

IMPERIAL RESOURCES INCORPORATED

Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila
Telephone Nos. 8721-6994-8733-6453

CERTIFICATION

This is to certify that none of the members of the board of directors or officers of Imperial Resources Incorporated are connected or employed in the government.

This certification is issued in connection with the preparation of SEC FORM 20-IS, a requirement by the Securities and Exchange Commission.

Makati City, Metro Manila

June 03, 2025



JESUS VICENTE B. CAPELLAN
Corporate Secretary

IMPERIAL RESOURCES INCORPORATED

Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air
Makati City, Metro Manila

NOTICE OF THE REGULAR ANNUAL STOCKHOLDERS' MEETING

DEAR STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the regular annual meeting of the stockholders of **Imperial Resources Incorporated** will be held at Unit 202 Villa Building, Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila, on Thursday, July 10, 2025, at 10:00 o'clock in the morning and via Zoom Platform with Meeting ID No. 883 7592 9289, Passcode: 882390. The order of business of said meeting shall be as follows:

1. Secretary's Proof of Notice of Meeting
2. Declaration of Quorum
3. Approval of the Minutes of Regular Annual Stockholders' Meeting held on July 11, 2024
4. Annual Report as at December 31, 2024
 - 4.1. President's Report to Equity Holders
 - 4.2. Financial Statements
5. Approval by the stockholders of the Annual Report and the Financial Statements of the corporation
6. Election of seven (7) members of the board of directors inclusive of two (2) independent directors
7. Ratification of the appointment of Villaruz, Villaruz & Co. CPA's as Independent Auditor of Imperial Resources Incorporated, with business address at Unit 3, Level 9 Galleria Corporate Center, E. Delos Santos Avenue (EDSA) corner Ortigas Avenue, Quezon City, Metro Manila
8. Ratification of all acts, contracts, resolutions and proceedings of the Board of Directors and Corporate Officers acting within the scope of their designated authority from July 11, 2024 Annual Stockholders' Meeting until the present, July 10, 2025
9. Other Matters
10. Adjournment

The Board of Directors has fixed May 23, 2025 as the record date for the determination of stockholders who are entitled to notice and to vote at the meeting. On the other hand, the stock and transfer book of the Company will be closed at 5:00 o'clock in the afternoon of July 02, 2025 and will be reopened after the stockholders meeting.

JESUS VICENTE B. CAPELLAN
Corporate Secretary

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

Filed by the Registrant [x]

Filed by a Party other than the Registrant []

1. Check the appropriate box:

[X] Preliminary Information Statement

[] Definitive Information Statement

2. Name of Registrant as specified in its charter **IMPERIAL RESOURCES
INCORPORATED**

3. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **39243**

5. BIR Tax Identification Code **000-463-670-000**

6. **Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City**

Metro Manila

Address of principal office

1209

Postal Code

7. Registrant's telephone number, including area code **(632)8722-6453/8721-6994**

8. **July 10, 2025, 10:00 A.M. at Unit 202, Villa Building, No. 78 Jupiter Street, Bel-Air,
Makati City, Metro Manila**

Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or
given to security holders **June 11, 2025**

10. There is no proxy solicitation

11. Securities registered pursuant to Sections 8 and 12 of the Code or Section 4 and
8 of the RSA (information on number of shares and amount of debt is applicable
only to corporate Registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock – P1.00 par value	652,500,000 Six Hundred Fifty-Two Million Five Hundred Thousand Common Shares

SECURITIES AND EXCHANGE COMMISSION
1200 K STREET, N.W.
WASHINGTON, D.C. 20540

There are no debt securities

Amount of Debt Outstanding – Php81,743,852

12. Are any or all of Registrant's securities listed on a Stock Exchange?

Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange

Common Stock Shares

The original Twenty Million (20,000,000) shares of stock consisting of Fourteen Million (14,000,000) Common Class "A" shares and Six Million (6,000,000) Common Class "B" shares are listed in the Philippine Stock Exchange. After the approval of the change in par value from P5.00 to P1.00 and declassification of Class "A" and Class "B" into Common Stock by the Securities and Exchange Commission on February 10, 2017, the Common Stock shares listed with Philippine Stock Exchange has become 100,000,000 shares.

Inasmuch as the company desires to increase its listed shares in the Philippine Stock Exchange (PSE), the majority of the issued and outstanding shares of stocks of Imperial Resources Incorporated, in the number of **Five Hundred Forty-Six Million Two Hundred Thirty-Three Thousand Six Hundred Seventy (546,233,670) common shares**, which consist of **Eighty-Three point Seven One Four Percent (83.714%)**, is the subject of probate proceedings, entitled: IN RE: Petition for the Will of Oliverio G. Laperal, Sr., Desiderio Christopher L. Laperal, petitioner, pending before the Regional Trial Court, Branch 148, Regional Trial Court, Makati City.

Once the probate court finally allows and approves the administration and disposition of the estate, including the said shares of stocks of Oliverio G. Laperal, Sr., as well as when the economic condition improves the company shall endeavor to work on the listing requirements of PSE.

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

However, if you wish to send a representative or proxy, please send your proxy letter not later than July 3, 2025 for recording and validation to the office of the Corporate Secretary of Imperial Resources Incorporated at Unit 202 Villa Building, No.78 Jupiter Street, Bel-Air, Makati City, Metro Manila 1209 or at No. 82-J 4th Street, Mariana, New Manila, Quezon City, Metro Manila 1112.

Imperial Resources Incorporated
Corporate Secretary
Unit 202 Villa Building,
No. 78 Jupiter Street,
Bel-Air, Makati City,
Metro Manila 1209

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payment; and *Provided, further*, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his/her shares to the corporation.

Effect of Demand and Termination of Right - From the time of demand for payment of the fair value of the dissenting stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend rights shall be suspended, except the right of such stockholder to receive payment of the fair value thereof: *Provided*, that if the dissenting stockholder is not paid the value of the said shares within thirty (30) days after the award, the voting and dividend rights shall immediately be restored to the stockholder.

When Right to Payment Ceases - The demand for payment pursuant to the exercise of appraisal right may not be withdrawn unless the corporation consents thereto. If, however, such demand for payment is withdrawn with the consent of the corporation, or if the proposed corporate action is abandoned or rescinded by the corporation or disapproved by the Commission where such approval is necessary, or if the Commission where such stockholder is not entitled to the appraisal right, then the right of the stockholder to be paid the fair value of the shares shall cease, the status of the stockholder shall be restored, and all dividend distributions which would have accrued on the shares shall be paid to the stockholder.

Who Bears Costs of Appraisal - The costs and expenses of appraisal are borne by the corporation, unless the fair value ascertained by appraisers is approximately the same as the price which the corporation may have offered to pay the stockholder, in which case said expenses shall be borne by the dissenting stockholder. In the case of an action to recover such fair value, all costs and expenses shall be assessed against the corporation, unless the refusal of the stockholder to receive payment was unjustified.

Notation on Certificates; Rights of Transferee - Within ten (10) days after demanding payment for shares held, a dissenting stockholder shall submit the certificates of stock representing the shares to the corporation for notation that such shares are dissenting shares. Failure to do so shall, at the option of the corporation, terminate the appraisal right. If shares represented by the certificates bearing such notation are transferred, and the certificates consequently cancelled, the rights of the transferor as a dissenting stockholder shall cease and the transferee shall have all the rights of a regular stockholder; and all dividend distributions which would have accrued on such shares shall be paid to the transferee.

ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

- (a) There is no substantial interest, direct or indirect, by security holders or otherwise, of each of the following persons in any manner to be acted upon, other than the election to office.
 1. Each person who has been a director or officer of the Registrant at any time since the beginning of the last fiscal year;
 2. Each nominee for election as director of the Registrant;
 3. Each associate of any of the foregoing persons.
- (b) No director has informed the Registrant in writing that he/she intends to oppose any action to be taken at the meeting. No indication of any action intended to be opposed.

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B. CONTROL AND COMPENSATION INFORMATION

ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

- (a) As of Record Date, the Company had the following outstanding shares of common stocks:

Class Voting Share	No. of Shares Outstanding	Voting Shares Entitled to Vote	
Title of Each Class	Number of Shares Outstanding Computed at P1.00 Par value per Share	%	No. of Shares Entitled to Vote
Common Filipino	650,279,661	99.67%	One vote per share
Common Foreign	2,220,339	0.34%	One vote per share
Total	652,500,000	100%	

- (b) All stockholders as of May 23, 2025 record date are entitled to notice, and shall have the right to nominate any director who possesses all of the qualifications and none of the disqualifications set forth in the Revised Corporation Code.

At all elections of directors, there must be present, either in person or through a representative authorized to act by written proxy, the owners of majority of the outstanding capital stock entitled to vote. The Registrant, it being vested with public interest, allows stockholders to vote through remote communication or *in absentia*.

The stockholder who participates through remote communication or *in absentia*, is deemed present for purposes of quorum.

The election must be by ballot if requested by any voting stockholder. Otherwise, it is by the raising of hands to determine the number of shares who voted in favor of the resolution or the matter submitted for approval.

