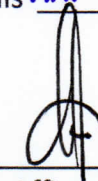


Certification

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

- 1) That on behalf of Forum Pacific, Inc., I have caused this Annual Report 2021 SEC Form 17-A to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the company, Forum Pacific, Inc., will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hands this MAY 13 2022 day of _____, 2022.

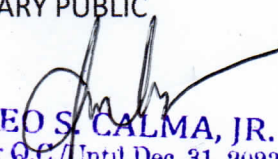


Affiant

TIN: 205-231-659

SUBSCRIBED AND SWORN to before me this MAY 13 2022 day of _____, 2022.

NOTARY PUBLIC


ATTY. ELISEO S. CALMA, JR.
Notary Public for Q.C./ Until Dec. 31, 2023
Roll No. 50183

PTR No. 2454359D/Jan. 03, 2022/Q.C.

IBP No. 183888, Jan. 31, 2022

MCLE COMP. NO. VII-0006924

Adm Matter No. NP-062(2022-2023)

20 Kamagong St., Sapamanai Vill. East Fairview Q.C.

TIN No. 138-541-197-000

Doc No. 103
Page No. 21
Book No. Xxxvii
Series of 2022

COVER SHEET

A S 9 3 0 0 0 1 2 0

SEC Registration No.

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

(Company's Full Name)

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

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

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

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

Atty. Arsenio A. Alfiler Jr.

Contact Person

(632) 8706-7888

Contact Telephone No.

1 2

Fiscal Year

3 1

1 7 - A

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles
Number/Section

Total Amount of Borrowings

863

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

Annual Report: FPI

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

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

1. For the Calendar Year ended December 31, 2021
2. SEC Identification Number AS93000120
3. BIR Tax Identification No. 002-155-598-000
4. **FORUM PACIFIC, INC.**
Exact name of registrant as specified in its charter
5. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation or organization
6. (SEC Use only)
Industry Classification Code
7. **35/F, One Corporate Centre, Doña Julia Vargas Ave., cor. Meralco Ave. Ortigas Center, Pasig City**
Address of principal office
8. **Telephone No. 8706-7888**
Registrant's telephone number, including area code
9. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA:

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

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes [☒] No. [☐]
12. Check whether the registrant:

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

13. The aggregate market value of the voting stock held by non-affiliates: ₱260,464,990

14. Not Applicable

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

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

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

Business Focus for the Coming Year

The Covid-19 pandemic and the ensuing home quarantine has triggered an economic slowdown for the country. Despite curtailment of worldwide travel and the hesitancy of global investors to venture into new projects, the Company is hopeful that the business environment will recover over the coming year, now that the vaccination efforts of the government are bearing fruit.

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

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

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

Description of Registrant

(i) Principal products and services

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

(ii) Export Sales

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

(iii) Distribution Methods of the Products

Forum Pacific, Inc. has no distributions of products.

(iv) Publicly-announced new product or service

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

(v) Competition

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

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

None

(vii) Dependence on one or few major customers

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

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

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

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

None

(x) Government Approval of Principal Products or Services

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

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

None

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

None

(xiii) Cost and Effects of Compliance with Environmental Laws

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

(xiv) Total Number of Fulltime Employees (as of December 31, 2021)

None

(xv) Major Risk

None

Additional Requirements as to Certain Issues or Issuers

Not Applicable

Item 2. Legal Proceedings

A case of illegal dismissal and claims for unpaid salaries, back wages, separation pay and damages was filed by an employee (logistic coordinator), on February 1996. The respondents on the said case are James Dale Hood, Air Philippines International (Formerly Cophil Exploration & Drilling Co., Air Philippines International, Inc.) and Forum Exploration, Inc. The management has its lawyer take care of the settlement and will plan to meet with the Sheriff or labor officer in-charge with the case. As of December 31, 2021, the claimant didn't make any demands or appeared before the Company's principal office address to enforce the said writ of execution.

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

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

Item 4. Properties

The Company leases an office space from The Wellex Group, Inc. (TWGI) located at the 35th Floor One Corporate Centre, Doña Julia Vargas Ave. corner Meralco Ave., Ortigas Center, Pasig City. The lease is for a period of two (2) years in May 2014 and renewable thereafter upon mutual agreement of both parties. The contract has been renewed thrice since then and is currently valid until April 30, 2022. Office space monthly rental including storage room usage and utilities is ₱18,500, exclusive of VAT and withholding tax.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information

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

		High	Low
2021	First Quarter	0.330	0.206
	Second Quarter	0.320	0.241
	Third Quarter	0.340	0.275
	Fourth Quarter	0.325	0.270
2020	First Quarter	0.206	0.180
	Second Quarter	0.295	0.154
	Third Quarter	0.210	0.209
	Fourth Quarter	0.242	0.215
2019	First Quarter	0.340	0.203
	Second Quarter	0.280	0.224
	Third Quarter	0.295	0.220
	Fourth Quarter	0.229	0.201

The high, low and close market prices are ₱0.206, ₱0.206 and ₱0.206 per share as of May 4, 2022 (latest practicable trading date).

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

Dividends

The company's Articles of Incorporation states that dividends may be declared only out of the unrestricted retained earnings. The Company has declared no cash dividends on its common shares for the previous years. The Company's financial statements as of December 31, 2021 reflect negative retained earnings. Thus, unless the Company's retained earnings position changes, the directors will not be able to legally declare any dividends on its common shares.

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

Recent Sales of Unregistered or Exempt Securities

There are no recent sales of unregistered or exempt securities.

Holders

The number of shareholders of record as of December 31, 2021 was 863. Common shares issued and subscribed were 1,838,943,246.

Top 20 Stockholders as of December 31, 2021 are as follows:

	NAME	Number of Shares Held	% Total
1	INTERNATIONAL POLYMER CORPORATION	496,887,494	26.501
2	PCD NOMINEE CORPORATION	427,975,374	22.825
3	THE WELLEX GROUP, INC.	376,950,000	20.104
4	E.F. DURKEE & ASSOCIATES, INC.	77,838,563	4.151
5	INTRA-INVEST SEC., INC.	48,159,000	2.568
6	METROPOLITAN MANAGEMENT CORPORATION	30,000,000	1.600
7	JUANITO C. UY	22,625,001	1.207
8	PACRIM ENERGY N.L.	21,000,000	1.120
9	SAPPHIRE SECURITIES INC.	19,433,500	1.036

10	BENITO ONG AND/OR ZITA Y. ONG	18,000,000	0.960
11	LI CHIH-HUI	17,100,000	0.912
12	NESTOR S. MANGIO	12,500,000	0.667
13	A & A SECURITIES, INC.	11,911,320	0.635
14	MARK SECURITIES CORPORATION	10,772,800	0.575
15	PCD NOMINEE CORP. (NON-FILIPINO)	10,470,050	0.558
16	GLOBALINKS SEC & STOCKS, INC. A/C # CWUSO001	9,400,000	0.501
17	BELSON SECURITIES, INC.	9,200,000	0.491
18	WEALTH SECURITIES, INC.	8,240,000	0.439
19	RUBEN M. GAN	7,610,000	0.406
20	DAVID GO SECURITIES CORPORATION	6,880,000	0.367

Equity Ownership of Foreigners as of December 31, 2021:

Class of Security	Total Outstanding Shares	Shares Allowed to Foreigners	Shares Owned by Foreigners	% Owned by Foreigners	Shares Owned by Filipino	% Owned by Filipino
"A"	1,838,943,246	735,577,298	40,414,942	2.198	1,798,528,304	97.802

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

(1) Management's Discussion and Analysis

Key Performance Indicators

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

1. Advances to Related Parties – currently, The Wellex Group, Inc. (TWGI), one of the company's major stockholders, is funding all operational expenses of the Company. Total advances added/(deducted) as of December 31, 2021 and 2020 are ₱4,871,266 and (₱2,906,627) (net of interest income on the loans to TWGI amounting to ₱5,933,195 and ₱247,216 in 2021 and 2020), respectively.
2. Current Ratios - current assets against the current liabilities of the Company. It measures the company's ability to pay short-term obligations. Current ratio for the year 2021 is 24.42% and 143.00% for 2020. A significant decrease in the ratio by 118.58% was mainly due to net cash decrease of ₱329,679. The net decrease is composed of cash flows from operating, investing and financing activities.
3. Cash Ratio - the most conservative liquidity ratio. It excludes all current assets except the most liquid: cash and cash equivalents. It measures the amount of cash and cash equivalents there are in the current assets to cover current liabilities. The cash ratio of the company for the year 2021 is 21.62% and 134.76% for 2020. Same with the current ratio, decrease in cash ratio was due to decrease in cash resulting from the Company's cash flows from operating, investing and financing activities.
4. Debt ratio - it is one of the financial leverage ratios which measure the extent to which the firm is using long term debt. Formula is total debt divided by total assets. Debt ratio for the year 2021 is 1.63% and 1.35% for 2020.
5. Debt-to-equity ratio - the formula is total debt divided by total equity. It indicates what proportion of equity and debt that the company is using to finance its assets. The debt to equity ratio for the year 2021 is 1.66% and 1.37% for 2020.

Financial Highlights

The following table shows the comparative operating data and financial statements of the Company for the years ending December 31, 2021, 2020 and 2019.

	2021	2020	2019
Revenues	₱–	₱–	₱–
Cost and Expenses	2,098,754	2,522,945	1,994,414
Gross Profit (Loss)	(2,098,754)	(2,522,945)	(1,994,414)

Other income (expenses)	5,475,102	222,163	(68,358)
Net income (loss) before tax	3,376,348	(2,300,782)	(2,062,772)
Benefit from (provision for) income tax			
Current	58,096	4,944	–
Deferred	1,199	(863)	(1,192)
Net income (loss) for the year	₱3,317,053	(₱2,304,863)	(₱2,061,580)
Other comprehensive loss:			
Unrealized gain (loss) on AFS financial asset	4,266,708	(250,983)	(2,007,862)
Total comprehensive income (loss) for the year	7,583,761	(₱2,555,846)	(₱4,069,442)
Earnings (loss) per share	₱0.003	(₱0.002)	(₱0.002)

CHANGES IN RESULTS OF OPERATION

Revenues and Earnings per share

Since the company ceased to have control over Express Savings Bank, Inc. and still banking on new petroleum and gas service contracts, the company has no revenues recorded in the year 2021, 2020 and 2019.

The company incurred income/(losses) of ₱3.3 million, (₱2.3 million) and (₱2.1 million) in 2021, 2020 and 2019, respectively. Income/(Loss) per share for 2021, 2020 and 2019 were ₱0.003, (₱0.002) and (₱0.002), respectively. In line with the plan for the next twelve months, the Board will continue to explore business opportunities to aspire for maximized potential earnings.

Cost and Expenses

Cost and expenses consisted primarily of professional fees, management fee, membership fee and dues, depreciation, publication fee, utilities, donation, taxes and licenses, transportation, office supplies and miscellaneous. For the years 2021 and 2020 amounts recorded were ₱2.1 million and ₱2.5 million, respectively.

Decrease of ₱0.4 million or 16.81% is mainly attributable to the increase in professional fees by ₱0.1 million and decrease in donation by ₱0.4 million.

Other Income (Expenses) and Finance Cost

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

For 2021 and 2020, the Company provided an allowance for impairment of input tax amounting to ₱180,199 and ₱202,163, respectively. Unrealized foreign exchange gain/(loss) for 2021 and 2020 are (₱246,776) and ₱216,592, respectively. It arises from the fluctuation of Peso to U.S. dollar exchange rates on the Company's payable to FEI, Ltd. amounting to \$82,229 as of December 31, 2021.

Interest income in banks for 2021, 2020 and 2019 amounted to ₱315, ₱518 and ₱553, respectively. The company reported interest income in advances to related parties in 2021 and 2020 amounting to ₱5,933,195 and ₱247,216, respectively.

The Company also reported a Finance cost in 2021 and 2020 amounted to ₱31,433 and ₱40,000, respectively.

CHANGES IN FINANCIAL CONDITION

ASSETS

Cash

Cash in bank carries interest at respective bank deposit rate. For the year 2021 and 2020, the total cash and cash equivalents were ₱295,667 and ₱625,346, respectively. On July 19, 2012, the Board of Directors approved the opening of a deposit account with Banco De Oro-Meralco Ave. - Branch to facilitate the collection and disbursement processes of the company.

Prepayments and other current assets

The account is composed of advances to officers and employees and other assets amounting to ₱38,213 and input tax of ₱2,416,747 with provision for valuation allowance of the same amount for the year December 31, 2021. Input VAT increase by ₱180,199 or 7.34% in 2021.

