	<u>Valid Until</u>
2020	P 502,463	P -	P 502,463	2025
2019	727,218	-	727,218	2022
2018	708,488	-	708,488	2021
2017	<u>683,042</u>	<u>(683,042)</u>	<u>-</u>	
	<u>P 2,621,211</u>	<u>(P 683,042)</u>	<u>P 1,938,169</u>	

Pursuant to Section 4(bbb) of R.A 11494, *Bayaniban to Recover as One (Bayaniban II)*, the NOLCO for taxable year 2020 can be claimed as deduction within the next five years immediately following the year of such loss.

In 2020, 2019, and 2018 the Company claimed itemized deductions for income tax purposes.

The Company did not recognize the deferred tax assets arising from NOLCO and MCIT as the Company may not be able to utilize the related tax benefits prior to their expiration. The unrecognized deferred tax assets as of December 31, 2020 and 2019 amounted to P596,599 and P635,624, respectively.

7. EQUITY

7.1 Capital Stock

The Company has 3,000,000,000 shares of authorized capital with par value of P1.00 per share.

On May 29, 1991, the SEC issued an Order approving the Registration Statement covering the securities which comprised the Company's entire authorized capital stock. On July 15, 1991, the PSE approved the listing of the Company's shares. The Company offered to the public 25,000,000 shares at an offer price of P2.20 per share.

On January 6, 1997, the SEC approved the increase of the Company's authorized capital stock from P100,000,000 to P3,000,000,000.

On August 6, 2013, 3,580,900 shares were issued at an issue price of P1.00 per share as a result of the application of Deposits for Future Stocks Subscriptions (see Note 5.2).

As of December 31, 2020, and 2019, the Company has an outstanding capital stock of P2,737,044,807 covering P2,737,044,807 shares, of which 2,733,463,907 are listed in the PSE. The number of holders and the closing price of the said shares is 825 and P0.183 per share in 2020, and 825 and P0.200 per share in 2019, respectively.

7.2 Additional Paid-in Capital

In their meetings held on January 2020 and 2019, the Company's BOD authorized the acceptance of additional cash infusion from a stockholder amounting to P545,000 and P810,000, respectively, which was reflected as part of APIC (see Note 5.1).

8. LOSS PER SHARE

The basic loss per share is computed as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net loss for the year	P 518,611	P 727,218	P 708,488
Divided by the weighted average number of issued and outstanding shares	<u>2,737,044,807</u>	<u>2,737,044,807</u>	<u>2,737,044,807</u>
Loss per share	<u>P 0.00019</u>	<u>P 0.00027</u>	<u>P 0.00026</u>

Diluted earnings per share was not determined because the Company does not have potentially dilutive common shares in 2020, 2019 and 2018.

9. COMMITMENTS AND CONTINGENCIES

There are commitments and contingencies that arise in the normal course of the Company's operations which are not reflected in the financial statements. As of December 31, 2020, management is of the opinion that losses may arise from these commitments and contingencies will not have a material effect on the Company's financial statements.

10. OPERATING AGREEMENT WITH OLYMPIC

Pursuant to the operating agreement with Olympic as mentioned in Note 1.2, which shall take effect for a period of 25 years from the date of issuance of MPSA, the Company, in consideration of the agreement, shall pay Olympic in the form of royalties in an amount equivalent to 3% of the Net Smelter Return on metal sales. Moreover, as additional consideration for Olympic's appointment of the Company as operator of the mining claims, the Company has entered into an additional agreement with Olympic for the issuance of the Company's shares of stock from its unissued capital in favor of Olympic in accordance with the provisions shown below and in the succeeding page.

- (a) 10,000,000 common shares shall be issued to Olympic within one month from the issuance of the MPSA;

- (b) Olympic shall have the option to subscribe at par, subject to applicable laws, to additional 10,000,000 common shares within one year from the issuance of the MPSA; and,
- (c) Olympic shall have option to subscribe at par, subject to applicable laws, to additional 100,000,000 common shares within five years from the issuance of the MPSA.

The aforementioned agreements were unanimously passed and approved by the Company's BOD during a special meeting held on July 13, 2009 and ratified by the Company's stockholders representing 83.27% of the outstanding capital stock of the Company during the annual meeting of the stockholders held on November 5, 2009.

The Company can only operate the mining claims upon the approval of the APSA by the MGB and issuance of the MPSA by the DENR. As of December 31, 2020, the MPSA has not yet been issued by the DENR while the approval of the APSA is still pending with the MGB.

11. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has not yet started commercial operations as at December 31, 2020 and is not exposed to significant financial risk, except for credit risk of its cash in bank, and liquidity risk related to its accounts payable and accrued expenses.