- (c) Stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own name in the stock and transfer book of the corporation as at record date. The said stockholder may: (i) vote such number of shares for as many persons as there are directors to be elected; (ii) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of shares owned; or (iii) distribute them on the same principle among as many candidates as may be seen fit: *Provided*, That the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the corporation multiplied by the whole number of directors to be elected (The total number of votes that may be cast by a stockholder of the Company is computed as follows: No. of shares held on record as of record date x 7 Directors. In all other cases, each share of stock is entitled to one vote: *Provided, however*, That no delinquent stock shall be voted. Nominees for directors receiving the highest number of votes shall be declared elected.

If no election is held, or the owners of majority of the outstanding capital stock entitled to vote are not present in person, by proxy, or through remote communication or not voting *in absentia* at the meeting, such meeting may be adjourned.

The non-holding of elections and the reasons therefor shall be reported to the Commission within thirty (30) days from the date of the scheduled election. The report shall specify a new date for the election, which shall not be later than sixty (60) days from the scheduled date.

If no new date has been designated, or if the rescheduled election is likewise not held, the Commission may, upon the application of a stockholder or director, and after verification of the unjustifiable non-holding of the election, summarily order that an election be held. The Commission shall have the power to issue such orders as may be appropriate, including other directing the issuance of a notice stating the time and place of the election, designated presiding officer, and the record date or dates for the determination of stockholders entitled to vote.

The directors or trustees elected shall perform their duties as prescribed by law, rules of good corporate governance, and by-laws of the corporation.

Right to Vote of Secured Creditors and Administrators - In case a stockholder grants security interest in his/her shares, the stockholder-grantor shall have the right to attend and vote at meetings of stockholders, unless the secured creditor is expressly given by the stockholder-grantor such right in writing which is recorded in the appropriate corporate books.

Executors, administrators, receivers, and other legal representatives duly appointed by the court may attend and vote on behalf of the stockholders without need of any written proxy.

Voting in Case of Joint Ownership of Stock. - In case of shares of stock owned jointly by two or more persons, in order to vote the same, the consent of all the co-owners shall be necessary, unless there is a written proxy signed by all the co-owners, authorizing one or some of them or any other person to vote such share or shares; *Provided*, that when the shares are owned in an "*and/or*" capacity by the holder thereof, any one of the joint owners can vote said shares or appoint a proxy therefore.

Voting right for treasury shares - Treasury shares shall have no voting right as long as such stock remains in Treasury.

VOTING PROCEDURE

In all matters to be submitted to voting which are: (i) amendment of the By-Laws; and, (ii) increasing the authorized capital stock, the counting of the majority or two thirds (2/3) of the outstanding capital stock shall be by raising of hands to determine the number of shares who vote in favor of the resolution for the amendment or increase of the authorized capital stock and other incidents.

- a. Vote required for amended by-laws, the owners of at least a majority of the outstanding capital stock.
- b. Vote required for the increase of authorized capital stock, the approval by a majority vote of the board of directors and two-thirds (2/3) of the outstanding capital stock.

There is no information or fact gained that a change in control of the Registrant has occurred since the beginning of its last fiscal year. Hence, no details can be stated.

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In the election of the seven (7) directors of the board, the seven (7) nominees (including the two (2) nominees for independent directors) who garner the highest votes shall each be deemed duly elected to the Board. Voting by ballot shall be supervised by a Voting Committee. However, voting by ballot shall be dispensed with upon assent of seventy per cent (70%) of the outstanding shares.

C. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

(1) SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS OF MORE THAN 5% OF ANY CLASS AS OF May 31, 2025

	(Stockholder)				
Common Stock	Oliverio G. Laperal, Sr.* 31 Pili Avenue, Forbes Park Makati City (Stockholder)	Owner	Filipino	546,233,670	83.714%

*Mr. Oliverio G. Laperal, Sr. (+) shall be represented by his executor/administrator, Mr. Desiderio L. Laperal, in regard to the former's shares..

SECURITY OWNERSHIP OF MANAGEMENT AS OF May 31, 2025

(1) Title of Class	(2) Name of Beneficial Owner	(3) Amount and Nature Of Beneficial Ownership	(4) Citizenship	(5) Percent of Class
(a) Directors and Executive Officers:				
Common Stock	Desiderio L. Laperal	1,670,000 shares (voting power and investment return (Record))	Filipino	0.256%
Common Stock	Oliverio L. Laperal, Jr.	1,580,000 shares (voting power and investment return (Record))	Filipino	0.242%
Common Stock	Jesus Vicente B. Capellan	160,000 shares (voting power and investment return (Record))	Filipino	0.025%
Common Stock	Wilma B. Villanueva	200,000 shares (voting power and investment return (Record))	Filipino	0.031%
Common Stock	Horacio M. Pascual	175,000 Shares (voting power and investment return (Record))	Filipino	0.027%
Common Stock	Marciano G. Delson	500 shares (voting power and investment return (Record))	Filipino	0.000%
Common Stock	Genelita G. Manandic	1,000 shares (voting power and investment return (Record))	Filipino	0.000%
(b) Directors and Executive Officers as a group unnamed				
Common Stock		3,786,500 shares (voting power and investment return (Record))	Filipino	0.581%

(2) VOTING TRUST HOLDERS OF 5% OR MORE

There are no holders of voting trust agreements or of similar import.

(3) CHANGES IN CONTROL

Management continues to receive inquiries regarding possible strategic alliance or merger. However, as of the date of this report there is no formal arrangement firmed up with any person or group

of persons or entities which may result in a change in control of the Registrant and, therefore, there is no material information to disclose.

D. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

During the years 2023 and 2024, the Company records show that there were consummated transactions to which the Registrant was a party, in which a director, executive officer or stockholder owns ten per cent (10%) or more of the total outstanding shares. The following are material transactions:

1. Parent Company and Subsidiary

The Parent Company has made advances for the working capital of its subsidiary Philippine Cyber College Corporation. As of December 31, 2024, and 2023 the Parent Company's advances amounted to P25,294,934 and P25,019,934, respectively. In accordance with the consolidation process, these have been eliminated in the consolidated financial statements.

5. Key Management Personnel

<u>Year 2024</u>				There are no termination, other long-term benefits and share-based payments granted to our key management personnel for the year ended December 31, 2024.
Short-term employee benefits	P 1,741,115	P	-	
Post-employment benefits	2,655,830		-	
<u>Year 2023</u>				There are no termination, other long-term benefits and share-based payments granted to our key management personnel for the year ended December 31, 2023.
Short-term employee benefits	P 1,849,484	P	-	
Post-employment benefits	2,632,470		-	
<u>Year 2022</u>				There are no termination, other long-term benefits and share-based payments granted to our key management personnel for the year ended December 31, 2022.
Short-term employee benefits	P 1,744,997	P	-	
Post-employment benefits	2,614,218		-	

There were no termination, post-employment, other long-term benefits and share-based payments granted to the key management personnel for the years ended December 31, 2024, 2023 and 2022. The President/Chief Executive Officer and Vice-President/Treasurer (Chief Financial Officer) do not receive salary from the Company but receive a monthly allowance of P5,000.00 starting last April 2019. The Company's Chief Accounting Officer's total compensation in 2024 which includes salary, 13th month pay, director's fee and Deminimis was P614,854. The members of the Board of Directors receive only per diem of P10,000 per attendance in the regular and special meeting of the Board. The Per Diem for the attendance in the annual stockholders' meeting followed by the organizational meeting or special stockholders meeting is Fifteen Thousand Pesos (P15,000.00). The total amount of per diem paid in 2024, 2023 and 2022 were P225,000, P315,000 and P215,000, respectively.

6. Parent Company and Imperial Development Corporation – Common Director

The Parent Company is renting its office from Imperial Development Corporation. Mr. Desiderio L. Laperal, a director and officer of the company, owns more than ten percent (10%) of the total outstanding shares of Imperial Development Corporation and is at the same time a director and officer of said corporation. The total rental expense for 2024 was P635,712. The contract of lease expired on December 31, 2024 and was renewed for another year at a monthly rate of P52,976 starting from January 1, 2024 to December 31, 2024. Again the contract of lease was renewed for another year from January 1, 2025 to December 31, 2025 at the same monthly rent.

This is further discussed under “Other Related Party- Common Director” Note 19 to Consolidated Financial Statements as of December 31, 2024.

7. Parent Company and its Subsidiary and Filipinas Golf and Country Club, Inc. – Common Director

The Parent Company, Imperial resources Incorporated (IRI) and its subsidiary Philippine Cyber College Corporation (PCCC) have a sub-lease agreement (sub-lessee) with Filipinas Golf and Country Club, Inc. (FGCCI) as a sub-lessor for an office space of about ten (10) square meters, more or less, each located at the second floor of an office building for a period of one year starting January 1, 2015. The monthly rental paid by each sub-lessee is P6,179.04 from January, 2015 to May, 2015 and P6,434.40 from June, 2015 to December, 2015. The sub-lease agreement was renewed for another year. From January, 2016 to May, 2016 the monthly rental paid by each sub-lease was P6,434.40 and from June, 2016 to December, 2016 it was P6,689.76. The sub-lease agreement was extended until the expiration of the lease contract of FGCCI with the building owner which was May 31, 2017. FGCCI renewed its contract with the building owner for another one (1) year starting June 1, 2017 until May 31, 2018. Subsequently, IRI & PCCC renewed its sub-lease contract with FGCCI for another one (1) year starting from June 1, 2017 to May 31, 2018 with a monthly rental of P6,689.76 each which covered water bills, parking and association dues. Again IRI & PCCC renewed its sub-lease contract with FGCCI at P7,013.89 per month which covered water bills, parking and association dues for another one (1) year starting from June 1, 2018 until May 31, 2019 after FGCCI renewed its lease contract with the building owner also for another one (1) year from starting June 1, 2018 until May 31, 2019. On April 6, 2019, FGCCI renewed its lease contract with the building owner for a term of three (3) years commencing on April 1, 2019 until March 31, 2022. On April 5, 2022 FGCCI renewed its lease contract with the building owner for a term of three (3) years commencing on April 1, 2022 until March 31, 2025 at P36,120.99 per month for office rent and parking space and 12% VAT plus P2,900.80 for association dues and 12% VAT or a total of P39,012.79.