Input tax is stated at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide potential uncollectible portion of the claims. The Company, on a continuing basis, makes a review of the status has no outstanding balance for the year ended December 31, 2021 and 2020. The Company has provided full valuation allowance on all its input tax for 2021 and 2020 as it sees no economic use for it in the future.

Advances to related parties (net)

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured and partially impaired. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting arrangement. This account consists of advances to Forum Exploration, Inc. (FEI) and The Wellex Group, Inc. (TWGI). Total amount recorded for the year 2021 and 2020 (net of allowance for impairment loss of ₱221,205,384 and ₱221,205,384) were ₱252,203,951 and ₱247,332,685, respectively. Increase by ₱4.9 million or 1.97% is due to interest income earned from related parties.

Advances to TWGI

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. Accrued interest receivable for this promissory note amounted to ₱6,180,411 and ₱247,216 as at December 31, 2021 and 2020, respectively.

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

1. The Company leases an office space from TWGI starting May 2014. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been renewed thrice since then and is currently valid until April 30, 2022. Total rental and utilities expense charged to operations amounted to ₱222,000 for both years ended December 31, 2021 and 2020, respectively.
2. In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed four times since then and is currently valid until April 30, 2022. Total management fee charged to operations amounted to ₱480,000 for both years ended December 31, 2021 and 2020, respectively.

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

Advances to FEI

Advances to FEI pertain to the carrying value of exploration net assets transferred by the Company in 2007. Outstanding balance for the years ended December 31, 2021 and 2020 amounted to ₱171,631,076, gross of allowance for impairment loss. The Company recognized an additional impairment loss amounting to nil in 2021 and 2020, as review on the FEI financial status and operations showed an unlikely possibility of collection.

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

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

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

As at December 31, 2021 and 2020, FEI has not yet returned the value of the exploration assets that the Company transferred.

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

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

	2021	2020
Unquoted shares		
Balance at beginning of the year	₱65,711,573	₱65,711,573
Quoted shares		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	18,070,763	13,804,055
	25,600,243	21,333,535
	91,311,816	87,045,108

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

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. and Taguig Lake City Development Corporation as at December 31, 2021. These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee which manifests control, joint control or significant influence. These Company believes the carrying amount of these unquoted shares of stock approximate fair value.

Quoted shares - Philippine Estates Corporation (PHES)

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

Right-Of-Use Asset (net)

Right-of-use asset are the asset that represents lessee's right to use an asset over the lease term. The Company recognized a right-of-use asset as a result of adoption of PFRS 16. The carrying amount of right-of-use asset is ₱38,380 and ₱153,522 as of 2021 and 2020, respectively. Based on the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at December 31, 2021 and 2020 (Note 8).

Deferred Tax Asset

Due to the adoption of PFRS 16, the Company has an outstanding balance of Deferred Tax Asset amounting to ₱10,451 and ₱48,112 as of December 31, 2021 and 2020, respectively (Note 14).

LIABILITIES

Accounts Payable and other liabilities

These accounts consist of Accounts Payable, Withholding Tax Payable, Accrued Expense and Deferred Output VAT accounts. Total amounted recorded for 2021 and 2020 were to ₱1,266,121 and ₱340,525 respectively, with an increase by ₱925,596 or 271.81% due mostly to the Deferred Output VAT reported amounting to ₱741,649.

Lease Liability

The Company adopted PFRS 16 in year 2019. The Company recognized the asset as 'right-of-use asset' and corresponding lease liability (current and non-current) with present value of ₱41,806 and ₱160,373 as of December 31, 2021 and 2020, respectively or a decrease by ₱118,567 or 73.93% (Note 11).

Advances from Affiliate

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

The Company received cash advances from Forum (FEI) Ltd. to finance its acquisition of 60% stockholdings of Forum Coal Cebu Holdings, Inc. (FCCHI; Company's subsidiary which was formally dissolved last July 6, 2012). The Company received USD denominated cash advances from FEI, Ltd. with no definite terms of payment. Outstanding balance of account as of December 31, 2021 and 2020 were ₱4,228,951 and ₱3,982,175 respectively.

Deferred Tax Liability

Due to the adoption of PFRS 16, the Company has an outstanding balance of Deferred Tax Liability amounting to ₱9,595 and ₱46,057 as of December 31, 2021 and 2020, respectively (Note 14).

(2) Plan of Operations

Business Plans

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

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

With the Company's experience in the participation in the Department of Energy's (DOE) 4th Philippine Energy Contracting Round (PECR 4) last April 2012, evaluation of which focuses on the Company's financial and technical qualifications, the Company will prioritize the improvement of its financial position and exploring new business opportunities in oil and gas exploration and extraction, order to maintain strong and healthy cash flows, and at the same time, aspiring for maximized potential earnings.

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

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

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

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

On the one hand, given the growing requirements for power, the Company is actively looking into the traditional energy business, concentrating on cheap and consistent coal power for the country's base loads. Demand and supply studies, as well as site feasibility analysis and the selection of green and

clean coal technologies are being conducted by select engineering advisers of the Company.

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

The COVID-19 pandemic and the ensuing home quarantine has triggered an economic slowdown for the country. Despite the curtailment of worldwide travel and the hesitancy of global investors to venture into new projects, the company is hopeful that the business environment will recover over the coming year, now that the vaccination efforts of the government are bearing fruit.

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

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

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

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

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

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

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

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

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

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

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

December 31, 2021	Total	On demand	Less than three months	3-12 months	1-5 years
Advances from related parties	P4,228,951	P–	P–	P–	P4,228,951
Lease Liability	41,806	–	–	41,806	–
Trade and other payables*	515,847	–	–	515,847	–
	P4,786,604	P–	P–	P557,653	P4,228,951

**excluding government liabilities*

December 31, 2020	Total	On demand	Less than three months	3-12 months	1-5 years
Advances from related parties	₱3,982,175	₱–	₱–	₱–	₱3,982,175
Lease Liability	160,373	–	–	118,567	41,806
Trade and other payables*	331,900	–	–	331,900	–
	₱4,474,448	₱–	₱–	₱450,467	₱4,023,981

*excluding government liabilities

The Company's current ratio for year ended December 31, 2021 and 2020 is 0.24 to 1 and 1.43 to 1, respectively.

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

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

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

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

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

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

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 which superseded the previous promissory note. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. Accrued interest receivable for this promissory note amounted to ₱6,149,284 and ₱247,216 as at December 31, 2021 and 2020, respectively, which composed of deferred output vat and interest income.

(vi) Material Changes on Line Items in Financial Statements

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

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

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

Item 7. Financial Statements

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

Other Relevant Information

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

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

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

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure **External Audit Fees and Services**

Audit and related fees, including VAT and out of pocket expenses) for Forum Pacific, Inc. is ₱517,440 in 2021 and ₱517,440 in 2020 for expressing an opinion on the financial statements and assistance in preparing the annual income tax return. Any deficiencies in internal control and detected misstatements and fraudulent or illegal acts are other information given to the attention of the management.

Diaz Murillo Dalupan and Company, CPAs (DMDC), upon recommendation by the Audit Committee of the Board of Directors composed of Mr. Aristeo R. Cruz as Chairman and Mr. Sergio R. Ortiz-Luis, Jr and Mr. Ruben D. Torres as members, was re-appointed by the stockholders as the principal external auditors for the year 2021. The selection of external auditors is made on the basis of credibility, professional reputation, accreditation with the Securities and Exchange Commission and affiliation with a reputable foreign partner. The professional fees of the external auditors are approved by the Company after approval by the stockholders of the engagement and prior to the commencement of each audit season. In compliance with SEC Rule 68 paragraph 3(b)(iv) (Rotation of External Auditors), and as adopted by the Company, external auditors or engagement partners are rotated or changed every five years or earlier. Mr. Jozel Francisco C. Santos was the lead engagement partner from 2014 to 2015, Ms. Rosemary D. De Mesa in 2016 to 2018 and Mr. Richard Noel M. Ponce in 2019-2021.

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

Changes and Disagreements with Accountants on Accounting and Financial Disclosure

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

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Directors, including Independent Directors and Executive Officers

There are eleven (11) members of the board, five (5) of whom are independent directors including the Chairman. Names, ages, citizenship and position and office of all directors and executive officers:

Name	Age	Citizenship	Position	Years of Service
Atty. Ruben D. Torres	80	Filipino	Chairman	2021-Present
Elvira A. Ting	61	Filipino	President/Director	1996-Present
Kenneth T. Gatchalian	46	Filipino	Treasurer/Director	2004-Present
Atty. Lamberto B. Mercado, Jr.	57	Filipino	Director	1998-Present
Richard L. Ricardo	58	Filipino	Director	2014-Present
Atty. Arthur R. Ponsaran	79	Filipino	Director	2000-Present
Omar M. Guinomla	49	Filipino	Director	2014-Present
Renato C. Francisco	73	Filipino	Independent Director	2020-Present
Sergio R. Ortiz-Luis, Jr.	79	Filipino	Independent Director	2013-Present
Josaias T. Dela Cruz	60	Filipino	Independent Director	2021-Present
Atty. Aristeo R. Cruz	55	Filipino	Independent Director	2021-Present
Atty. Arsenio A. Alfiler Jr.	76	Filipino	Corporate Secretary	2005-Present
Annabelle T. Abunda	45	Filipino	Compliance Officer	2017-Present

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

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

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

Name and Position	Other Companies Affiliated	Position
Atty. Ruben D. Torres Chairman/Director Filipino 80 years old B.A. in Political Science Bachelor of Laws University of the Philippines	BPO Workers Association of the Phils. Services Exporters Risk Management & Consultancy Co Trade Union Congress of the Phils. Torres Caparas Torres Law Offices Waterfront Phils., Inc. Acesite (Phils.) Hotel Corp. Wellex Industries, Inc. Waterfront Manila Premier Dev't., Inc. Alliance Energy Power and Dev't., Inc. Aristocrat Manila City Holdings, Inc. Pacific Concorde Corp. Philippine Estates Corp. Taguig Lake City Dev't. Corp. Wellex Mining Corp. Triton Construction and Dev't. Corp.	President Chairman/CEO VP-International Affairs Senior Partner Independent Director Independent Director Chairman/Director Chairman/Director Chairman/Director Chairman/Director President/Director Independent Director Chairman/Director Corp. Treasurer/Director Chairman/Director
Elvira A. Ting President/Director Filipino 61 years old BS in Business Administration Major in Management Philippine School of Business Administration	Philippine Estates Corp. Waterfront Philippines, Inc. Wellex Industries, Inc. Acesite (Phils.) Hotel Corp. Metro Alliance Holdings & Equities Corp. Orient Pacific Corp. Crisanta Realty Dev't. Corp. Recovery Dev't Corp.	President/Director Corp. Treasurer/Director Vice President/Director Corp. Treasurer/Director Chairman/Director Chairman/Director Chairman/President/Director Corp. Treasurer/Director