11.1 Credit Risk

Management believes that the credit risk is considered negligible for cash since the counterparty is a reputable bank with high quality external credit ratings. Cash in bank is insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 for every depositor per banking institution. The maximum credit risk exposure of the Company as of December 31, 2020 and 2019 amounted to P 87,967 and P69,805, respectively.

11.2 Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments.

The Company's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and, (c) to be able to access funding when needed at the least possible cost. Funding for expenditures are advanced by the stockholders of the Company.

As of December 31, 2020, and 2019, the Company's financial liabilities amounting to P207,730 and P792,748, respectively, have contractual maturities of 6 to 12 months from the end of the reporting period.

12. CATEGORIES, OFFSETTING AND FAIR VALUE DISCLOSURES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

12.1 Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities

The Company's financial assets and financial liabilities as of December 31, 2020 and 2019 are carried at amortized cost, of which the management determined that their carrying amounts are equal to or approximate their fair values. Accordingly, no further comparison between the carrying amounts and fair values, as well as fair value hierarchy, is presented.

See Notes 2.3 and 2.5 for a description of the accounting policies for each category of financial instruments.

12.2 Fair Value Hierarchy Assets and Financial Liabilities

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument. When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

The Company's cash in banks would fall under Level 1 and all the rest are at Level 3 of the hierarchy.

There were neither transfers between Levels 1 and 2 nor changes in Level 3 instruments in both years.

12.3 Offsetting of Financial Assets and Financial Liabilities

The Company has not offset financial instruments in 2020 and 2019 and does not have relevant offsetting arrangements. Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis.

13. CAPITAL MANAGEMENT OBJECTIVE, POLICIES AND PROCEDURES

The Company's capital management objective is to ensure the Company's ability to continue as a going concern entity. As indicated in Note 1.2, the Company's management continues to assess possible investment opportunities and various options regarding operations that it may take in the future. The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position.

To support its business plan, the Company has applied the deposits for future stock subscription into capital stock, and has received additional cash infusions, from certain stockholders. As of December 31, 2020, and 2019, the Company's equity amounted to P185,611 and P159,222, respectively.

As of December 31, 2020, and 2019, the Company is not subject to any externally imposed capital requirements.

14. EVENT AFTER THE END OF THE REPORTING PERIOD

On March 26, 2021, Republic Act No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, amending certain provisions of the National Internal Revenue Code of 1997, as amended, was signed into law with veto on certain provisions and shall be effective 15 days after its publication. The CREATE Act has several provisions with retroactive effect beginning July 1, 2020. The CREATE Act aims to lower certain corporate taxes and rationalize tax incentives given to certain taxpayers. Given that the CREATE Act was signed after the end of the current reporting period, the Company determined that this event is a non-adjusting subsequent event. Also, the Company has determined that the changes brought about by the CREATE Act do not have significant impact on the Company's financial statements.

15. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding page is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under Revenue Regulations (RR) No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are as follows:

(a) Output VAT

The Company has no output VAT in 2020 as the Company has no commercial operations as of December 31, 2020.

(b) *Input VAT*

The movements in input VAT, which is presented under the current assets section of the 2020 statement of financial position, are summarized below.

Balance at beginning of year	P	884,965
Services lodged under other accounts		<u>57,837</u>
		942,802
Allowance for impairment of input VAT	(<u>614,580</u>)
Balance at end of year	P	<u>328,222</u>

The Company recognized an allowance for impairment of input VAT during the year amounting to P614,580 in 2020.

(c) *Taxes on Importation*

The Company did not incur and pay any landed costs, customs duties and tariff fees in 2020 since the Company did not have any importation activities during the year.

(d) *Excise Taxes*

The Company did not have any transactions in 2020 which are subject to excise tax.

(e) *Documentary Stamp Tax*

The Company did not pay any documentary stamp tax for 2021.

(f) *Taxes and Licenses*

The details of Taxes and Licenses account are shown below.

PSE listing fee	P	261,000
Business tax		23,729
Surcharge		1,000
Annual registration		<u>500</u>
	P	<u>286,229</u>

(g) *Withholding Taxes*

The taxes withheld for the year ended December 31, 2020 amounted to P7,700, which only pertains to expanded creditable withholding tax. The outstanding withholding tax payable is presented as Withholding tax payable under Accounts Payable and Accrued expenses in the 2020 statement of financial position (see Note 4).

The Company did not report or pay withholding taxes on compensation and final withholding taxes in 2020.

(b) *Deficiency Tax Assessments and Tax Cases*

As of December 31, 2020, the Company does not have any final deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.