IRI and PCCC renewed the sub-lease contract with FGCCI for another year starting from April 1, 2019 until March 31, 2020 at P8,915.91 each per month which covered also water bills, parking and association dues. Again IRI and PCCC renewed the sub-lease contract with FGCCI for another year. The rent from April 1, 2020 to December 31, 2020 was P8,465.41 and P9,325.43 from January 1, 2021 to March 31, 2021 which included water bills, parking and association dues for both periods. IRI and PCCC renewed the sub-lease contract for another year commencing on April 1, 2021 until March 31, 2022 at a monthly rate of P9,755.44 which included water bills, parking and association dues. IRI and PCCC renewed the sub-lease contract for another one (1) year commencing on April 1, 2022 until March 31, 2023 at a monthly rate of P9,755.45 inclusive of water bills, parking, association dues and 12% VAT. Upon expiration IRI and PCCC renewed the sub-lease contract for another year expiring on March 31, 2024 and again for another year expiring March 31, 2025 under the same terms and conditions.

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8. Parent Company and its Officer / Major Stockholder

The Parent Company has advances payable as of December 31, 2024 to its major stockholder, Mr. Oliverio G. Laperal, Sr., amounting to P12,911,215. This payable does not have any repayment date. It is also non-interest bearing.

9. Parent Company and LTC Real Estate Corporation

In March 2016, LTC Real Estate Corp., an investor, and the Parent Entity entered into a memorandum of agreement for the prospective subscription on the shares of stocks of the Parent Entity at the prevailing par value in the amount of Ten Million Pesos (P10,000,000) on or before December 31, 2016. The said amount shall be considered as a deposit and shall be subject to disposition, transfer and recovery by the investor. The Parent Entity has the corresponding duty to hold in trust and/or return the said amount on demand.

As at December 31, 2019, 2018 and 2017, the Parent Entity failed to meet all the required conditions to consider the deposit as deposit for future stock subscription. Thus, the deposit was recognized as advances from shareholders under non-current liabilities in the statements of financial position. The total amount of advances made by LTC Real Estate Corp. are P61,683,625, P55,343,625 and P49,143,625 for the years 2024, 2023 and 2022, respectively.

The Parent Entity and its subsidiary do not have any guarantees of securities of other issuing entities by the issuer for which the statement is filed as at December 31, 2024.

These certain relationships and related transactions are further discussed in the Note 15 of the Consolidated Financial Statements.

The Parent Entity and its subsidiary do not have any relationship with any parties that fall outside of the definition "Related Parties" under SFAS/IAS No. 24.

In the past three years there has been no complaint, dispute or claim against related party transactions that the Company is aware of.

INSIDER TRADING/MATERIAL INSIDE INFORMATION

The Company is not aware of any case of insider trading involving any of its directors and officers in the past three years. All its directors, officers and employees are aware that the Company does not allow the unlawful use of material inside information by any of them.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

(1) a-c.

Name	Age	Citizen-ship	Position
Atty. HORACIO M. PASCUAL	92	Fil.	Chairman of the Board
Mr. OLIVERIO L. LAPERAL, JR.	75	Fil.	President/Chief Executive Officer/ Member, Board of Director
Mr. DESIDERIO L. LAPERAL	70	Fil.	Vice President/Chief Financial Officer/Treasurer/

2024-12-31
2024-12-31
2024-12-31

			Member, Board of Director
Ms. VILMA B. VILLANUEVA	82	Fil.	Assistant Treasurer/Comptroller/ Chief Accounting Officer/ Member, Board of Directors
Atty. JESUS VICENTE B. CAPELLAN	58	Fil.	Corporate Secretary/ Member, Board of Directors
Ms. GENELITA G. MANANDIC (Independent Director*)	62	Fil.	Member, Board of Directors
Dean MARCIANO G. DELSON (Independent Director*)	58	Fil.	Member, Board of Directors

*An "Independent Director" refers to a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having any relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Company has its nomination committee which recommends to the board those qualified to be elected as members of the Board of Directors. The above-named members of the board were elected during the annual stockholders' meeting held on July 11, 2024. Immediately after the said meeting the members of the board held an organizational meeting wherein the above stated officers were elected.

There has been no director who has resigned nor declined to stand for re-election to the board of directors since the last three (3) years because of a disagreement with the Company on matters relating to its operations, policies and practices.

Per SEC Memorandum Circular No. 4, Series of 2017, to promote and reinforce board independence and to be consistent with recognized regional best practice, the following are the amended rules on the term limit of independent directors:

1. A company's independent director shall serve for a maximum cumulative term of nine (9) years;
2. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as a non-independent director;
3. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual stockholders' meeting; and
4. Reckoning of the cumulative nine-year term is from 2012.

All directors are aware of the requirements of the Securities and Exchange Commission regarding the purchase and/or sale of their Company shares covered by SEC Form 23 A/B and 18A/18AS. During the year 2024 no director purchased or sold any shares of the Company which necessitated a report to SEC.

The term of office of the directors is one year. The period during which the directors/officers have served the company is presented in their respective resume attached to and forming part of this report.

- d. A summary of the business experiences during the past five (5) years of each of the above-named directors are shown in their respective resume attached to this report as ANNEX "C".

2024-2025
 Annual Report
 Page 10 of 10

(2) SIGNIFICANT EMPLOYEES

The Company views its human resources as an important factor in its operations, however, the Company is not highly dependent on the services of any key personnel, hence, no arrangement has been made with respect to any person who will remain with the Company and perceived to compete upon termination. Employees who resign or terminated are required to sign a quitclaim stating among others that they are binding themselves not to divulge any information or trade secrets which they have learned and which have come to their knowledge in confidence and which if revealed would be prejudicial to the Company.

(3) FAMILY RELATIONSHIP

Mr. Oliverio L. Laperal, Jr., President/Chief Executive Officer, and Mr. Desiderio L. Laperal, Vice-President and Treasurer are the sons of the late Mr. Oliverio G. Laperal, Sr., former President and Chief Executive Officer and a major stockholder.

(4) INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS (OCCURRED DURING THE PAST FIVE (5) YEARS AND MATERIAL TO EVALUATION)

During the past five (5) years or since January 1, 2019 up to the present the Company is not aware of any events involving legal proceedings of such nature that are material to the evaluation of its present Directors/Officers namely: DESIDERIO L. LAPERAL, OLIVERIO L. LAPERAL, JR., JESUS VICENTE B. CAPELLAN, HORACIO M. PASCUAL, VILMA B. VILLANUEVA, MARCIANO G. DELSON and GENELITA G. MANANDIC.

- a. The Company is not aware of any bankruptcy petition filed by or against any business which any of the abovementioned directors/officers was a general partner or executive officer at anytime within five (5) years;
- b. The Company is not aware of any conviction by final judgment for any offense, in a criminal proceedings, domestic or foreign, or being the subject of a pending criminal proceeding of any of the above-mentioned directors/officers;
- c. The Company is not aware of any order, judgment or decrec, not subsequently reversed, suspended, or vacated, by any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above-mentioned directors/officers in any type of business, securities, commodities or banking activities;
- d. The Company is not aware of any findings by a domestic or foreign court of competent jurisdiction, the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, that any of the above-mentioned directors/officers has violated a securities or commodities law or regulation and said judgment has not been reversed, suspended or vacated.

While there are cases in which Mr. Desiderio L. Laperal, is named individually as party-litigant, said cases do not directly or indirectly concern or pertain to the Registrant corporation, Imperial Resources Incorporated and its subsidiary, but are cases which name him as representative or individually outside of Imperial Resources Incorporation and its subsidiary. Please see the list of cases hereto attached as Annex "B".

NUMBER OF INDEPENDENT DIRECTORS

All companies are encouraged to have independent directors. However, issuers of registered securities and public companies are required to have at least two (2) independent directors or at least twenty percent (20%) of its board size, whichever is lesser. *Provided, further*, that said companies may choose to have more independent directors in their boards than as above-required.

The nominees for election as Independent Directors of the Board of Directors on July 10, 2025 are as follows:

Nominees of Independent Directors	Person/Group Recommending Nomination	Relation of (a) and (b)
(a)	(b)	
Dean Marciano G. Delson	Mr. Oliverio L. Laperal, Jr.	None
Ms. Genelita G. Manandic	Atty. Jesus Vicente B. Capellan	None

C. NOMINEES FOR ELECTION AS MEMBERS OF THE BOARD OF DIRECTORS.

For the year 2025, the Chairman of the Nomination Committee is Atty. Jesus Vicente B. Capellan, with the following members, Mr. Oliverio L. Laperal, Jr. and Ms. Genelita G. Manandic, as Independent Director.