	The Wellex Group, Inc. Plastic City Industrial Corp. Waterfront Manila Premier Dev't, Inc. Rexlon Realty Group, Inc. Pacific Rehouse Corp. Westland Pacific Properties Corp. Heritage Pacific Corp. Palawan Estate Corp. Poly Premier Property Dev't Corp. Wanda Prime Property Dev't, Inc. Bocaue Prime Estate Corp. Bulacan Fortune Land Dev't Corp. Taguig Lake City Dev't Corp. Country Garden Agri-Tourism Dev't, Inc. Alliance Energy Power & Dev't Corp. North Luzon Premier Dev't Corp. Shangrila Global Estate Ventures Corp. Aristocrat Manila City Holdings, Inc. Seabrook Resources & Dev't, Corp.	Corp. Treasurer/Director Corp. Treasurer/Director Corp. Secretary/Director Chairman/President/Director Corp. Treasurer/Director Asst. Corp. Sec./Director Chairman/President/Director Asst. Corp. Sec./Director Corp. Treasurer/Director President/ Director President/ Director Chairman/President/Director President/ Director Corp. Treasurer/Director Corp. Secretary/Director President/ Director Chairman/Director President/Director Corp. Treasurer/Director
Kenneth T. Gatchalian Corp. Treasurer/ Director Filipino 46 years old B.S. in Architecture <i>University of Texas, USA</i>	The Wellex Group, Inc. Wellex Industries, Inc. Waterfront Phils., Inc. Waterfront Manila Premier Dev't., Inc. Acesite (Phils.) Hotels Corp. Philippine Estates Corp. Metro Alliance Holdings & Equities Corp. Orient Pacific Corp. Wellex Mining Corp. Westland Pacific Properties Corp. Wellex Petroleum, Inc. Recovery Dev't. Corp. Novateknika Land Corp. Pacific Rehouse Corp. Crisanta Realty Dev't. Corp. Palawan Estate Corp. Philippine International Airways Philfoods Asia, Inc. Southernpec Phils., Inc. Manila Bay Front Hotels, Inc. Poly Premier Property Dev't. Corp. Wanda Prime Property Dev't., Inc. North Luzon Premier Dev't. Corp. Pacific Concorde Corp Forum Holdings Corp Rexlon Realty Group, Inc. Heritage Pacific Corp. Seabrook Resources & Dev't. Corp. Recovery Real Estate Corp. Shanghai Global Estate Ventures Corp. Altai Philippines Mining Corp. Bulacan Harbour Dev't. Corp. Bulacan Country Garden Dev't. Corp.	President/Director President/Director President/Director President/Director President/Director Vice Chairman/Director President/Director President/Director Chairman/President/Director Corp. Treasurer/Director Corp. Secretary/Director Chairman/President/Director Corp. Secretary/Director Chairman/President/Director Corp. Secretary/Director Corp. Secretary/Director Corp. Secretary/Director Chairman/President/Director Corp. Treasurer/Director Chairman/Director President/Director Chairman/Director Chairman/Director Chairman/President/Director Corp. Secretary/Director Asst. Corp. Sec./Director Chairman/President/Director Chairman/President/Director President/Director Director Asst. Corp. Sec./Director Chairman/President/Director
Atty. Lamberto B. Mercado, Jr. Director Filipino 57 years old Bachelor of Laws (L.L.B.) <i>Ateneo de Manila University</i> School of Law	Metro Alliance Holdings & Equities Corp. Asia Healthcare, Inc. FEZ-EAC Holdings, Inc. Wellex Industries, Inc. Acesite (Phils.) Hotels Corp. Philippine National Construction Corp. Consumer Product Distribution Services Rexlon Realty Group, Inc.	Director/Compliance Officer Director Director Director Chief Risk Officer/Director Director Director Assist. Cop. Sec./Director

	<p>Wellex Mining Corp. Southernpec Phils., Inc. Dubai Gold Mining Corp. Sands Mining & Dev't. Corp. Bulacan Harbour Dev't. Corp. Wanda Prime Property Dev't., Inc. Seabrook Resources & Devt Corp. Country Garden Agri-Tourism Dev't., Inc. Bulacan Country Garden Dev't. Corp.</p>	<p>Corp. Secretary/Director Corp. Secretary/Director Corp. Secretary/Director Director Corp. Secretary/Director Director Corp. Secretary/Director President Director</p>
<p>Richard L. Ricardo Investor Relations Officer/Director Filipino 58 years old B.S. in Management Economics <i>Ateneo de Manila University</i></p>	<p>Wellex Industries, Inc. Waterfront Philippines, Inc. Acesite (Phils.) Hotel Corp. Metro Alliance Holdings & Equities Corp. Philippine Estates Corp. The Wellex Group, Inc. Rexlon Realty Group, Inc. Westland Pacific Properties Corp. Wellex Petroleum, Inc. Wellex Mining Corp. Bocaue Prime Estate Corp. Taguig Lake City Dev't. Corp. Pacific Wide Holdings, Inc. Dubai Gold Mining Corp. Sand Mining & Dev't. Corp. Manila Bay Front Hotels, Inc. Shanghai Global Estate Ventures Corp. Bulacan Country Garden Dev't. Corp. Alliance Energy Power & Dev't. Inc.</p>	<p>Corp. Treasurer/Investor Relations Officer/Director Corporate Affairs Officer/Compliance Officer Vice President for Corporate Affairs/Compliance Officer Corp. Treasurer/Investor Relations Officer Corp. Treasurer/Investor Relations Officer/Director Corp. Secretary/Director Vice President/Director Corp. Secretary/Director Corp. Treasurer/Director Assist. Corp. Sec./Director Corp. Secretary/Director Corp. Secretary/Director Corp. Treasurer/Director Chairman/President/Director Corp. Treasurer/Director Corp. Treasurer/Director Corp. Secretary/Director Corp. Secretary/Director President/Director</p>
<p>Atty. Arthur R. Ponsaran Director Filipino 79 years old CPA Lawyer Business Administration Major in Accounting <i>University of the East</i> Bachelor of Laws <i>University of the Philippines</i></p>	<p>Philippine Estate Corp. Corporate Counsels, Phils. Law Office Acesite (Phils.) Hotel Corp. Waterfront Phils., Inc.</p>	<p>Director Managing Partner Corp. Secretary/Director Corp. Secretary</p>
<p>Omar M. Guinomla Director Filipino 49 years old A.B. Management <i>De La Salle University</i> Master's in Business Administration <i>Ateneo de Manila University</i></p>	<p>Wellex Industries, Inc. Recovery Real Estate Corp. Pacific Rehouse Corp. Orient Pacific Corp. Recovery Dev't. Corp. Philippine International Airways Continental Wire & Cable Corp. Shanghai Resources Corp. Calinan Star Mining, Inc. Dubai Gold Mining Corp. Sands Mining & Dev't. Corp. Manila Bay Front Hotels, Inc. Silverquest Mining Resources Inc. Bulacan Fortune Land Dev't. Corp. Triton Construction & Dev't. Corp.</p>	<p>Director Director Director Assist. Corp. Sec./Director Assist. Corp. Sec./Director Corp. Treasurer/Director Director Chairman/President/Director Director Director Corp. Secretary/Director Corp. Secretary/Director Corp. Treasurer/Director Corp. Secretary/Director Corp. Secretary/Director</p>

Renato C. Francisco Independent Director Filipino 73 years old Bachelor of Laws <i>Ateneo de Manila University</i> B.A. in English and Philosophy <i>San Beda College</i>	Waterfront Phil., Inc. Wellex Industries Inc Philippine Estates Corp. Acesite (Phils.) Hotel Corp.	Independent Director Independent Director Independent Director Independent Director
Sergio R. Ortiz-Luis, Jr. Independent Director Filipino 79 years old B.S. in Liberal Arts B.S. in Business Administration Masters in Business Administration (Candidate) <i>De La Salle University</i> PhD Humanities hc <i>Central Luzon Agricultural College</i> PhD in Business Technology hc <i>Eulegio Rodriguez University</i> PhD Capital Management hc <i>Academy of Multiskills, UK</i> PhD Business Administration hc <i>Angeles University Foundation</i>	Wellex Industries, Inc. Philippine Estates Corp. Waterfront Phils., Inc. Acesite (Phils.) Hotel Corp. BA Securities VC Securities Corp. Waterfront Manila Premier Dev't., Inc. Country Garden Agri-Tourism Dev't. Inc. Philippine International Airways Philippine Chamber of Commerce and Industry National Center for Mediation Integrated Concepts & Solutions, Inc. Rotary Club of Greenmeadows Foundation Export Dev't. Council Alliance Global, Inc. JARDELI Club Foundation Philippine Exporters Confederation Inc. Employers Confederation of the Phils. Philippines Foundation, Inc. Asia Pacific Chinese Media, Inc. GS1 and International Chamber of Commerce Phils. Philippine Foundation, Inc. (Team Phils.) Manila Exposition Complex, Inc. La Salle Tech Academy Alliance Energy Power and Dev't. Inc. Rural Bank of Baguio H2O (Formerly Calapan Ventures, Inc) LikeCash Asia & Pacific Corp. SPC Power Corp. Drug Abuse Resistance Education Phils. Human Resource Dev't. Foundation Consulate of Romania in the Phils. Consular Corps of the Phils. International Association of Educators for World Peace The Philippine Bamboo Council Patrol 117 (Foundation for Crime Prevention) Industry Development Council National Competitiveness Council Aristocrat Manila City Holdings, Inc. Philippine Jaycee Senate Philippine Coastguard Auxilliary	Independent Director Director Chairman/Director Vice-Chairman/Independent Director Independent Director Vice-Chairman/Independent Director Director Chairman/Director Chairman/Director Chairman/Treasurer Chairman Chairman Chairman Vice Chairman Vice Chairman Vice Chairman President/CEO President President President Founding Director Director Director Director Director Director Director Director Director Director Trustee/Treasurer Consul General Treasurer Honorary Adviser Private Sector Representative Commissioner Member BPLS Champion Director Senate Captain

Josaias T. Dela Cruz Independent Director Filipino 60 years old B.S. in Business Management <i>Ateneo de Manila University</i>	Wellex Industries, Inc. Philippine Estates Corp. JTDC Spinmeister Laundry Service Wegen Distributed Energy Philippines Holdings Corp.	Independent Director Independent Director Sole Proprietor Treasurer/Vice President for Investor Relations and Financial Planning
Aristeo R. Cruz Independent Director Filipino 55 years old CPA Lawyer B.S. in Commerce Major in Accountancy <i>De La Salle University</i> Bachelor of Laws (LLB) <i>New Era University</i>	Metro Alliance Holdings & Equities Corp. Wellex Industries, Inc. Acesite (Phils.) Hotel Corp. Waterfront Philippines Inc Meycauayan College, Inc. Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law Office) Liberty Bank (A Rural Bank), Inc. Idealland Realty & Dev't. Corp. Philstar Innovation Realty Corp. Statosphere Realty & Dev't. Corp. Waterstreet Realty Corp. Jose & Luz Locsin Foundation Justina Emilia Realty and Management & Dev't. Corp.	Independent Director Independent Director Director Independent Director Vice-Chairman/Director, Dean, College Department Founding and Managing Partner Vice-President/Compiler President and Chief Operating Officer (COO) Corp. Secretary/Director President and Chief Operating Officer (COO) President President Corp. Secretary
Atty. Arsenio A. Alfiler, Jr. Corporate Secretary Filipino 76 years old Bachelor of Laws <i>University of the Philippines</i> B.A. in Public Administration <i>University of the Philippines</i>	Acesite (Phils.) Hotel Corp. Waterfront Philippines, Inc. Iloilo City Development Bank Philippine Estates Corp	Assistant Corporate Secretary Assistant Corporate Secretary Assistant Corporate Secretary Corporate Secretary
Annabelle T. Abunda Compliance Officer Filipino 45 years old CPA and Licensed Real Estate Broker B.S. in Accountancy <i>University of the Philippines in the Visayas</i>	Metro Alliance Holdings & Equities Corp. Pacific Rehouse Corp. Pacific Wide Holdings, Inc. Wellex Industries, Inc.	Finance Officer Finance & Administration Manager Accounting Manager Compliance Officer

Significant Employees

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

Family Relationships

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

Involvement in Certain Legal Proceedings

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

The management has its lawyer take care of the settlement and will plan to meet with the Sheriff or labor officer in-charge with the case. As of December 31, 2021, the claimant didn't make any demands or appeared before the Company's principal office address to enforce the said writ of execution.

Item 10. Executive Compensation

Summary of Compensation Table - Annual Compensation

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

Name & Position	Year	Salary (in Php)	Other Variable Pay (in Php)
Ruben D. Torres Chairman/Director	2021	–	10,000
	2020	–	10,000
	2019	–	-
Elvira A. Ting President/CEO/Director	2021	–	-
	2020	–	-
	2019	–	-
Kenneth T. Gatchalian Treasurer/Director	2021	–	-
	2020	–	-
	2019	–	-
All other officers & directors as a Group unnamed	2021	–	50,000
	2020	–	30,000
	2019	–	20,000

Compensation of Directors

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

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

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

Warrants and Options Outstanding: Repricing

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

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

Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2021 Forum Pacific, Inc., knows no one who beneficially owns in excess of 10% of Forum Pacific, Inc. common stock except as set forth in the table below:

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of total o/s shares
Common	International Polymer Corp., T. Santiago St., Canumay, Valenzuela City (Stockholder)	same as record owner (see note 1)	Filipino	496,887,494	26.501
Common	PCD Nominee Corp. 37/F Tower 1, The Enterprise Center, 6766 Ayala Ave., Cor. Paseo de Roxas, Makati City (Stockholder)	PCD Participants and their clients (see note 2)	Filipino	427,975,374	22.825
Common	The Wellex Group Inc., 35th Flr., One Corporate Center, Doña Julia Vargas cor, Meralco ave., Ortigas Center, Pasig City (Stockholder)	same as record owner (see note 3)	Filipino	376,950,000	20.104

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

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

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

Security Ownership of Management

As of December 31, 2021 the security ownership of individual directors, executive officers and nominees of Forum Pacific Inc. is as follows:

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

Voting Trust Holders of 5% or More

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

Changes in Control

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

Item 12. Certain Relationships and Related Transactions

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

The Company's advances to Forum Exploration, Inc. (FEI) pertain to the carrying value of exploration assets transferred by the Company in prior years amounting to ₱171.6 million gross of allowance for impairment loss of ₱171.6 million as of December 31, 2021 and 2020. No transaction in the account balance was recognized for the years ended December 31, 2021 and 2020. This is unsecured, non-interest bearing and with no definite period of terms.

The Company's advances to The Wellex Group, Inc. (TWGI) consist of advances granted to finance their working capital requirements with outstanding balance of ₱301,778,259 and ₱296,906,993 as of December 31, 2021 and 2020, respectively. On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. Accrued interest receivable for this promissory note amounted to ₱6,180,411 and ₱247,216 as at December 31, 2021 and 2020. The Company entered into the following contracts with TWGI: a) leases an office space from TWGI and b) consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. Payments for the lease and management fees are being offset against intercompany receivables. Both contracts for rental and consultancy have been renewed thrice since then and is currently valid until April 30, 2022.

The Company's advances from Forum Exploration, Inc. Ltd. (FEI-Ltd.) pertains to received cash advances to finance the Company's acquisition of 60% stockholdings of Forum Coal Cebu Holdings, Inc. (FCCHI) in prior years amounting to USD82,922. The amount was restated to peso value, the Company's functional currency, as at balance sheet date. Restated balance amounted to ₱4.2 million and ₱4.0 million as of December 31, 2021 and 2020, respectively. The Company recognized a foreign exchange gain/(loss) of (₱246,776) and ₱216,592 in 2021 and 2020, respectively.

Part IV – CORPORATE GOVERNANCE

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

Part V - EXHIBITS AND SCHEDULES

Item 13 Exhibits and Reports on SEC Form 17- C

Exhibits

Financial Statements

- Statement of Management's Responsibility for Financial Statements
- Report of Independent Public Accountants
- Statements of Financial Position as at December 31, 2021 and 2020
- Statements of Comprehensive Income for each of the three years ended December 31, 2021, 2020 and 2019
- Statements of Changes in Equity for each of the three years ended December 31, 2021, 2020 and 2019
- Statements of Cash Flows for each of the three years ended December 31, 2021, 2020 and 2019
- Notes to Financial Statements

Supplementary Schedules

Report of Independent Public Accountants on Supplementary Schedules:

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

Reports on SEC Form 17-C

January 14, 2021

The Corporation submitted its List of Top 100 Stockholders and Public Ownership Report as disclosed also in the Philippine Stock Exchange for the period ended December 31, 2020.

April 14, 2021

The Corporation submitted its List of Top 100 Stockholders and Public Ownership Report as disclosed also in the Philippine Stock Exchange for the period ended March 31, 2021.

June 1, 2021

The Corporation submitted its Integrated Annual Corporate Governance Report for the Year Ended December 31, 2020 which is also disclosed in the Philippine Stock Exchange.

July 13, 2021

The Corporation submitted its List of Top 100 Stockholders as disclosed also in the Philippine Stock Exchange for the period ended June 30, 2021.

July 14, 2021

The Corporation submitted its Public Ownership Report as disclosed also in the Philippine Stock Exchange for the period ended June 30, 2021.

September 15, 2021

The Corporation submitted its Notice of Annual Stockholders' Meeting on October 27, 2021 to stockholders of record as of September 30, 2021 as approved by the Board of Directors on its meeting with the following agenda:

1. Call to order
2. Certification of Quorum
3. Approval of the Minutes of the Previous Stockholders' Meeting
4. Report to the Stockholders for the Year 2020
5. Ratification of acts of the Board and Management
6. Election of Directors
7. Election of External Auditors
8. Election of External Counsel
9. Other matters
10. Adjournment

The Notice was published in the general circulation (both in print and digital) on October 4 & 5, 2021 through Manila Times and Business Mirror. Annual Stockholders Meeting was held via remote communication.

October 15, 2021

The Corporation submitted its List of Top 100 Stockholders and Public Ownership Report as disclosed also in the Philippine Stock Exchange for the period ended September 30, 2021.

October 20, 2021

The Corporation disclosed the death of its Chairman, Peter S. Salud. Replacement will be elected at the annual stockholders meeting to be held on October 27, 2021.

October 27, 2021

The Corporation submitted the result of the Annual Stockholders' Meeting and the Organizational Meeting of the Board of Directors held last October 27, 2021 via remote communication.

December 2, 2021

The Corporation submitted copies of directors' and key officers' certificates that attended the Good Corporate Governance Seminar held last November 19, 2021 via remote communication, conducted by the Risks, Opportunities, Assessment and Management (ROAM), Inc. a Corporate Governance training provider accredited by the SEC.

January 17, 2022

The Corporation submitted its Public Ownership Report as disclosed also in the Philippine Stock Exchange for the period ended December 31, 2021.


January 19, 2022

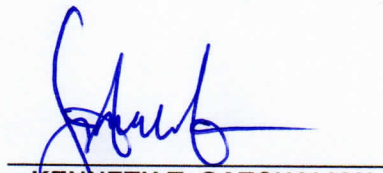
The Corporation submitted its List of Top 100 Stockholders as disclosed also in the Philippine Stock Exchange for the period ended December 31, 2021.


SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on **MAY 12 2022**

By:


ELVIRA A. TING
President

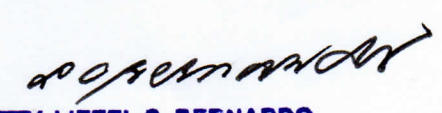

KENNETH T. GATCHALIAN
Treasurer


ATTY. ARSENIO A. ALFILER, JR.
Corporate Secretary

PASIG CITY **SUBSCRIBED AND SWORN** to before me this **MAY 12 2022** day of _____, in
affiant (s) exhibiting to me their Tax Identification No. as follows:

AFFIANTS	Tax Identification No.	Issuer
1. Elvira A. Ting	117-922-153-000	Bureau of Internal Revenue
2. Kenneth T. Gatchalian	167-406-526-000	Bureau of Internal Revenue
3. Atty. Arsenio A. Alfiler, Jr.	108-160-743-000	Bureau of Internal Revenue

Doc. No.: 286
Page No.: 49
Book No.: IV
Series of 2022


ATTY. LIEZEL C. BERNARDO
Notary Public for the Cities of Pasig &
San Juan & Municipality of Pateros
Until 12.31.22/Appt. No. 114 (2021-2022)
35th Floor One Corporate Center
Doña Julia Vargas corner Meralco Ave.,
Ortigas Center, Pasig City, Metro Manila
Roll No. 69716/IBP No. 183582/01.03.22/Pasig City
MCLE Compliance No. VI-0018219/02.06.19/Pasig City
PTR No. 0153917/01.04.22/Manila City

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

[illegible][illegible][illegible][illegible]

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

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Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

	N	A	
--	---	---	--

COMPANY INFORMATION

Company's Email Address

forumpacific010393@yahoo.com.ph

Company's Telephone Number/s

8706-7888

Mobile Number

09177904371

No. of Stockholders

863

Annual Meeting
Month/Day

October/27

Fiscal Year
Month/Day

Dec-31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Atty. Arsenio A. Alfiler, Jr.

Email Address

noyealfiler@yahoo.com

Telephone Number/s

8687-7536

Mobile Number

NA

Contact Person's Address

Unit 3104 Antel Global Corporate Center, #3 Dona Julia Vargas, Ortigas Center, Pasig City

Note1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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

Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph
To: forumpacific010393@yahoo.com.ph
Cc: forumpacific.asm@gmail.com
Date: Friday, May 6, 2022, 01:47 PM GMT+8

Hi FORUM PACIFIC INC,

Valid files

- EAFS002155598RPTTY122021.pdf
- EAFS002155598ITRTY122021.pdf
- EAFS002155598AFSTY122021.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-7KLDGDBG09DE79C98NQZ4SN410Q1XZXPZ**
Submission Date/Time: **May 06, 2022 01:32 PM**
Company TIN: **002-155-598**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- 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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Forum Pacific, Inc.

Financial Statements
December 31, 2021 and 2020

and

Independent Auditors' Report



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**


The management of **FORUM PACIFIC, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2021 and 2020**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

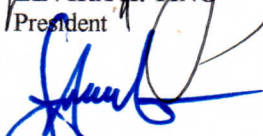
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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


RUBEN D. TORRES
Chairman of the Board


ELVIRA A. TING
President



KENNETH T. GATCHALIAN
Corporate Treasurer

SUBSCRIBED AND SWORN to before me in QUEZON CITY City/Province, Philippines on APR 26 2022 affiants personally appeared before me and exhibited to me their Tax Identification Number below:

Name	Tax Identification Number
1. RUBEN D TORRES	135-071-068
2. ELVIRA A. TING	117-922-153
3. KENNETH T. GATCHALIAN	167-406-526

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

DOC NO: 40
PAGE NO: 10
BOOK NO: xyx/b
SERIES OF any


ATTY. ELISEO S. CALMA, JR.
Notary Public for P.C. Until Dec. 31, 2022
Roll No. 50183

PTR No. 24543591/Jan. 03, 2022/Q.C.
IBI No. 14058/Jan. 04, 2021

MCLE COME NO. 1600000000/and Until April 14, 2022
Adm. Matter No. 81-000000/Dec. 31, 2021

20 Kamagong St., Sampaloc, Manila, Philippines
Extended as Commission Order No. 30980/Jan. 30, 2022

Independent Auditor's Report

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

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of **Forum Pacific, Inc.** (the 'Company'), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years then ended, and notes to financial statements, including 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, 2021 and 2020, and its financial performance and its cash flows for each of the three years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has incurred losses in prior years and has accumulated a deficit of ₱851,264,961 and ₱854,582,014 as at December 31, 2021 and 2020, respectively. As stated in Note 1, these events or conditions, along with other matters, indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. To continue as a going concern, the officers and major stockholders of the Company have committed to provide full financial support to the Company to sustain its operations, meet the working capital requirements and settle obligations as they fall due.

Global Reach, Global Quality

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 894 5892 / 844 9421 / Fax: +63(2) 818 1872
Cebu Office : Unit 504 Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 6000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8029
Davao Office : 3rd Floor Building B Plaza De Luisa, Ramon Magsaysay Avenue, Davao City 8000 Philippines • Phone/Fax: +63(82) 222 6636
Palawan Office : 2F MRC Building, Pineda Road, Brgy. San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone +63(48) 716 1580
Website : www.dmdcpa.com.ph

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

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

Key Audit Matters

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

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

The Company's assumptions used in calculating the allowance for expected credit losses (ECL) is significant to our audit as it involves the exercise of significant management judgement. Key judgment areas include, historical credit loss experience based on past due status of debtors and current conditions and estimates of future economic conditions. Allowance for ECL on advances to related parties amounted to ₱221,205,384 as at December 31, 2021 and 2020.

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

Our Response

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

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

Auditors' Responsibilities for the Audits of the Financial Statements

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

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

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

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

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

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

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

Report on Supplementary Information required by the Bureau of Internal Revenue

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

DIAZ MURILLO DALUPAN AND COMPANY

Tax Identification No. 003-294-822

BOA/PRC No. 0234, effective until August 4, 2023

SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and
valid in the audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001911-000-2022, effective until March 15, 2025

By:



Richard Noel M. Ponce

Partner

CPA Certificate No. 120457

SEC Accreditation No. 120457-SEC, Group A, issued on March 31, 2022 and
valid in the audit of 2021 to 2025 financial statements

Tax Identification No. 257-600-228

PTR No. 8867323, January 17, 2022, Makati City

BIR Accreditation No. 08-001911-012-2019, effective until September 29, 2022

April 11, 2022

FORUM PACIFIC, INC.
Statements of Financial Position

	As at December 31	
	2021	2020
ASSETS		
Current Assets		
Cash - note 5	₱ 295,667	₱ 625,346
Prepayments and other current assets (net) - note 6	38,213	38,213
	333,880	663,559
Noncurrent Assets		
Advances to related parties (net) - note 11	252,203,951	247,332,685
Financial assets at FVOCI - note 7	91,311,816	87,045,108
Right-of-use asset (net) - note 8	38,380	153,522
Deferred tax assets (net) - note 14	10,451	48,112
	343,564,598	334,579,427
TOTAL ASSETS	₱ 343,898,478	₱ 335,242,986
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities - note 9	₱ 1,266,121	₱ 340,525
Lease liability - note 11	41,806	118,567
Income tax payable	59,332	4,944
	1,367,259	464,036
Noncurrent Liabilities		
Advances from a related party - note 11	4,228,951	3,982,175
Lease liability (net of current portion) - note 11	—	41,806
Deferred tax liability - note 14	9,595	46,057
	4,238,546	4,070,038
	5,605,805	4,534,074
Equity		
Capital stock - note 10	1,207,543,621	1,207,543,621
Unrealized fair value gain on financial assets at FVOCI	18,070,763	13,804,055
Deficit - note 2	(851,264,961)	(854,582,014)
	374,349,423	366,765,662
Treasury shares - note 10	(36,056,750)	(36,056,750)
	338,292,673	330,708,912
TOTAL LIABILITIES AND EQUITY	₱ 343,898,478	₱ 335,242,986