The nominees for election of the Board of Directors on July 10, 2025 are as follows:

1. Atty. Horacio M. Pascual
2. Mr. Desiderio L. Laperal
3. Mr. Oliverio L. Laperal, Jr.
4. Ms. Vilma B. Villanueva
5. Atty. Jesus Vicente B. Capellan
6. Ms. Genelita G. Manandic (Independent Director) and
7. Dean Marciano G. Delson (Independent Director)

ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

(a) General and Summary Compensation Table
ANNUAL COMPENSATION

(a) Name and Principal Position	(b) Year	(c) Salary (P)	(d) 13 th Month/ Bonus (P)	(e) *Other Annual Compensation
Oliverio L. Laperal, Jr. President/Chief Executive Officer	2023	No Compensation Allowance - 60,000	- 5,000	45,000.00
	2024	No Compensation Allowance - 60,000	- 5,000	25,000.00
	2025	No Compensation Allowance - 60,000	- 5,000	35,000.00

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Desiderio L. Laperal Chief Financial Officer/ Vice-President/Treasurer	2023	No Compensation Allowance - 60,000.00	- 5,000	45,000.00
	2024	No Compensation Allowance - 60,000.00	- 5,000	25,000.00
	2025	No Compensation Allowance = 60,000.00	- 5,000	35,000.00
A.Jesus Vicente B. Capellan Corporate Secretary	2023	300,000.00	25,000.00	45,000.00
	2024	300,000.00	25,000.00	35,000.00
	2025	300,000.00	25,000.00	35,000.00
B.Vilma B. Villanueva Assistant Treasurer/ Comptroller	2023	513,096.00	42,758.00	45,000.00
	2024	513,096.00	42,758.00	35,000.00
	2025	513,096.00	42,758.00	35,000.00
C.Bernadette S. Magahis Secretary to the President/CEO	2023	474,456.00	39,538.00	-
	2024	474,456.00	39,538.00	-
	2025	474,456.00	39,538.00	-
D.All Other Officers and Directors as a group E. Unnamed	2023	-	-	85,000.00
	2024	-	-	135,000.00
	2025	-	-	105,000.00

** The "Other Annual Compensation" column represents the per diem paid to all the members of the Board of Directors for their attendance in the regular and special meetings of the Board.

For the year 2025, the figures under columns (c), (d) and (e) are estimated figures only.

(3) COMPENSATION OF DIRECTORS

Except for the two (2) directors who receive a monthly allowance of Php5,000.00 each starting April 2019, the members of the board of directors do not receive fixed compensation but are given *per diem* for every attendance in the regular and special meeting of Ten Thousand Pesos (Php10,000.00). The *per diem* for the attendance of each member in the annual stockholders' meeting followed by the organizational meeting or special stockholders' meeting is Fifteen Thousand Pesos (Php15,000.00).

During the year 2024, there were two (2) special meetings of the Board of Directors and one (1) Annual Stockholders' meeting held. There were two (2) recorded absence during the three (3) meetings held onsite and through video conferencing. Also in 2023 there were three (3) special meetings of the Board of Directors and one (1) Annual Stockholders' meeting held onsite and through video conferencing where there was one (1) recorded absence.

Other than the standard arrangements pursuant to which the directors of the Registrant are compensated, there are no other arrangements nor consulting contracts, pursuant to which any director of the Registrant was compensated, or is to be compensated, directly or indirectly, during the Registrant's last completed fiscal year and the ensuing year, for any service provided as a director. Other than the *per diem* paid, there are no other arrangements, bonuses, profit sharing, or other similar plans, which arrangements forming part of the compensation, hence, the details being asked could not be discussed nor disclosed.

i. EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS.

There are no employment contracts and termination of employment and change-in-control arrangements during 2024, hence, the details being asked could not be discussed or disclosed.

(5) WARRANTS AND STOCK OPTIONS OF OFFICERS AND DIRECTORS

During the year covered by this report up to date of this report, none of the Officers or Directors are recipient of stock options, warrants or rights.

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

As stated in the information statement under "Other Events" and in compliance with the principles of good corporate governance and best business practices, the Board constituted committees, which are the (1) Nomination Committee (2) Audit Committee and (3) Compensation and Remuneration Committee, through the process of election during organizational meeting of the officers of the Company. The term of the elected members is for one (1) year. The election of candidates takes into consideration the qualifications and disqualifications of nominees. Each of the three (3) Committees is composed of three (3) members of the board, one of whom shall be an independent director and shall have adequate understanding or competence of the Company's financial management system and environment. For the year 2023, the Chairman of the Audit Committee is Ms. Genelita G. Manandic, Independent Director, with following member, Mr. Desiderio L. Laperal, and Atty. Horacio M. Pascual.

- (a) In December 2010, the Group engaged the services of Villaruz, Villaruz & Co., CPAs, with office address at Unit 3, Level 9, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila, to audit the financial statements of Imperial Resources Incorporated (Parent Corporation) and Philippine Cyber College Corp. (Subsidiary) as at December 31, 2010. Said auditing firm audited the financial statements of the Parent Corporation and its Subsidiary for the succeeding years.

Representatives of Villaruz, Villaruz & Co., CPAs, are expected to be present at the annual stockholders' meeting with an opportunity to make statement, if they so desire, and will be available to entertain appropriate questions.

- (b) In conformity with Section D, Item VIII of the Company's Manual on Corporate Governance (Manual), the handling partner of Villaruz, Villaruz & Co., CPAs, as the Company's independent auditor, shall be changed every five (5) years or earlier. For the years 2010 to 2013, inclusive, the signing partner was Mrs. Normita L. Villaruz and for the years 2014 to 2018, the signing partner is Mr. George V. Villaruz. For the year 2019, the signing partner is Mrs. Normita L. Villaruz. The Group will rotate the signing partner of its external auditors at least every five (5) years to comply with the requirements of SRC Rule 68 (3)(b)(iv).

No case of independent accountant who declined to stand for re-election after completion of the current audit or was dismissed. The audit committee recommended Villaruz, Villaruz & Co., CPAs for the ensuing year to act as the external auditor of the Company.

ITEM 8. COMPENSATION PLANS

No action shall be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

- a. The Company has no stock options, warrants or rights;
- b. Likewise, there is no other type of compensation plan;
- c. There is no compensation plan which has been taken up.

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Thus, the details being asked could not be discussed nor disclosed. In the same manner no other type of compensation plan, consequently, no details can be discussed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

ITEM 9. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

No action will be taken with respect to the authorization or issuance of any securities otherwise for exchange for outstanding securities of the Registrant. Hence, no information required can be given.

ITEM 10. MODIFICATION OR EXCHANGE OF SECURITIES

No action will be taken with respect to the modification of any class of securities of the Registrant or the issuance or authorization for issuance of one class of securities of the Registrant in exchange for outstanding securities of another class.

All other instruction contained in letters (a) through (g) are not applicable.

ITEM 11. FINANCIAL AND OTHER INFORMATION

(a) Information required.

No other action will be taken with respect to any matter specified in ITEM 9 or ITEM 10, hence, the information required in numbers 1, 4 and 5 with the exception of management discussion and analysis and plan of operation will be included in this information. Representatives of the principal accountants are expected to be present at the security holders meeting where they have the opportunity to make a statement, if they so desire, or are expected to respond to relevant queries which are presented or submitted.

ITEM 12. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS

No action will be taken with respect to any transaction involving merger, consolidation, acquisition or similar matters, hence, the discussion with respect to the details thereto cannot be given.

All matters asked concerning letters (a), (b), and (c) cannot be given owing to the absence of transactions.

ITEM 13. ACQUISITION OR DISPOSITION OF PROPERTY

No action will be taken with respect to the acquisition or disposition of any property, hence, no information can be given on the matters asked in (a) to (d).

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ITEM 14. RESTATEMENT OF ACCOUNTS

No action will be taken with respect to the restatement of any asset, capital or surplus account of the Registrant, hence, no information on matters asked can be given.

D. OTHER MATTERS

Suggestions and/or proposals are open to all stockholders of record.

ITEM 15. ACTION WITH RESPECT TO REPORTS

All minutes of meeting of the Directors are included in Item 8 of the agenda. Likewise, all reports of its directors, officers, or committees are included in the minutes of meetings of the security holders. Specifically, the -

1. Approval of the Minutes of the regular annual stockholders' meeting held on July 11, 2024.
2. Approval by the stockholders of the Annual Report and the Financial Statements of the Company as of December 31, 2024.
3. Election of seven (7) members of the Board of Directors inclusive of two (2) Independent Directors.
4. Ratification of the appointment of Villaruz, Villaruz & Co. CPA's as Independent Auditor of Imperial Resources, Incorporated with business address at Unit 3 Level 9 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.
5. Ratification of all acts, contracts, resolutions, and proceedings of the Board of Directors and Corporate Officers acting within the scope of their designated authority, from July 11, 2024 Annual Stockholders' Meeting until the present July 10, 2025, are included in said reports. These refers to acts, contracts, and proceedings of the Board of Directors and Corporate Officers which shall be approved and thenceforth, ratified by the security holders. All actions of the Board of Directors shall be approved in the annual stockholders' meeting.