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

FORUM PACIFIC, INC.
Statements of Comprehensive Income

	For the Years Ended December 31		
	2021	2020	2019
COSTS AND EXPENSES - note 12	(₱ 2,098,754)	(₱ 2,522,945)	(₱ 1,994,414)
OTHER INCOME (EXPENSES) - note 13	5,506,535	262,163	(30,681)
FINANCE COST - note 11	(31,433)	(40,000)	(37,677)
INCOME (LOSS) BEFORE INCOME TAX	3,376,348	(2,300,782)	(2,062,772)
PROVISION FOR (BENEFIT FROM) INCOME TAX - note 14			
Current	58,096	4,944	—
Deferred	1,199	(863)	(1,192)
	59,295	4,081	(1,192)
NET INCOME (LOSS) FOR THE YEAR	3,317,053	(2,304,863)	(2,061,580)
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will not reclassified subsequently to profit or loss:			
Unrealized fair value gain (loss) on financial assets			
at FVOCI - note 7	4,266,708	(250,983)	(2,007,862)
TOTAL COMPREHENSIVE INCOME (LOSS)	₱ 7,583,761	(₱ 2,555,846)	(₱ 4,069,442)
INCOME (LOSS) PER SHARE - note 15	₱ 0.003	(₱ 0.002)	(₱ 0.002)

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

FORUM PACIFIC, INC.
Statements of Changes in Equity

	Capital Stock (Note 10)	Treasury Shares (Note 10)	Deficit (Note 2)	Unrealized Fair Value Gain (Loss) on AFS Financial Assets (Note 7)	Total
As at January 1, 2019, as restated	₱ 1,207,543,621	(₱ 36,056,750)	(₱ 850,215,571)	₱ 16,062,900	₱ 337,334,200
Comprehensive loss					
Net loss for the year	—	—	(2,061,580)	—	(2,061,580)
Other comprehensive loss	—	—	—	(2,007,862)	(2,007,862)
Total comprehensive loss for the year	—	—	(2,061,580)	(2,007,862)	(4,069,442)
Balance as at December 31, 2019	1,207,543,621	(36,056,750)	(852,277,151)	14,055,038	333,264,758
Comprehensive loss					
Net loss for the year	—	—	(2,304,863)	—	(2,304,863)
Other comprehensive loss	—	—	—	(250,983)	(250,983)
Total comprehensive loss for the year	—	—	(2,304,863)	(250,983)	(2,555,846)
Balance as at December 31, 2020	1,207,543,621	(36,056,750)	(854,582,014)	13,804,055	330,708,912
Comprehensive income					
Net income for the year	—	—	3,317,053	—	3,317,053
Other comprehensive income	—	—	—	4,266,708	4,266,708
Total comprehensive income for the year	—	—	3,317,053	4,266,708	7,583,761
Balance as at December 31, 2021	₱ 1,207,543,621	(₱ 36,056,750)	(₱ 851,264,961)	₱ 18,070,763	₱ 338,292,673

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

FORUM PACIFIC, INC.
Statements of Cash Flows

	For the Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱ 3,376,348	(₱ 2,300,782)	(₱ 2,062,772)
Adjustments for income tax:			
Provision for impairment of input tax - note 6	180,199	202,163	192,518
Depreciation - note 8	115,142	112,878	108,350
Finance cost - note 11	31,433	40,000	37,677
Unrealized foreign exchange loss (gain) - note 11	246,776	(216,592)	(161,284)
Interest income - notes 5 and 11	(5,933,510)	(247,734)	(553)
Operating loss before working capital changes	(1,983,612)	(2,410,067)	(1,886,064)
Increase in prepayments and other current assets	(180,199)	(199,724)	(188,281)
Increase (decrease) in accounts payable and other liabilities	925,596	15,500	(32,156)
Cash used in operations	(1,238,215)	(2,594,291)	(2,106,501)
Income tax paid	(3,708)	—	—
Interest received - note 5	315	518	553
Net cash used in operating activities	(1,241,608)	(2,593,773)	(2,105,948)
CASH FLOW FROM INVESTING ACTIVITIES			
Collection of advances to related parties - note 11	1,061,929	3,153,843	2,263,311
Additional advances to related parties - note 11	—	—	(80,000)
Net cash provided by investing activities	1,061,929	3,153,843	2,183,311
CASH FLOW FROM FINANCING ACTIVITY			
Payment of lease liability - note 11	(150,000)	(150,000)	(150,000)
NET INCREASE (DECREASE) IN CASH	(329,679)	410,070	(72,637)
CASH - note 5			
At beginning of year	625,346	215,276	287,913
At end of year	₱ 295,667	₱ 625,346	₱ 215,276

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

FORUM PACIFIC, INC.

Notes to Financial Statements

As at December 31, 2021 and 2020 and for each of the three years
in the period ended December 31, 2021

1. CORPORATE INFORMATION

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

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

The accompanying financial statements of the Company as at and for the year ended December 31, 2021 including its comparatives for 2020 and 2019 were approved and authorized for issue by its Board of Directors (BOD) on April 11, 2022.

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

Management's Assessment of the Going Concern Assumption

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

Business Plans

The COVID-19 pandemic and the ensuing home quarantine has triggered an economic slowdown for the country. Despite the curtailment of worldwide travel and the hesitancy of global investors to venture into new projects, the Company is hopeful that the business environment will recover over the coming years, now that the vaccination efforts of the government are bearing fruit. For the coming year 2022, the Company plans to undertake the following:

- The investment made during 2017 in Taguig Lake City Development Corporation (TLCDC), a corporation engaged in the real estate industry, is starting to show some results, now that the Laguna Lake Development Authority has responded positively to the Company's proposals to rehabilitate the Laguna De Bay. The Company will continue to support the progress of TLCDC in this regard.
- Further scan for business target projects, and welcome other business opportunities from different industries apart from oil and gas and mineral exploration.

- Evaluate potential buyers to buy out investment with Forum Exploration Inc. or enter into partnership with potential buyers
- Actively looking into the traditional energy business, concentrating on cheap and consistent coal power for the country's base loads.
- Consider investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy
- Conduct research and feasibility studies on renewable projects, albeit utilizing more stringent investment hurdles, given that renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.
- Evaluate advances to affiliates and design collection programs to improve the Company's financial status. As at December 31, 2021 and 2020, the Company has existing contracts with The Wellex Group Inc. (TWGI) to collect outstanding advances (see Note 11).
- Evaluate calling for the remaining stock subscription as source of fund for future projects, with the aim of utilizing this process as a tool to fund capital intensive endeavors.

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

3. 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 the years presented, unless otherwise stated.

Statement of Compliance

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

Basis of Preparation

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

Functional and Presentation Currency

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

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial years except for the following new and amended PFRS that are mandatorily effective for annual periods beginning on or after January 1, 2021.

COVID-19-related Rent Concessions beyond June 30, 2021 (Amendments to PFRS 16). The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria: (a) the rent concession is a direct consequence of COVID-19; (b) the change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change; (c) any reduction in lease payments affects only payments originally due on or before June 30, 2022; and (d) there is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted. The Company adopted the amendments beginning April 1, 2021. As there is no rent concessions granted to the Company as a lessee, these amendments had no impact on the financial statements.

Interest Rate Benchmark Reform – Phase 2 (Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16). The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The Company shall also disclose information about: (a) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and (b) their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition.

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively. These amendments had no impact on the financial statements of the Company.

New Accounting Standards, Interpretations and Amendments to Existing Standards Effective Subsequent to January 1, 2021

Standards issued but not yet effective up to the date of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

Reference to the Conceptual Framework (Amendments to PFRS 3). Minor amendments were made to PFRS 3, Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets and Philippine Interpretation IFRIC 21, Levies. The amendments also confirm that contingent assets should not be recognized at the acquisition date. The amendments are effective for annual periods beginning on or after January 1, 2022.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to PAS 16). The amendments to PAS 16, Property, Plant and Equipment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The amendments are effective for annual periods beginning on or after January 1, 2022.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to PAS 37). The amendment to PAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognizing a separate provision for an onerous contract, the entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract.

The above amendments are effective for annual periods beginning on or after January 1, 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

Annual Improvements to PFRS Standards 2018–2020

- PFRS 9, *Financial Instruments* – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- PFRS 16, *Leases – Lease Incentives* – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards* – allows subsidiaries that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same PFRS 1 exemption.
- PAS 41, *Agriculture, Taxation in Fair Value Measurements* – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under PAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The annual improvements are effective for annual periods beginning on or after January 1, 2022.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to PAS 12). The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). The annual improvements are effective for annual periods beginning on or after January 1, 2023.

An entity intends to apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments are not expected to have a material impact on the Company.

Definition of Accounting Estimates (Amendments to PAS 8). The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Company.

Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2). The narrow-scope amendments PAS 1, *Presentation of Financial Statements* require entities to disclose material accounting policy information instead of significant accounting policies. The amendments also clarify the following: (1) accounting policy information may be material because of its nature, even if the related amounts are immaterial; (2) accounting policy is material if users of an entity's financial statements would need it to understand other material information in the statements; and (3) if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

Further, the amendment provides several paragraphs to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material. In addition, PFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of 'four-step materiality process' to accounting policy information in order to support the amendments to PAS 1.

The amendment is applied prospectively. The amendment is effective for annual periods beginning on or after January 1, 2023, with earlier application permitted. Once the entity applies the amendments to PAS 1, it is also permitted to apply the amendments to PFRS Practice Statement 2.

Classification of Liabilities as Current or Non-current (Amendments to PAS 1). The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Company is currently assessing the impact the amendments will have on current practice.

PFRS 17, Insurance Contracts. PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. The new standard is not applicable to the Company since it has no activities that are predominantly connected with insurance or issue insurance contracts.

Deferred Effectivity

PFRS 10, Consolidated Financial Statements and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments). The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. On January 13, 2016, the FRSC deferred the original effective date of April 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The Company has not early adopted the previously mentioned new, amended and improved accounting standards and interpretations. The Company continues to assess the impact of the above new, amended and improved accounting standards and interpretations that are effective subsequent to January 1, 2021 on its financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the Company's financial statements when these amendments are adopted.

Determination of Fair Value and Fair Value Hierarchy

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

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

“Day 1” difference

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

Financial Instruments

Initial recognition, measurement and classification

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

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

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

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

Financial assets at amortized cost

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

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

After initial measurement, financial assets at amortized cost are subsequently measured using the effective interest method less allowance for impairment. Gains and losses are recognized in the statements of comprehensive income when the financial assets at amortized cost are derecognized, modified or impaired. These financial assets are included in current assets if maturity is within twelve (12) months from the end of reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2021 and 2020, included under financial assets at amortized cost are the Company's cash and advances to related parties (see Notes 5 and 11).

Cash

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

Advances to related parties

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

Equity instruments designated at FVOCI

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

As at December 31, 2021 and 2020, the Company elected to classify irrevocably its quoted and unquoted equity investments under this category (see Note 7).

Financial liabilities at amortized cost

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

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

As at December 31, 2021 and 2020, included in financial liabilities at amortized cost are the Company's accounts payable and other liabilities (excluding government liabilities), lease liability and advances from a related party (see Notes 9 and 11).

Accounts payable and other liabilities

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

Lease liability

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

Advances from a related party

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

Offsetting of Financial Instruments

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

Derecognition of Financial Instruments

Financial assets

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

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

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

Financial liabilities

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

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

Impairment of Financial Assets

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

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

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

For advances to related parties, the Company applies a simplified approach in calculating ECL. The Company recognizes a loss allowance using the management's adopted policy on ECL at the end of each reporting period. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, including time value of money where appropriate.

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

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

Significant increase in credit risk

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

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

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

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

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

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

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

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

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

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

Definition of default

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

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

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

Credit-impaired financial assets

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

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

Write-off policy

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

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

Input Tax

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

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

Right-of-use Asset

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

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

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

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

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

Impairment of Non-Financial Assets

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

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

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

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

Retirement Benefits

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

Income Taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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

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

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

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

Leases

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined generally, the Company uses its incremental borrowing rate as the discount rate. The weighted average rate applied is 19.6%.