Such matter intended for approval or disapproval of any action to be taken have been acted upon in the resolutions passed and approved in the meetings and after proper discussion of the Board, Committees of the Board.

As stated, such matter intended for approval or disapproval have already been acted upon, to a vote of security holders, or by immediate action as called for.

ITEM 16. MATTERS NOT REQUIRED TO BE SUBMITTED

No action is to be taken with respect to any matter which is not required to be submitted to a vote by security holders.

ITEM 17. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS

No pending proposals for amendment of the charter, by-laws or other documents which may be submitted to a vote by security holders.

ITEM 18. OTHER PROPOSED ACTION

No other proposed action will be taken up with respect to any matter for the approval of the proposed exchange of shares of stock with real estate whose appraised value is less than ten (10%) percent of increased capital stock of the corporation.

ITEM 19. VOTING PROCEDURES

Meetings of Stockholders

Regular meetings of stockholders shall be held annually on the 2nd Thursday of July of each year, at the principal office of the corporation, Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila or, if not applicable, at any place in Metro Manila. Written notice of regular meetings may be sent at least twenty-one (21) days to all stockholders of record through the postal or private courier service system, electronic mail, facsimile, short messaging system or such other manner as the Securities and Exchange Commission shall allow under its guidelines.

At each regular meeting of stockholders, the board of directors shall endeavor to present to stockholders the following:

1. The minutes of the most recent regular meeting which shall include, among others:
 - a. A description of the voting and the vote tabulation procedures used in the previous meetings;
 - b. A description of the opportunity given to stockholders to ask questions and record of the questions asked and answers given;
 - c. The matters discussed and resolutions reached;
 - d. A record of the voting results for each agenda item;
 - e. A list of directors, officers and stockholders who attended the meeting, and,
 - f. Such other items that the Securities and Exchange Commission may require in the interest of good corporate governance and protection of minority stockholders;

ATTENDEES IN 2024 ANNUAL STOCKHOLDERS MEETING
Atty. Horacio M. Pascual
Mr. Desiderio L. Laperal
Mr. Oliverio L. Laperal
Atty. Jesus Vicente B. Capellan
Ms. Vilma B. Villanueva
Ms. Genelita G. Manandic
Dean Marciano G. Delson

RESULTS OF 2024 REGULAR ANNUAL STOCKHOLDERS

Nominee	Position	Votes	Abstain	Percentage of Votes Cast
Horacio M. Pascual	Chairman/Director	574,497,545	None	88.0456%
Oliverio L. Laperal, Jr.	President/Director	574,497,545	None	88.0456%
Desiderio L. Laperal	Vice-President/ Treasurer/Director	574,497,545	None	88.0456%

Vilma B. Villanueva	Chief Accounting Officer/ Asst. Treasurer/Director	574,497,545	None	88.0456%
Jesus Vicente B. Capellan	Corporate Secretary/ Compliance Officer/ Director	574,497,545	None	88.0456%
Genelita G. Manandic	Independent Director	574,497,545	None	88.0456%
Marciano G. Delson	Independent Director	574,497,545	None	88.0456%

Submission in the Agenda For Approval	Votes	Abstain	Percentage of Votes Cast
Approval of the Minutes of Regular Annual Stockholders' Meeting held on July 11, 2024	574,497,545	None	88.0456%
Approval by the stockholders of the Annual Report and the Financial Statements of the Corporation	574,497,545	None	88.0456%
Ratification of the appointment of Villaruz, Villaruz & Co., CPA's as Independent Auditor of Imperial Resources Incorporated, with business address at Unit 3 Level 9 Galleria Corporate Center, E. delos Santos Avenue, Quezon City, Metro Manila	574,497,545	None	88.0456%
Ratification of all acts, contracts, resolutions and proceedings of the Board of Directors and Corporate Officers acting within the scope of their designated authority from July 11, 2024 Annual Stockholders' Meeting until the present July 10, 2025	574,497,545	None	88.0456%

Total No. of Common Shares Outstanding	Par Value per Share	No. of Shares Present in Person	No. of Shares Present by Holders of Proxy	Votes Cast	Percent of the Votes Cast
652,500,000	Php1.00	5,311,500 (0.8140%)	569,186,045 (87.2316%)	574,497,545	88.0456%

The items in the agenda during the regular annual stockholder's meeting last July 11, 2024, and which were submitted for the consideration and approval by the taking of votes, specifically, the procedure thereof; the questions, answers and/or discussions made; the results of votes; and, the resolutions reached were all recorded in the minutes of the proceedings, hereto attached as Annex "G" and made as integral part hereof. The inquiries and discussions made during the regular annual stockholders' meeting were not material but mere formal clarifications that do not affect the substantial rights of equity stockholders. While the voting results of each item in the agenda show the unanimous vote and approval thereof.

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INCORPORATION BY REFERENCE

Incorporated hereto, by reference as Annex "A" is the Management Report; Annex "B" is the lists of cases where Mr. Oliverio L. Laperal, Jr. and Mr. Desiderio L. Laperal are joined as parties-litigants and which are outside of or extraneous to Imperial Resources Incorporated; Annex "C" is the Resume of directors and officers; Annex "D" is the Quarterly Report 17-Q as of March 31, 2025; Annex "E" is 2024 Audited Consolidated Financial Statements as at December 31, 2024 of Imperial Resources Incorporated; Annex "F" is the Certification of Independent Directors; and Annex "G" is Minutes of Regular Annual Stockholders' Meeting dated July 11, 2024.

PART II

SIGNATURE

After reasonable inquiry and to the best of my knowledge, I certify that the information set forth in this report are true, complete and correct. This report is signed in Makati City on May 30, 2025. The Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

IMPERIAL RESOURCES INCORPORATED
Issuer

May 30, 2025
Date

JESUS VICENTE B. CAPELLAN
Corporate Secretary

BUSINESS AND GENERAL INFORMATION**PART 1 - BUSINESS****(A) Description of Business –****1. BUSINESS DEVELOPMENT**

On September 5, 1969, Imperial Resources Incorporated (the Company) was incorporated in the Philippines, with the principal purpose of engaging in the mining and oil exploration business. Its capitalization was Php25 million with P0.01 par value per share or 2.5 billion common shares of stock. In 1970 the shares of the Company were listed in the Philippine Stock Exchange. Pursuing its primary purpose, the Company conducted an onshore drilling in Badian, Cebu. This did not result to a discovery of gas and oil. Thereafter, the Company participated in twelve (12) offshore oil drilling in the South Sulu Sea and Reed Bank area in partnership with three (3) internationally-renowned oil companies despite its limited resources. Again, there was no commercial oil or gas discovery in all its offshore drillings. With depleted financial resources the company decided to close its mining and oil exploration projects.

In 2000, the Company amended its articles of incorporation making the business of Information Technology (IT) as its primary purpose and the mining and oil exploration as one of its secondary purposes. In line with this, the Company established Philippine Cyber College Corporation (PCC) as its 99 % per cent-owned subsidiary which operated two (2) I.T. learning centers, one in Baguio City and another at Malolos City, Bulacan until the end of school year 2007-2008.

In 2007 after the approval by the board of directors, the stockholders and finally the SEC the change of the par value of the Company's common shares of stock from Php 0.01 to Php 5.00 was implemented in the Philippine Stock Exchange.

In 2009 after closing the two (2) I.T. learning centers, PCC opened a techno-vocational training project in Pasay City to train students to become world class welders. However, it operated only until the latter part of 2009.

A Memorandum of Agreement was executed in January, 2009 by the Company and P.T. Aspal Buton Nasional, an Indonesian company, which owns about 2,900 hectares of Asphalt Mining Concession in Sulawesi, Indonesia, whereby the Company was given exclusive rights to explore and evaluate the mining property and subsequently exploit, develop and bring it to commercial production. Series of geophysical and geologic studies and surveys were conducted in the ensuing years as basis for the preparation of a Project Feasibility Report.

On March 29, 2011, the Board of Directors held a special meeting wherein the change of par value of the shares of stock of the Company from Five Pesos (Php5.00) to one Peso (Php1.00) per share was approved. This was subsequently ratified by the stockholders during the regular annual stockholders' meeting held on July 14, 2011.

In 2015 the Company received proposals to venture into silica sand mining to address the demand of companies in the manufacture of flat glass and glass bottles. A project cost study was presented to the Company for analysis, discussion, evaluation and consideration. Thereupon, initial findings show that the project is financially viable and promising.

The Company, however, after making further studies on the sustainability of the project owing to the latest environmental policies, regulations and pronouncements made by the various government agencies on mining and the local peace and order situation in the proposed silica sand mining sites, the management has decided to keep the project on hold temporarily.

On March 28, 2016, the Board of Directors held a special meeting wherein the declassification of the shares of stock of the Parent Entity from Common Class 'A' and Class "B" to Common Stock voting shares was approved. This was subsequently confirmed and ratified by the stockholders during the regular annual stockholders' meeting held on July 14, 2016.

The change of par value and the declassification of the Class "A" and Class "B" shares of stock into Common stock were approved by the SEC on February 10, 2017 and PSE implemented the said changes on February 22, 2017.

The Company since its incorporation has never experienced bankruptcy, receivership or similar proceeding because the majority stockholders have committed to support financially the Company's operations through payments of their unpaid subscription even in the absence of a formal call by the Board of Directors and cash advances as needed. There are no new material classification, merger, or purchase or sale of a significant amount of assets not in the ordinary course of business.