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

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

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

Related Parties and Related Party Transactions

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

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

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

Equity

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

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

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

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

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

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

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

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

Revenue Recognition

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

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

Cost and Expense Recognition

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

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

Foreign Currency Denominated Transactions

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

Basic Income (Loss) Per Share

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

Provisions and Contingencies

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

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

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

Events after the Reporting Date

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

4. SIGNIFICANT ACCOUNTING JUDGMENTS, AND ESTIMATES AND ASSUMPTIONS

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

Significant Accounting Judgments in Applying the Company's Accounting Policies

Leases

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

Significant Accounting Estimates and Assumptions

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

Impairment of input tax

Management believes that the recoverability of input tax is doubtful since the Company is not expecting income subject to output tax in the near future. Consequently, the Company has provided full valuation allowance of its input tax in 2021 and 2020.

The Company's input tax amounted to ₱2,416,747 and ₱2,236,548 as at December 31, 2021 and 2020, respectively (see Note 6).

Deferred tax assets

The Company reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Due to non-operation of the Company, management expects that the Company will continue to incur losses and the related deferred tax assets will not be utilized in the near future. The Company's unrecognized deferred tax assets are fully disclosed in Note 14.

The Company's unrecognized deferred tax assets amounted to ₱6,849,279 and ₱9,167,731 as at December 31, 2021 and 2020, respectively (see Note 14).

Allowance for impairment of advances to related parties

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

Advances to related parties amounted to ₱252,203,951 and ₱247,332,685, net of allowance for impairment loss of ₱221,205,384 as at December 31, 2021 and 2020, respectively (see Note 11).

Allowance for impairment on financial assets at FVOCI

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

The Company's financial assets at FVOCI amounted to ₱91,311,816 and ₱87,045,108, net of allowance amounted to ₱20,000,000 as at December 31, 2021 and 2020, respectively (see Note 7).

5. CASH

Cash represents cash in bank with outstanding balance of ₱295,667 and ₱625,346 as at December 31, 2021 and 2020, respectively. Interest income earned from bank deposits were ₱315, ₱518 and ₱553 for the years ended December 31, 2021, 2020 and 2019, respectively (see Note 13).

Cash in bank generally earns interest at annual rates based on daily bank deposit rates ranging from 0.125% to 0.25% per annum in 2021 and 2020.

There is no restriction on the Company's cash in bank as at December 31, 2021 and 2020.

6. PREPAYMENTS AND OTHER CURRENT ASSETS (net)

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

	2021	2020
Input tax	₱ 2,416,747	₱ 2,236,548
Less: Valuation allowance on input tax	(2,416,747)	(2,236,548)
	—	—
Other current assets	38,213	38,213
	₱ 38,213	₱ 38,213

Movements in the allowance on input tax are as follows:

	2021	2020
Balance at beginning of the year	₱ 2,236,548	₱ 2,034,385
Provision during the year – note 13	180,199	202,163
Balance at end of year	₱ 2,416,747	₱ 2,236,548

Other current assets represent mainly of cash in bank subject to garnishment.

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

7. FINANCIAL ASSETS AT FVOCI

Financial assets at FVOCI as at December 31 consist of:

	2021	2020
Unquoted shares		
Balance at beginning and end of the year	₱ 65,711,573	₱ 65,711,573
Quoted shares		
Cost	7,529,480	7,529,480
Unrealized fair value gain	18,070,763	13,804,055
	25,600,243	21,333,535
	₱ 91,311,816	₱ 87,045,108

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

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

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

	2021	2020	2019
At beginning of year	₱13,804,055	₱ 14,055,038	₱ 16,062,900
Fair value changes during the year	4,266,708	(250,983)	(2,007,862)
At end of year	₱18,070,763	₱ 13,804,055	₱ 14,055,038

The Company's financial assets at FVOCI as at December 31, 2021 and 2020 are not held as collateral for its financial liabilities.

8. RIGHT-OF-USE ASSET (net)

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

	2021	2020
Cost		
Balance at beginning of year	₱ 230,283	₱ 216,701
Additions	–	230,283
Write-off	–	(216,701)
Balance at end of year	230,283	230,283
Accumulated depreciation		
At beginning of year	76,761	180,584
Depreciation – note 12	115,142	112,878
Write-off	–	(216,701)
At end of year	191,903	76,761
Net carrying amounts, December 31	₱ 38,380	₱ 153,522

Based on the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at December 31, 2021 and 2020.

9. ACCOUNTS PAYABLE AND OTHER LIABILITIES

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

	2021	2020
Deferred output VAT	₱ 741,649	₱ –
Accrued expenses	515,847	331,900
Withholding taxes	8,625	8,625
	₱ 1,266,121	₱ 340,525

Accrued expenses pertain to unpaid professional fees.

Accounts payable pertains to the amount due to supplier's payable within one year and do not bear any interest.

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

10. CAPITAL STOCK

Details of the Company's capital stock as at December 31, 2021 and 2020 are as follows:

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

The Company has one class of common shares which carry no right to fixed income. No movement in the capital stock of the Company in 2021 and 2020 reporting periods. There were no shares of the Company reserved for issue under options and contracts for the sale of shares as at December 31, 2021 and 2020.

Track record of registration of securities

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

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

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

The Company has 1.5 billion shares listed and traded in the PSE as at December 31, 2021 and 2020.

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

December 31, 2021	₱0.270
December 31, 2020	0.225
December 31, 2019	0.212

The Company has 862 and 865 stockholders as at December 31, 2021 and 2020, respectively.

11. RELATED PARTY TRANSACTIONS

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

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

Related parties and relationships	Amount of transactions		Outstanding receivable		Terms and Condition
	2021	2020	2021	2020	
<u>With common key management</u>					
TWGI					
Cash advance	(P359,929)	(P2,451,843)	P 295,597,848	P296,659,777	(a) Unsecured,
Interest income	5,933,195	247,216	6,180,411	247,216	(a) Partially impaired
Consultancy agreement	(480,000)	(480,000)	—	—	(a)
Rental and utilities	(222,000)	(222,000)	—	—	(a)
FEI					
Transfer of assets	—	—	171,631,076	171,631,076	(b) Unsecured, Fully impaired
	4,871,266	(2,906,627)	473,409,335	468,538,069	
Impairment loss	—	—	(221,205,384)	(221,205,384)	
	P4,871,266	(P2,906,627)	P 252,203,951	P 247,332,685	
Related parties and relationships	Amount of transactions		Outstanding payable		Terms and Condition
	2021	2020	2021	2020	
<u>With common key management</u>					
FEI, Ltd.					
Cash advance for working capital	P —	P —	P 4,228,951	P 3,982,175	(c) Unsecured

(a) Advances to TWGI

On December 16, 2020, TWGI issued a new promissory note amounting to P296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. Accrued interest receivable for this promissory note amounted to P6,180,411 and P247,216 as at December 31, 2021 and 2020, respectively.

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

- The Company leases an office space from TWGI in May 2014. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been renewed thrice since then and is currently valid until April 30, 2022.

Utilities expense charged to operations amounted to ₱72,000 for the years ended December 31, 2021, 2020 and 2019 (see Note 12).

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

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

	2021	2020
Current	₱ 41,806	₱ 118,567
Noncurrent	–	41,806
	₱ 41,806	₱ 160,373

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

	2021	2020
Not later than one year	₱ 50,000	₱ 150,000
Later than one year but not later than five years	–	50,000
Future minimum lease payments	50,000	200,000
Amounts representing finance charges	(8,194)	(39,627)
	₱ 41,806	₱ 160,373

The net carrying amount of the right-of-use asset recognized as at December 31, 2021 and 2020 is disclosed in Note 8.

Total finance costs charged to operations amounted to ₱31,433, ₱40,000 and ₱37,677 for the years ended December 31, 2021, 2020 and 2019, respectively.

- In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed four times since then and is currently valid until April 30, 2022. Total management fee charged to operations amounted to ₱480,000 for the years ended December 31, 2021, 2020 and 2019 (see Note 12).

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

(b) Advances to FEI

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

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

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

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

As at December 31, 2021 and 2020, FEI has not yet returned the value of the exploration assets that the Company transferred.

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

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

	2021	2020
At beginning of year	₱ 3,982,175	₱ 4,198,767
Unrealized foreign exchange loss (gain) – note 13	246,776	(216,592)
At end of year	₱ 4,228,951	₱ 3,982,175

(d) Remuneration to key management personnel

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

(e) Others

The Company's administrative functions are performed by TWGL.

12. COSTS AND EXPENSES

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

	2021	2020	2019
Professional fees	₱ 900,000	₱ 790,000	₱ 782,000
Management fees – note 11	480,000	480,000	480,000
Membership fees and dues	264,850	272,699	262,399
Depreciation – note 8	115,142	112,878	108,350
Publication fees	114,400	156,728	–
Utilities – note 11	72,000	72,000	72,000
Donation	30,000	516,000	15,000
Taxes and licenses	19,271	20,306	19,452
Travel and transportation	9,090	2,915	35,779
Office supplies	2,881	15,942	77,309
Communication	–	–	39,821
Miscellaneous	91,120	83,478	102,304
	₱ 2,098,754	₱ 2,522,945	₱ 1,994,414

Membership fees and dues include annual PSE listing and registration.

Miscellaneous expense mainly consists of website maintenance fees.

13. OTHER INCOME (EXPENSES) - net

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

	2021	2020	2019
Interest income			
Advances to related parties – note 11	₱ 5,933,195	₱ 247,216	₱ –
Cash in bank – note 5	315	518	553
Unrealized foreign exchange gain (loss) – note 11	(246,776)	216,592	161,284
Provision for impairment on input tax – note 6	(180,199)	(202,163)	(192,518)
	₱ 5,506,535	₱ 262,163	(₱ 30,681)

14. INCOME TAXES

Reconciliation of tax expense

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

	2021	2020	2019
Income (loss) before income tax	₱ 3,376,348	(₱ 2,300,782)	(₱2,062,772)
Income tax benefit at statutory rate:	₱ 844,087	(₱ 690,235)	(₱ 618,832)
Income tax effect on:			
Interest income subjected to final tax	(78)	(155)	(166)
Nondeductible expense	7,500	–	–
Expired NOLCO	–	779,086	841,516
Change in unrecognized deferred tax assets	(791,321)	(84,615)	(223,710)
Change in income tax rate	(893)	–	–
	₱ 59,295	₱ 4,081	(₱ 1,192)

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

	2021	2020
Deferred tax assets		
Impairment loss on financial asset at FVOCI	₱ 5,000,000	₱ 6,000,000
NOLCO	673,145	1,956,649
Provision for input VAT	604,186	670,964
Unrealized foreign exchange loss	507,672	535,174
MCIT	64,276	4,944
Lease liability	10,451	48,112
	6,859,730	9,215,843
Unrecognized deferred tax assets	(6,849,279)	(9,167,731)
	₱ 10,451	₱ 48,112
Deferred tax liability		
Right-of-use asset	(₱ 9,595)	(₱ 46,057)

The Company has deductible temporary differences that are available for offset against future taxable income for which no deferred tax assets have been recognized in the financial statements. Deferred tax assets of the temporary differences amounting to ₱6,849,279 and ₱9,167,731 in 2021 and 2020, respectively, were not recognized as management believes that it is more likely than not, that the carry-forward benefits will not be realized in the future.

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

As at December 31, 2021, the Company has NOLCO that can be claimed as deduction from future taxable income as follows:

Year Incurred	Expiration Date	Beginning balance	Additions	Expired	Claimed	Ending balance
2020	2025	₱2,312,852	₱ –	₱ –	₱ –	₱2,312,852
2019	2022	2,036,064	–	–	(1,656,337)	379,727
2018	2021	2,173,246	–	–	(2,173,246)	–
		₱6,522,162	₱ –	₱ –	(₱3,829,583)	₱2,692,579

As at December 31, 2021, the Company's MCIT that can be claimed as deduction from future income tax payable as follows:

Year of Incurrence	Year of Expiry	Beginning balance	Additions	Expired/ Applied	Ending balance
2020	2023	₱ 4,944	₱ –	₱ –	₱ 4,944
2021	2024	–	59,332	–	59,332
		₱ 4,944	₱ 59,332	₱ –	₱ 64,276

On March 26, 2021, the Republic Act (RA) 11534, known as “The Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE Act), was passed into law. The salient provisions of the CREATE Act applicable to the Company are as follow:

1. Effective July 1, 2020, the corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100,000,000, excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed at 20%. All other domestic corporations and resident foreign corporations will be subject to 25% income tax;
2. Minimum corporate income tax (MCIT) rate reduced from 2% to 1% effective July 1, 2020, to June 30, 2023;
3. The imposition of improperly accumulated earnings is repealed.