2. BUSINESS OF ISSUER

a. Mining

a.1. Asphalt

In 2009 the Indonesian partners obtained the services of Jurusan Teknik Pertambangan, Fakultas Teknologi Mineral, Universitas Pembangunan Nasional "Veteran" Yogyakarta to conduct a geophysics and geophysical (Electric Resistivity) study of the Buton asphalt in Wakaokili and Waangu-angu, Pasarwajo, Kabupaten Buton. The geophysical interpretation data was necessary to determine the site for drilling exploration and depth and thickness of asphalt bearing rock. The cost of the survey amounting to US \$100,000 was included and capitalized as E&E Assets.

The scope of work done involved geologic survey, geophysical resistivity measurement and rock bearing asphalt interpretation, resource estimation with inferred classification and determination of drilling exploration area.

The preparation of work included licensing, collection of secondary data and literature, preparation of equipment and materials, establishment of team work and preliminary field survey. Reconnaissance in the areas was done to assess the geophysical, social and cultural conditions. Geologic mapping of the existence of asphalt was done. Electric resistivity or electrical geophysics was used to measure the underground conditions which utilized differences in electric potential to identify subsurface material.

The final report on the Electric Resistivity Survey showed the following:

1. Asphalt resources or reserves in Waangu-angu Block with inferred resources classification of 39,083,000 m³.
2. Asphalt resources or reserves in Wakaokili Block with inferred resources classification of 16,963,000 m³.
3. Recommendations:
 - a. To get exact resources or reserves the electric resistivity survey done should be followed by detail drilling exploration.

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- b. Drilling area recommended was the Western part of Waangu-angu Concession and Southern part of Wakaokili Concession with the limit equal to the bottom deep of sandstone layer.

Additional geological and geophysical surveys for the second phase of the Exploration Program entailed additional pouring of funds in the project during 2010, which were capitalized as Exploration and Evaluation Asset.

In August, 2010 the Company furnished a few samples of rocks gathered from the mining property to Toyo-Union Co. Ltd. (TUCL) and expressed an intention to have a business association with them, subject to some terms and conditions, including confidentiality and exclusivity rights reserved for the Company. This was firmed up through a Memorandum of Agreement signed on September 13, 2010. During 2011, the engineers and geologists of TUCL together with the engineers from Aspal Buton Nasional were able to go to the asphalt concession areas and collected about sixty (60) kilos of samples and TUCL were able to bring the samples to Tokyo. However, this project with TUCL did not prosper.

During the second half of 2011, the two asphalt concessions were expiring. However, because of the significant geophysical electric resistivity survey arranged and conducted by Aspal Buton Nasional, and funded by the Company, the Company decided to extend the validity of the asphalt concessions. After further geophysics activities and meeting all requirements, with the funding from the Company, the Indonesian partners were able to secure the approval for extension of the exploration concessions for additional period of two (2) years. Again, in 2013, the Company financed the cost of another extension of the lease of its mining concessions.

In 2011, the Company has spent US\$220,000 for additional geologic works/studies needed for the preparation of the project feasibility report and environmental impact report required pending conversion of PT Aspal Buton Nasional Exploration permit to Development and Exploitation permit. In 2012, the Company spent US\$120,000 for more geological works/studies. The Project Feasibility Report and Environmental Impact Report written in Bahasa Indonesia upon completion were submitted to the Indonesian authorities for approval. The Company funded the translation of the Project Feasibility Report and Environmental Impact Report from Bahasa Indonesia to English in 2012. These English version reports would be used by the Company in looking for and negotiating with foreign investors for possible tie-up or capital funding considering that this project entails a huge capital outlay.

In April and November of 2013, the Company remitted to Mr. Eddie Surohadi a total of US\$120,000 to cover the cost of initial development and production of the metal project.

In 2014, the Company spent US\$50,000 for obtaining informal approval for exploitation concession of the 1,722 hectares located at Waangu-Angu area and US\$ 52,000 for the preparation of the required technical reports on post-production program to restore most of the mined-in areas to usable condition.

Forming parts of the mining explorations activities and based on the results of the review and evaluation, PT Aspal Buton Nasional was qualified to be given approval on the increase in activity under the Production Operation Mining Agreement. Pursuant thereto, a Decree of the Regent of Buton, identified as No. 333 Year 2014 and No. 334 Year 2014, covered under the title of *"Improved Operating License Agreement Mining Exploration Permits Mining Operations into Production PT. ASPAL BUTON NASIONAL"* were issued on April 28, 2014. The region wide Mining Permit under Decree 333 Year 2014 covers 218.5 hectares while Decree No. 334 Year 2014 covers 1,722 hectares both located at Waangu-Angu, Pasarwajo, District of Buton, province of Southeast Sulawesi.

The Mining Permit Term is for twenty (20) years: two (2) years for Stage Construction and eighteen (18) years for Stage Production and can be extended twice (2x), respectively for ten (10) years. This decree enumerates all the laws embodying the terms, conditions and national and local government regulations to be implemented in the furtherance of the mining production activities. Extraction of mining resources potentially damage the environment, therefore, there is a need to control and keep the damages to a minimum level. Good mining practices, post-mine land use, community developments in cooperation with regional and local communities and support poverty alleviation programs are some salient points in the decree. These are covered under the laws on the Protection and Environmental Management, Environmental Impact Analysis Understanding, Forest Arrangement and Preparation of Forest Management Plan and Forest Utilization. Hence, there is a need for integrated sustainability to control and keep the damages to a minimum level on the extraction of mineral resources which may potentially damage the environment.

Proceeding to the production operation stage during the early part of 2015 in compliance with governmental laws especially on Environmental management Mr. Eddy Surohadi, for the account of PT Aspal Buton and PT Indominas, presented a budget to cover the cost of technical and tax expenses on the CNC (Clean and Clear Certificate) IUP Production Program for the 1,722 hectares. The total estimated expenses amounting to US\$ 99,250 were presented as follows:

1. Reclamation Guarantee	US\$ 30,000 - 4 Has @ 7,500/Ha.
2. Mine Closure Guarantee	US\$ 30,000 - 4 Has @ 7,500/Ha.
3. Earth and Building Tax	950 -
4. Annual Fee Tax	550
5. Work Plan and Budget Cost	5,000
6. Annual Work Plan and Environment Engineering	5,000
7. Report on Implementation of the Management And Environment Monitoring	2,500
8. Construction and Installation of the mining area 1,722 Ha. Boundary	22,000
9. Miscellaneous expenses	3,250
TOTAL	US\$ 99,250

The Company remitted the amount of US\$99,250.00 to Mr. Eddy Surohadi for the account of PT Aspal Buton and PT Indominas to cover the said budget and expenses.

In the third quarter of 2015, Mr. Oliverio G. Laperal, Sr. then the incumbent President and Chief Executive Officer, suffered a stroke that incapacitated him. Consequently, all funding requirements for the Indonesian project were temporarily suspended. From the start of the Project, it was only Mr. Oliverio G. Laperal, Sr. who had been actively involved with the Indonesian partners. The Indonesian partners directly reported to Mr. Laperal about the status, progress, development of the project including the financial and technical requirements and disposition of budgets released to them. From the time Mr. Oliverio Laperal, Sr. got sick and until his death in 2018 there was no formal report submitted to the Company about the status of the project. It was learned however that the Indonesian partners have been continuously looking for foreign partners to invest in the project by way of joint venture agreements because of its viability.

On March 16, 2017, in the special meeting of the Board of Directors, it was resolved that while the Company was proceeding with caution and at the same time re-evaluating its Indonesian mining project owing to the precipitous fall in the world price of crude, the Company was inclined to pursue the said project especially so that the Indonesian partners have been continuously looking for foreign partners to invest capital needed.

10/10/2018

A preliminary study and evaluation, was be made on silica mineral mining venture as priorly been proposed and discussed based on new Government laws and policies pertaining to the mining industry. Management deemed prudent not to pursue the project. Towards this end, the Laperal family through LTC Real Estate Corporation committed to support and fund the said projects.

a.2. Precious Metals

On January 17, 2010, the Company signed a Memorandum of Agreement with PT. Indominas, an Indonesian Company duly organized and existing under the laws of the Republic of Indonesia, with principal office address at JL. Klampis Anom II/29, Surabaya, Indonesia (referred to as Claimowners). After January 17, 2010, the Claimowners expect to be granted Mining Rights by the government state corporation Perusahaan Daerah (Perusda) Pd. Utama Sultra of South East Sulawesi of the Republic of Indonesia, covering an approximate 4,779 hectares mining exploration concession at South East Sulawesi Province, of the Republic of Indonesia. The Claim owners granted the Company the exclusive rights to do preliminary studies before choosing the area to be developed. If the results of the studies are favorable, the Company shall pay another US\$170,000 upon approval of the conversion of the selected arcas into exploration concession. Within thirty (30) days after the Claimowners shall have obtained and delivered all government approvals, permits, extensions and licenses, the Company at its sole expense shall start geological and geophysical surveys on the mining concessions for the purpose of determining the potentials for commercial operations, development and exploitation of the above-mentioned mining concessions. In 2010, preliminary studies on the said area have started. The preliminary geologic survey on the proposed subject area indicated possible deposits. Outside and a bit far from the subject area there were many gold panners.

The Company has been awaiting the results of the study and further evaluation of the peace and order situation in the areas covered by the Indonesian partners;

b. Information Technology (IT) Related Business

b.1. I.T. Education

b.1.a. Description

PCC's IT learning centers in Baguio City (PCC-Baguio) and Malolos, Bulacan (PCC-Malolos) started operations in 2001. These two learning centers were accredited with Technical Education and Skills Development Authority (TESDA). The methodologies and teaching curriculum of the two learning centers were patterned after Singapore's "higher educational system for Information Technology" which was prepared by Tata Conglomerate Group (TATA) from India. PCC's educational system was drawn under the supervision of TATA and the University of Sto. Tomas (UST).

PCC-Baguio and PCC-Malolos gained accreditation to offer courses for CISCO, Microsoft, Oracle and Sun Microsystem. Relative to its accreditation with CISCO, both centers entered into a CISCO Networking Academy "Local Academy Agreement" with UST, a CISCO Regional Academy. PCC-Malolos was named one of the two best CISCO local academies in the Philippines in 2005. This agreement was not renewed after the two centers temporarily suspended their operations. The other courses offered were Web Developer, Data Developer, Server Back-End Management, Business Automation Provider, E-Commerce Programming and Network Management and Administration.

The Company's awareness of its social responsibility was shown by PCC-Malolos working in partnership with the Provincial Government of Malolos, Bulacan through it's "Joint Livelihood Project" by offering its IT courses to less fortunate students from Bulacan at a much lower cost. All students who

2010-2011
2011-2012
2012-2013

graduated under this program gained employment. Unfortunately, this program was terminated by the Bulacan government in May, 2007.

During the years that the two learning centers operated, they produced highly competent graduates who were able to land good paying jobs locally and abroad. Because of the continuous losses incurred by the two learning centers, their operations were suspended at the end of school year 2007-2008.

c. Technical-Vocational Education, Training and Assessment Project

c.1.a Description

In March 2008, PCC put up training facility in Pasay City focused on Applied Metals Engineering Skills requirements starting with the development of First Class welders in Submerged Metal Arc Welding (SMAW) or stick welding; Tungsten Inert Gas Welding (TIG also called Gas Tungsten Arc Welding or GTAW) for stainless steel, aluminum and other special alloys; and Gas Metal Arc Welding (GMAW) for continuous welds. In the following year after this training facility secured its accreditation with Technical Education and Skills Development Authority (TESDA) it started operating.

During 2009 there were about a hundred students under the TESDA PGMA Scholarship Program who successfully passed the independent TESDA-approved Assessor's assessment program. Most of them gained employment abroad through TESDA. About twenty one (21) of them were recommended by TESDA for employment with Negros Navigation. TESDA temporarily cut its PGMA Scholarship Program when funds were depleted. Since this was the mainstay of welding schools for sustaining their operations and PCC's marketing efforts with shipping establishments and placement agencies did not bear fruit it was forced to suspend its operations. Management has finally decided to phase-off its Techno-Vocational Project. It has concentrated its financial resources on the development of its Indonesian mining project and will focus its efforts and resources on the more promising economic and financially lucrative Indonesian mining project.

The Group has no reported income since PCC suspended its operations in 2009.

On March 20, 2013, at the meeting of the Management Committee, wherein , all members who are also directors were present and representing majority of the members of the Board of Directors unanimously resolved and approved the dormancy status of its Subsidiary (PCC) due to its non-operation since 2010 and because of the significant losses incurred by the Company.

The Parent Company has committed to continue providing financial support to (PCC) for its working capital and payment of all its debts when these fall due. Given the financial condition of PCC, the Parent Company does not demand immediate repayment of its advances.

In 2015, PCC entertained inquiries or proposals to lease its building in Baguio City. The management was hoping to have the building rented out in 2016 and was looking at rental income of about Thirty Five Thousand Pesos (P35,000) per month. Consequently, PCC changed its basis of accounting from liquidation basis to going-concern basis.

In 2016, an interested party proposed to rent the building to be used as its marketing office for Thirty Five Thousand Pesos (P35,000) per month. On March 16, 2017, at the special meeting of the Board of Directors, it was resolved that the Vice-Chairman and Vice-President, is authorized and empowered to negotiate, transact, conclude, execute and sign, for and in behalf of PCC, agreements or contracts for the lease of the property in Baguio as well as to deliver such necessary records, documents

or papers pertinent to or in its implementation. It was resolved further that the same person is authorized and empowered to agree on the terms, conditions and stipulations, and the price of the lease, for the best interest of PCC. However, due to the change of marketing plans of the prospective lessee the lease agreement was not finalized. Early in 2018 an interested party made an offer to lease the building to be used as a primary school for Forty Thousand Pesos (P40,000) per month. However, the negotiation bogged down.

Despite the presence of a caretaker to prevent informal settlers to enter and use the building as their dwelling place and as additional deterrent management in 2013 decided to allow Philippine National Internal Affairs Services (PNPI-AS) to use a portion of the ground floor as its office for free. During the latter part of 2018 the PNP-IAS moved out of the property. In 2019, the management repaired and repainted the building in order to better attract potential lessees considering its good location.

In June 2020 management received a proposal from an educational institution to lease the Baguio property to set up a school for its mainstream learning and distant learning programs at Pesos: Seventy-Five Thousand (Php75,000) per month. The prospective lessee wanted a minimum of five-year lease contract. Because of the stringent and changing policies of Dep-Ed due to the protocols, standards and quarantine restrictions set up by DOH and other government agencies the negotiation did not prosper.

In January, 2021 another interested party submitted a proposal to lease the Baguio property for its planned bed and breakfast business at Pesos: Seventy-Five Thousand (Php 75,000) per month for two (2) years. Management evaluated the proposal including some conditions proposed by the lessee in line with the short and long-term effects of the covid-19 pandemic on the business of the Company and the lessee. However, the negotiation was overtaken by the surge of COVID-19 (Delta Variant) cases in the area and the lessee did not pursue.

On February 15, 2023, an inquiry was received from an officer of the Registry of Deeds of Baguio City asking whether the School Building of Philippine Cyber College Corp. in Baguio City is available for lease. After a brief discussion, the prospective lessee was then requested to submit its proposal(s) and/or Letter of Intent for the consideration of the Board. From there, the office has yet to receive the desired letter of firm interest to lease.

In March, 2023 PCCC received a proposal from an entity in the food industry business specializing on Korean cakes, pastries and bread to rent the former's Baguio City property for its expansion program in the area. The prospective lessee proposed a P100,000 per month rent for three (3) years with a five per cent (5%) increase every after two (2) years and payment of one (1) month deposit and two (2) months advance rent for a term of five (5) years with an option to renew. For its proposed building renovation, it submitted a site development plan, ground floor plan and second-storey plan. Management studied and evaluated the proposal considering the prevailing market climate. However, no further negotiation took place.

The Parent Company and PCC are not holding any patent, trademark, copyright or franchise.

GOVERNMENTAL APPROVAL, REGULATIONS AND ENVIRONMENTAL LAWS

The Parent Company and PCC are committed to follow governmental laws and regulations governing the conduct of its operations. As of the date of this report, management is not aware of any

existing or probable government regulation which has or will have a great impact on the business of the Group. There is no environmental or mining law in the Philippines that significantly affects the projects of the Company at present or in the near future, since it does not have approved mining claim in the country. Since the Company is still in the pre-development and pre-exploration stage, and its mining project is located in Indonesia, no material cost is likely to be incurred as regards this matter.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

The Group has not been totally dependent on any single or few suppliers of equipment and materials needed in its operations. Party related transactions of the Group are discussed in detail on Note 19 of the Notes to Consolidated Financial Statements.

COMPANY OFFICE STAFF

In April 2019 the President and Vice President started receiving an allowance of P5,000/month. In 2019 two (2) employees resigned leaving six (6) employees all under operations. At the end of 2019, there were eight (8) employees including the President and the Vice President.

Because of the Covid-19 pandemic one (1) employee retired on August 31, 2020 leaving seven (7) employees as of December 31, 2020. Management hired an accounting assistant in May, 2021 as replacement. As of the end of 2022 and 2023 there were eight (8) employees.

The Company's regular employees are entitled to 13th month pay, SSS, PHIC and Pag-Ibig fund benefits including monetized rice subsidy, medical and dental benefits depending upon their length of service and separation pay as provided for by law.

Except for a non-contributory retirement pay benefit computed according to the requirements of R.A. 7641 known as "Retirement Pay Law" there are no profit-sharing benefits, long-term benefits, share-based payments and other post employment benefits.

The President and Vice-President agreed to forego their retirement benefits as a way of helping financially the company. As regards retirement benefits for the other employees the Company has applied PAS 19 (as amended-June, 2011). This is further discussed in Note 18 of the Notes to Consolidated Financial Statements.

The Company has been giving Two Thousand Pesos (P2,000) per month per employee since September, 2020, as additional benefit to cover increase in the cost of living and transportation expenses due to Covid-19 pandemic and lately the Russia-Ukraine war. This benefit being temporary in nature management has discontinued granting this benefit since October 2023 because the business climate improved and the threat of Covid-19 pandemic has been minimized. Management decided to grant an employee benefit De minimis as monetized rice subsidy in the amount of Two Thousand pesos per month starting in October 2023.