The impact of the CREATE Act in the Company's financial statements as at and for the year ended December 31, 2020 are as follows:

	National Internal Revenue Code (NIRC) of 1997	CREATE Act*	Impact of CREATE Act
Statement of Financial Position			
Deferred tax assets	₱ 9,215,843	₱ 7,679,455	₱1,536,388
Unrecognized DTA	(9,167,731)	(7,639,362)	(1,528,369)
Deferred tax liability	(46,057)	(38,380)	7,677
Statement of Comprehensive Income			
Provision for income tax - current (MCIT)	4,944	3,708	1,236
Provision for income tax – deferred	(863)	(520)	(343)

*Starting July 1, 2020, RCIT is at 25% and MCIT at 1%

15. INCOME (LOSS) PER SHARE

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

	2021	2020	2019
Net income (loss) for the year	₱ 3,317,053	(₱ 2,304,863)	(₱ 2,061,580)
Weighted average number of common shares outstanding during the year	1,171,486,871	1,171,486,871	1,171,486,871
	₱ 0.003	(₱ 0.002)	(₱ 0.002)

16. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Credit risk

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

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

The Company current credit risk grading framework is as follows:

Category	Description	Basis for recognizing ECL	Base	Minimum allowance for credit losses	Stage
Performing	The counterparty has a low risk of default and does not have any past due amounts	12-month ECL	0%	0%	1
Doubtful	Amount is 1-30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired	25%	1%	2
	Amount is 31-90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – not credit-impaired	25%	5%	2

	Amount is 91-180 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – not credit-impaired	25%	10%	2
	Amount is 181-360 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – not credit-impaired	25%	12%	2
In default	Amount is over 1 year to 2 years past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	50%	15%	3
	Amount is over 2 years to 3 years past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	100%	15%	3
	Amount is over 3 years to 5 years past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	100%	50%	3
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off	100%	100%	3

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

December 31, 2021				
	Basis of recognizing ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash in bank– note 5 (a)		₱ 295,667	₱ –	₱ 295,667
Advances to related parties – note 11 (b)	Lifetime ECL	473,409,335	(221,205,384)	252,203,951
Total		₱ 473,705,002	(₱ 221,205,384)	₱ 252,499,618

December 31, 2020				
	Basis of recognizing ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash in bank– note 5 (a)		₱ 625,346	₱ –	₱ 625,346
Advances to related parties – note 11 (b)	Lifetime ECL	468,538,069	(221,205,384)	247,332,685
Total		₱ 469,163,415	(₱221,205,384)	₱247,958,031

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

(a) *Cash in bank*

The credit risk for cash in bank is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in bank is insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 for every depositor per banking institution.

(b) Advances to related parties

For advances to related parties, the Company has applied the simplified approach to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

To measure the ECL, advances to related parties have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for advances to related parties are a reasonable approximation of the loss rates for the financial asset.

On that basis, the loss allowance as at December 31, 2021 and 2020 was determined based on Company's credit risk grading framework, as follows for advances to related parties:

December 31, 2021	ECL rate	Cash in bank	Advances to related parties	Total	ECL
Performing	0%	₱ 295,667	₱301,778,259	₱302,073,926	₱49,574,308*
Doubtful		—	—	—	—
1-30 days	0.25%	—	—	—	—
31-90 days	1.25%	—	—	—	—
91-180 days	2.50%	—	—	—	—
181-360 days	3.00%	—	—	—	—
In default					
1-2 years	7.50%	—	—	—	—
2-3 years	15.00%	—	—	—	—
3-5 years	50.00%	—	—	—	—
Write-off	100%	—	171,631,076	171,631,076	171,631,076
		₱ 295,667	₱473,409,335	₱ 473,705,002	₱221,205,384

December 31, 2020	ECL rate	Cash in bank	Advances to related parties	Total	ECL
Performing	0%	₱ 625,346	₱ 296,906,993	₱ 297,532,339	₱49,574,308*
Doubtful		—	—	—	—
1-30 days	0.25%	—	—	—	—
31-90 days	1.25%	—	—	—	—
91-180 days	2.50%	—	—	—	—
181-360 days	3.00%	—	—	—	—
In default					
1-2 years	7.50%	—	—	—	—
2-3 years	15.00%	—	—	—	—
3-5 years	50.00%	—	—	—	—
Write-off	100%	—	171,631,076	171,631,076	171,631,076
		₱ 625,346	₱ 468,538,069	₱ 469,163,415	₱221,205,384

**ECL represents 15% of ₱330,495,385 (based on original PN amount)*

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

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

As at December 31, 2021 and 2020, the Company has entered into agreements with its related party to settle the advances (see Note 11).

Liquidity risk

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

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

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

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

December 31, 2021	Total	On demand	Less than three months	3 to12 months	1 to 5 years
Account payable and other liabilities*	₱ 515,847	₱ –	₱ –	₱ 515,847	₱ –
Lease liability	41,806	–	–	41,806	–
Advances from a related party	4, 228,951	–	–	–	4,228,951
	₱ 4,786,604	₱ –	₱ –	₱ 557,653	₱ 4,228,951
December 31, 2020	Total	On demand	Less than three months	3 to12 months	1 to 5 years
Account payable and other liabilities*	₱ 331,900	₱ –	₱ –	₱ 331,900	₱ –
Lease liability	160,373	–	–	118,567	41,806
Advances from a related party	3,982,175	–	–	–	3,982,175
	₱ 4,474,448	₱ –	₱ –	₱ 450,467	₱ 4,023,981

**excluding government liabilities*

The Company's current ratio as at December 31, 2021 and 2020 is 0.24:1 and 1.43:1, respectively. This shows that for every peso of currently maturing liabilities, the Company has a fund of ₱0.24 and ₱1.43 in 2021 and 2020, respectively, to settle its obligations.

Equity price risk

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

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

If the price of the financial assets at FVOCI had been 10% higher/lower, other comprehensive income for the years ended December 31, 2021 and 2020 would decrease/increase by ₱9,131,182 and ₱8,704,511, respectively.

Foreign currency risk

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

The Company is mainly exposed to foreign currency risk through its advances from a related party of \$82,922 which amounted to ₱4,228,951 and ₱3,982,175 as at December 31, 2021 and 2020, respectively.

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

If foreign exchange rates had been 10% higher/lower, the net loss before tax would decrease /increase by ₱422,895 and ₱398,218 in 2021 and 2020, respectively. Equity as at December 31, 2021 and 2020 would decrease/increase by ₱317,171 and ₱278,753, respectively.

Capital Risk Objective and Management

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

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

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

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

The gearing ratios as at December 31 were as follows:

	2021	2020
Debt	₱ 5,605,805	₱ 4,534,074
Cash	295,667	625,346
Net debt	5,310,138	3,908,728
Equity	338,292,673	330,708,912
Gearing ratio	0.016:1	0.012:1

The Company is subject to externally imposed capital requirement amounting to ₱6,250,000 which is the minimum paid-up capital requirement of SEC for mining companies. As at December 31, 2021 and 2020, the Company is in compliance with this externally imposed capital requirement.

17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Balance as at January 1, 2021	Effect of foreign exchange rates	Changes from financing cash flows	Balance as at December 31, 2021
Advances from a related party	₱3,982,175	₱246,776	₱ –	₱4,228,951
Lease liability	160,373	–	(118,567)	41,806
	₱4,142,548	₱246,776	(₱118,567)	₱4,270,757

	Balance as at January 1, 2020	Effect of foreign exchange rates	New leases	Changes from financing cash flows	Balance as at December 31, 2020
Advances from a related party	₱4,198,767	(₱216,592)	₱ –	₱ –	₱3,982,175
Lease liability	40,090	–	230,283	(110,000)	160,373
	₱4,238,857	(₱216,592)	₱230,283	(₱110,000)	₱4,142,548

18. FAIR VALUE INFORMATION

Assets measured at fair value

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

	Fair value as at December 31 2021	2020	Fair value hierarchy	Valuation techniques
Financial assets at FVOCI	₱25,600,243	₱ 21,333,535	Level 1	Quoted prices in an active market

Assets and liabilities not measured at fair value

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

	2021		2020		Valuation techniques	Fair value hierarchy
	Carrying Value	Fair Value	Carrying Value	Fair Value		
Financial Asset						
Advances to related parties	₱252,203,951	₱248,086,460	₱247,332,685	₱241,553,386	Discounted value of future cash flows	Level 2
Financial Liabilities						
Lease liability	₱ –	₱ –	₱ 160,373	₱ 159,669	Discounted value of future cash flows	Level 2
Advances from a related party	4,228,951	4,159,909	3,982,175	₱ 3,915,147	Discounted value of future cash flows	Level 2
	₱ 4,228,951	₱4,159,909	₱ 4,142,548	₱ 4,074,816		

For the long-term financial assets and liabilities, the fair value of the non-interest bearing noncurrent assets and liabilities are determined based on the discounted value of future cash flows using the prevailing credit adjusted PH BVAL for 2021 and 2020 that are specific to the tenor of the instruments' cash flow as at reporting date. Discount rates used are 1.660% in 2021 and 1.712% in 2020.

The carrying amounts of cash and accounts payable and other liabilities approximate their fair values due to the relatively short-term maturities of these financial instruments.

Certain financial assets at FVOCI amounting to ₱65,711,573 as at December 31, 2021 and 2020 are carried at cost less impairment loss since there was no reliable basis for the measurement of the fair value.

19. SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE

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

a) *Output value-added tax*

The Company has no output VAT since it does not have any income subject to VAT.

b) *Input value-added tax*

	2021
At beginning of year	₱ 2,236,548
Current purchases and payments for:	
Domestic purchases of goods and services	180,199
	₱ 2,416,747

c) *Importations*

The Company did not pay nor accrue custom duties or tariff fees as the Company did not import any goods or equipment for the year ended December 31, 2021.

d) *Excise Tax*

The Company did not pay nor accrue any excise tax as there was no related transaction that requires the payment of the said tax for the year ended December 31, 2021.

e) *Documentary Stamp Tax*

The Company did not pay nor accrue any documentary stamp tax as there was no related transaction that requires the payment of the said tax for the year ended December 31, 2021.

f) Taxes and licenses

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

	2021
Business permits	₱ 18,271
Community tax	500
BIR Annual registration	500
	₱ 19,271

g) Withholding taxes

The total amount of expanded withholding tax accrued and paid is ₱8,625 for the year ended December 31, 2021.

h) Deficiency tax assessment and tax cases

The Company had no deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR as at December 31, 2021.

i. Other information

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

* * *

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

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **Forum Pacific, Inc.** (the 'Company') as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated April 11, 2022. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, is the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.

DIAZ MURILLO DALUPAN AND COMPANY


Tax Identification No. 003-294-822

BOA/PRC No. 0234, effective until August 4, 2023

SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and
valid in the audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001911-000-2022, effective until March 15, 2025

By:


Richard Noel M. Ponce
Partner

CPA Certificate No. 120457

SEC Accreditation No. 120457-SEC, Group A, issued on March 31, 2022 and
valid in the audit of 2021 to 2025 financial statements

Tax Identification No. 257-600-228

PTR No. 8867323, January 17, 2022, Makati City

BIR Accreditation No. 08-001911-012-2019, effective until September 29, 2022

April 11, 2022

Global Reach, Global Quality

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FORUM PACIFIC, INC.
SCHEDULE SHOWING FINANCIAL SOUNDNESS
PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2021

Ratio	Formula	2021	2020
Profitability ratios: Return on assets	Net income	₱ 3,317,053	₱ –
	Divided by: Total assets	343,898,478	–
	Return on assets	0.01:1	NA
Return on equity	Net income	₱ 3,317,053	₱ –
	Divided by: Total equity	338,292,673	–
	Return on equity	0.01:1	NA
Net profit margin	Net income	₱ 3,317,053	₱ –
	Divided by: Total revenue	–	–
	Net profit margin	NA	NA
Gross profit margin	Total revenue	₱ –	₱ –
	Less: Cost of service	–	–
	Gross profit	–	–
	Divided by: Total revenue	–	–
	Gross profit margin	NA	NA
Solvency and liquidity ratios: Current ratio	Current assets	₱ 333,880	₱ 663,559
	Divided by: Current liabilities	1,367,259	464,036
	Current ratio	0.24:1	1.43:1
Debt to equity ratio	Total liabilities	₱ 5,605,805	₱ 4,534,074
	Divided by: Total shareholder's equity	338,292,673	330,708,912
	Debt to equity ratio	0.02:1	0.01:1
Quick ratio	Quick assets*	₱ 295,667	₱ 625,346
	Divided by: Current liabilities	1,367,259	464,036
	Quick ratio	0.22:1	1.35:1
Cashflow liquidity ratio	Cashflow from operations	(₱ 1,241,608)	(₱ 2,593,773)
	Divided by: Current liabilities	1,367,259	464,036
	Cashflow liquidity ratio	(0.91:1)	(5.59:1)
Financial leverage ratio Asset to equity ratio	Total assets	₱ 343,898,478	₱ 335,242,986
	Divided by: Total shareholder's equity	338,292,673	330,708,912
	Asset to equity ratio	1.02:1	1.01:1
Debt to asset ratio	Total liabilities	₱ 5,605,805	₱ 4,534,074
	Divided by: Total assets	343,898,478	335,242,986
	Debt to asset ratio	0.02:1	0.01:1

*Includes Cash

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

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

We have audited the accompanying financial statements of **Forum Pacific, Inc.** (the 'Company'), as at and for the year ended December 31, 2021, on which we have rendered the attached report dated April 11, 2022. In connection with our audit, we obtained a certification from the Company's corporate secretary as to the number of stockholders and their corresponding shareholdings as at December 31, 2021. In relation to the certification issued by the corporate secretary, we conducted certain tests necessary to validate the related Company's entries and balances.

In compliance with Revised SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of the work performed, as at December 31, 2021, the Company has eight hundred fifty-four (854) stockholders owning one hundred (100) or more shares each.

DIAZ MURILLO DALUPAN AND COMPANY


Tax Identification No. 003-294-822

BOA/PRC No. 0234, effective until August 4, 2023

SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and
valid in the audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001911-000-2022, effective until March 15, 2025

By:


Richard Noel M. Ponce
Partner

CPA Certificate No. 120457

SEC Accreditation No. 120457-SEC, Group A, issued on March 31, 2022 and
valid in the audit of 2021 to 2025 financial statements

Tax Identification No. 257-600-228

PTR No. 8867323, January 17, 2022, Makati City

BIR Accreditation No. 08-001911-012-2019, effective until September 29, 2022

April 11, 2022

Global Reach, Global Quality

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 894 5892 / 844 9421 / Fax: +63(2) 818 1872
Cebu Office : Unit 504 Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 6000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8029
Davao Office : 3rd Floor Building B Plaza De Luisa, Ramon Magsaysay Avenue, Davao City 8000 Philippines • Phone/Fax: +63(82) 222 6636
Palawan Office : 2F MRC Building, Pineda Road, Brgy. San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone +63(48) 716 1580
Website : www.dmdcpa.com.ph

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


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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **Forum Pacific, Inc.** (the 'Company') as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated April 11, 2022. The supplementary information shown in *List of Supplementary Information* are presented for the purpose of filing with the Securities and Exchange Commission and are not required part of basic financial statements. Such information is the responsibility of management and has been subjected to auditing procedures applied in the audits of basic financial statements. In our opinion, the information has been prepared in accordance with Rule 68 of the Revised Securities Regulation Code.

DIAZ MURILLO DALUPAN AND COMPANY

Tax Identification No. 003-294-822
BOA/PRC No. 0234, effective until August 4, 2023
SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and
valid in the audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001911-000-2022, effective until March 15, 2025

By:


Richard Noel M. Ponce
Partner

CPA Certificate No. 120457
SEC Accreditation No. 120457-SEC, Group A, issued on March 31, 2022 and
valid in the audit of 2021 to 2025 financial statements
Tax Identification No. 257-600-228
PTR No. 8867323, January 17, 2022, Makati City
BIR Accreditation No. 08-001911-012-2019, effective until September 29, 2022

April 11, 2022

Global Reach, Global Quality

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 894 5892 / 844 9421 / Fax: +63(2) 818 1872
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Website : www.dmdcpa.com.ph

FORUM PACIFIC, INC.
List of Supplementary Information

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

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

Other Required Information

Reconciliation of Retained Earnings Available for Dividend Declaration

FORUM PACIFIC, INC.
Schedule A. Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)
December 31, 2021

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Financial assets at FVOCI				
Philippine Estates Corporation	50,196,553	₱ 25,600,243	₱ 25,600,243	₱ —
Forum Exploration, Inc.	62,500,000	53,211,573	—	—
Taguig Lake City Development Corporation	125,000	12,500,000	—	—
Total financial assets at FVOCI	112,821,553	₱ 91,311,816	₱ 25,600,243	₱ —
Cash in bank	—	295,667	295,667	315
		₱ 91,607,483	₱ 25,895,910	₱ 315

FORUM PACIFIC, INC.
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal
Stockholders (Other than Affiliates).
December 31, 2021

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Amounts collected	Amounts written-off	Current	Not Current	
The Wellex Group, Inc.	₱296,906,993	₱ 5,933,195	₱1,061,929	₱ –	₱ –	₱301,778,259	₱301,778,259
Forum Exploration, Inc.	171,631,076	–	–	–	–	171,631,076	171,631,076
Total	₱468,538,069	₱ 5,933,195	₱1,061,929	₱ –	₱ –	₱473,409,335	₱473,409,335

FORUM PACIFIC, INC.

**Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation
of Financial Statement
December 31, 2021**

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
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None

FORUM PACIFIC, INC.
Schedule D. Long Term Debt
December 31, 2021

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

FORUM PACIFIC, INC.
Schedule E. Indebtedness to Affiliates and Related Parties (Long-Term Loans
from Related Companies)
December 31, 2020

Name of Affiliates	Balance at beginning of period	Balance at end of period
Forum Exploration Inc. Ltd.	₱ 3,982,175	₱ 4,228,951

FORUM PACIFIC, INC.
Schedule F. Guarantees of Securities of Other Issuers
December 31, 2021

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

FORUM PACIFIC, INC.
Schedule G. Capital Stock
December 31, 2021

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	Directors, officers and employees	Others
Common Stock	3,500,000,000	1,171,486,871	–	–	420,802	1,171,066,068

FORUM PACIFIC, INC.

Schedule H. List of Top 20 Stockholders of Record December 31, 2021

Name of Stockholders	Citizenship	Tax Identification No.	Amount Subscribed	Percentage to total Outstanding
International Polymer Corporation	Filipino	210-000-232-426	₱ 496,887,494	26.501
PCD Nominee Corporation	Filipino	004-774-849-000	427,975,374	22.825
The Wellex Group, Inc.	Filipino	004-740-001-000	376,950,000	20.104
E.F. Durkee & Associates, Inc.	Filipino	321-002-155-628	77,838,563	4.151
Intra-Invest Sec., Inc.	Filipino	000-162-545-000	48,159,000	2.568
Metropolitan Management Corporation	Filipino	470-002-151-280	30,000,000	1.600
Juanito C. Uy	Filipino	127-179-750-000	22,625,001	1.207
Pacrim Energy N.L.	Others	324-668-750-000	21,000,000	1.120
Sapphire Securities, Inc.	Filipino	000-511-869-000	19,433,500	1.036
Benito Ong and/or Zita Y. Ong	Filipino	268-192-032-000	18,000,000	0.960
Li Chih-Hui	Filipino	004-454-732-000	17,100,000	0.912
Nestor S. Mangio	Filipino	003-754-123-000	12,500,000	0.667
A & A Securities, Inc.	Filipino	000-103-110-000	11,911,320	0.635
Mark Securities Corporation	Filipino	000-544-789-000	10,772,800	0.575
PCD Nominnee Corp.	Others	004-774-849-000	10,470,050	0.558
Globalinks Sec. & Stocks, Inc.	Filipino	000-849-752-000	9,400,000	0.501
Belson Securities, Inc.	Filipino	000-154-219-000	9,200,000	0.491
Wealth Securities, Inc.	Filipino	000-330-678-000	8,240,000	0.439
Ruben M. Gan	Filipino	174-154-039-000	7,610,000	0.406
David Go Securities Corporation	Filipino	000-320-855-000	6,880,000	0.367
			<u>₱1,642,953,102</u>	

FORUM PACIFIC, INC.
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2021

Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning	P	—
Add: Net income actually earned/realized during the period		<u>—</u>
Net income during the period closed to Retained Earnings		—
Less: Non-actual/unrealized income net of tax		—
Equity in net income of associate/joint venture		—
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents) Unrealized actuarial gain		—
Fair value adjustment (M2M gains)		—
Fair value adjustment of Investment Property resulting to gain		—
Adjustment due to deviation from PFRS/GAAP-gain		—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS		<u>—</u>
Sub-total		<u>—</u>
Add: Non-actual losses		—
Depreciation on revaluation increment (after tax)		—
Adjustment due to deviation from PFRS/GAAP – loss		<u>—</u>
Loss on fair value adjustment of investment property (after tax)		<u>—</u>
Net income actually earned during the period		P —
Add (Less):		
Dividend declarations during the period		—
Appropriations of Retained Earnings during the period		—
Reversals of appropriations		—
Effects of prior period adjustments		<u>—</u>
TOTAL RETAINED EARNINGS		<u>—</u>
END AVAILABLE FOR DIVIDEND		P —

Forum Pacific, Inc.

Sustainability Reporting
December 31, 2021

Annex A: Reporting Template

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

Contextual Information

Company Details	
Name of Organization	FORUM PACIFIC, INC.
Location of Headquarters	35 th Flr. One Corporate Center, Dona Julia Vargas, cor Meralco Ave., Ortigas Center, Pasig City
Location of Operations	PHILIPPINES
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	NONE
Business Model, including Primary Activities, Brands, Products, and Services	Holding Company – Engage in investing, purchasing and acquiring assets of any kind and description
Reporting Period	For the year ended 2021
Highest Ranking Person responsible for this report	Annabelle Abunda – Compliance Officer

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

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. ¹
<p>For its initial submission of Sustainability Report, Forum Pacific Inc. carefully assessed the materiality impact of the Company related to economic, environmental and social topics. The Company has considered different factors in evaluating the materiality such as company policies, laws and regulations of the local government and current issues in the economy.</p> <p>The reference used by the Company is the Sustainability Accounting Standards Board (SASB) Map from the Sustainability Reporting Guidelines for Public Listed Companies issued by Securities and Exchange Commission (SEC).</p> <p>As per assessment, since there's no operation and employee for the year 2019, the Company identified that it most likely to affect only two of the topics:</p> <ul style="list-style-type: none">A. Economic Impact – Economic Performance, Procurement PracticesB. Social Impact – Supply Chain Management and Data Security

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

ECONOMIC

Economic Performance

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

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	0.00	PhP
Direct economic value distributed:		
a. Operating costs	2,098,754	PhP
b. Employee wages and benefits	0.00	PhP
c. Payments to suppliers, other operating costs	0.00	PhP
d. Dividends given to stockholders and interest payments to loan providers	0.00	PhP
e. Taxes given to government	19,271	PhP
f. Investments to community (e.g. donations, CSR)	30,000	PhP

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

Climate-related risks and opportunities²

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

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

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

Recommended Disclosures			
Not Applicable	Not Applicable	Not Applicable	Not Applicable

Procurement Practices

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

Proportion of spending on local suppliers

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

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

Anti-corruption

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

Training on Anti-corruption Policies and Procedures

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

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

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

Incidents of Corruption

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

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

ENVIRONMENT

Resource Management

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

Energy consumption within the organization:

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

Reduction of energy consumption

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

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

Water consumption within the organization

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

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

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

Materials used by the organization

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

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

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

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

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

³ International Union for Conservation of Nature

There's no opportunity/ies identified at this moment for this category.		
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Environmental impact management

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

Air Emissions

GHG

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

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

Air pollutants

Disclosure	Quantity	Units
NO _x	0	kg
SO _x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

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

Solid and Hazardous Wastes

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

Solid Waste

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

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

Hazardous Waste

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

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

Effluents

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

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

Environmental compliance

Non-compliance with Environmental Laws and Regulations

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

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

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

SOCIAL

Employee Management

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

Employee Hiring and Benefits

Employee data

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

Employee benefits

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

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

Employee Training and Development

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

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

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

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

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

Labor-Management Relations

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

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

Diversity and Equal Opportunity

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

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

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

Workplace Conditions, Labor Standards, and Human Rights

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

Occupational Health and Safety

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

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

Labor Laws and Human Rights

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

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

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

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

Supply Chain Management

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

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

Do you consider the following sustainability topics when accrediting suppliers?

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

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

Relationship with Community

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

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Not material to the company in 2021 due to no operation					

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

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

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

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

Customer Management

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

Customer Satisfaction

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

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

Health and Safety

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

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

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

Marketing and labelling

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

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

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

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

Customer privacy

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

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

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

Data Security

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

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

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

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

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

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