The Company's members of its Board and executives as well as regular employees are encouraged to attend accounting, tax and management seminars, conferences and other professional and business training programs offered by the government and private entities to enhance their skills and abilities in the performance of their assigned tasks and to be updated on policies, rules and regulations promulgated by various regulatory and governing bodies like BIR, SEC, PSE, etc. at the expense of the Company. All Board Members have been attending the Corporate Governance seminars as required by SEC. The Corporate Governance seminars attended by members of the board were the SEC-PSE Corporate Governance Forum (CG Forum) held on November 19, 2020 and November 19, 2021 via

Zoom Webinar. On November 24, 2023 majority of the members of the board attended the 10th annual SEC-PSE corporate governance forum.

During the year 2024 the Company's Corporate Secretary attended a Webinar on Protecting the NPO Sector against ML/TF Risks thru Compliance and Transparency sponsored by the Securities and Exchange Commission. He also attended a seminar on ISSB Applying the IFRS Sustainability Disclosure Standard sponsored by the Philippine Stock Exchange. Employees of the accounting department attended seminars sponsored by Home Development Mutual fund (Pag-ibig) Fund (HDMF) regarding updates on reporting procedures. They also attended seminars sponsored by the Bureau of Internal Revenue (BIR) regarding the implementation of various Revenue Memorandum Orders circulars passed during the year.

There is no company union, consequently, there is no collective bargaining agreement.

MAJOR RISKS

The Group does not have a Risk Management Committee which is not practicable at its current operational set up. Risk Management is the responsibility of the Board of Directors. Management has adopted sound accounting & auditing policies and measures in order to preserve its financial assets and fully maximize effectively their usage and sees to it that these are implemented and monitored. When circumstances warrant management formulates or update its polices to align with the demands of volatile business climate and ever-changing government economic policies, laws and regulations.

Cash and cash equivalents are deposited with stable and reputable banks. Placements normally have 35-day maturities, thereby, reducing the risk of change in value. The Group is not engaged in the trading of financial assets for speculative purposes. Presently, its source of cash comes primarily from cash advances from major stockholders and the payments of major stockholders of their subscription payables. Because of the commitment given by the major stockholders to continue supporting the financial operations of the Company by paying their subscription payables even in the absence of a formal call by the Board of Directors, or extending cash advances to the Company, exposure to liquidity risk is minimized.

The Company does not have any loans or notes payable, hence, it is not exposed to the risk of changing market interest rates. Furthermore, its cash and cash equivalents have fixed interest rates. The Company maintains foreign currency accounts to defray its mining pre-development costs, and is, therefore, exposed to currency risk. The Company has no material exposure to credit risks from outsiders.

Its Financial Assets are not used for collateral or other credit enhancement.

A more detailed analysis and discussion of the Group's Financial Assets in relation to financial risks such as credit risk, liquidity risk and market risk are presented in Note 6 of the Notes to the Consolidated Financial Statements.

OTHER RISKS

1. Climate Change

Many years back typhoon "Ondoy" caused a very destructive flooding in Metro Manila. The Company's office equipment, furniture and fixture, vehicles and some office documents and accounting records were destroyed during the said flood. This kind of risk was never anticipated by management. In 2010, the Company undertook preventive measures to avoid destruction of its assets and records in case

another catastrophe of that magnitude occurs. In the middle of 2011, the Company's office in Makati moved to a flood-free location. Also the Company was able to lease additional space for its Quezon City office to house some of its records and files.

In 2015 its Makati office transferred to a much better location at Barangay Bel-Air, Makati City.

This experience made the Company more aware of the manifestations of climate change wherein temperatures are rising, heatwaves, erratic rainfall patterns, drought, flood, typhoon and storms. These are the foremost considerations in evaluating mining projects being offered to the company and other business opportunities presented. Understanding and identifying the impacts, flow and patterns of climate changes in relation to the ecosystem and biodiversity and analyzing and evaluating the risks related to climate changes would put in place management responses and strategic planning.

Some of the strategic responses to climate change being implemented at the office are recycling and waste disposal management including water conservation. The use of secure online transactions have been encouraged to minimize the use of paper. The Company has been adopting cost effective measures like preventive maintenance of its air-conditioning units and vehicles, using energy-efficient lighting fixtures and turning off of computers and other devices when not in use. The use of motorcycles by company messengers instead of company vehicles has been encouraged to lessen gasoline expenses and to cut down carbon emissions. With all these initiatives taken by the Company it has contributed in mitigating the effects of global warming and enhancing the physical and natural environment.

In June, 2016 the building where the Company's Makati office was situated was partially destroyed by fire. Some office files were water-damaged. The lessor finished the repair and renovation of the partially damaged building including the Company office in 2017. The following year the Company moved its office to a more spacious room in the same building at a much higher rental cost.

The Annual Sustainability Report being submitted with SEC serves as guide for management in promulgating policies for risk management and evaluating the effects of the policies on the business operations.

Management is aware of the following risks that the Company will face in the future as regards its mining project:

1. Mining metals and non-metals is essentially risky and expensive and faced with multiple problems.
2. The prices of commodities are always subject to fluctuations.
3. All governments change its heads and regulations are subject to unpredictable changes and government laws and regulatory policies and corporate governance poses hazards to plan, execute and deliver on long-term projects.
4. The global weather is unpredictable because of climate change.
5. Many governments are demanding larger and larger share of the profits. Higher taxes and rents are seen as management problems.
6. Terms of contracts may be subjected to unpredictable changes.

Management's Responses and Outlook

1. The Company's main goal is to explore for less risky exploration and exploitation minerals.
2. Shorten exploration period and look for the most economical ways to explore and conduct the latest geological and geophysical techniques to minimize risks of exploration.
3. Management will engage experts to utilize proven hedge and financial initiatives to mitigate and minimize the inherent risks of the volatility of commodities.

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4. The Group is aware of the importance of community welfare and community relationship.
5. Strict observance of Covid-19 pandemic protocols to safeguard the health and well being of its employees and adopt measures to sustain business operations.

2. Corona Virus Disease (Covid-19) Pandemic

Impact of enhanced (ECQ) and moderate enhanced (MECQ) community quarantine on the operations of the company and its subsidiary

Immediately after the Government imposed the Enhanced Community Quarantine (ECQ) on March 15, 2020, management gave priority to the safety and well-being of its employees by temporarily stopping the operations of the Company. The quarantine entailed more expenses and difficulties for the employees to meet their daily needs and health issues. To allay the fears and anxieties of its employees facing uncertainties about their financial as well as health conditions one of the officers of the Company advanced the employees' 13th month pay and paid leave in full.

After two (2) months of lockdown on May 18, 2020 when the Modified Enhanced Community Quarantine (MECQ) was imposed the Company started operating again. The primary concern of the Company was how to keep its employees fit to work, protect them from being afflicted with the COVID-19 virus and implementing the many government -imposed restrictions and guidelines.

The following actions were taken up by the Company in line with the prescribed procedures by the government to mitigate the negative effects of the pandemic on its employees' mental well-being and physical and emotional health:

- a. The Company provided its personnel with shuttle service to and from work every day and for some, sleeping quarters, TV and laundry area within the office premises. However, the shuttle service assistance was discontinued sometime in 2022.
- b. Providing facial masks, face shields, isopropyl alcohol, hand sanitizers and or soap. The employees are obliged to wash/ sanitize their hands more often. Alcohol and sanitizers are provided to visitors upon entering the office.
- c. Appropriate social distancing is made a protocol not only inside but outside of the work place.
- d. Communications are done mostly through electronic mail or telephone.
- e. Frequent disinfection of the work place.
- f. Company-paid mandatory Rapid test and swab test if necessary. Employees are urged to be vigilant always and to disclose their health problems or possible exposure of the virus including their families or other persons they had close contact nwith. Free medical check-up and testing when perceived symptoms of COVID-19 are experienced.
- g. Providing Multi-vitamins, farm-fresh organic vegetables and fruits to strengthen the immune system of the employees.
- h. The Company since September, 2020 has granted a temporary COVID -19 related cash benefit to all employees at Pesos: Two Thousand (P2,000) per month per employee to help them cope with the rising cost of living, medical and transportation. This benefit will be discontinued as soon as the business condition improves at the discretion of management.
- i. Continuous dissemination of information to the employees on how to protect themselves and their families and prevent the spread of COVID-19 and inculcating the high cost of treatment of Covid-19.
- j. Management helped employees get into the vaccination program against Covid-19 in relation to the policies and programs implemented by the government. As of the end of December, 2022 most of its employees have been fully vaccinated.

12/27/2022
12/27/2022
12/27/2022

In July, 2020 one employee was tested positive of COVID -19. Management ordered a one-week lockdown and disinfection of the whole work area. After a month of quarantine, he recovered. Being a senior citizen, he opted to retire.

When Metro Manila shifted from MECQ to GCQ the government relaxed the guidelines for public transportation to operate, hence, more public transportation became available. However, management decided to continue providing transportation facilities to its employees to lessen their exposure to COVID-19.

Management has adopted new technological enhancements like using various modes of remote communication such as teleconferencing, videoconferencing and electronic mail system. The new normal way of conducting staff meetings is videoconferencing. All the meetings of the Board of Directors including the annual stockholders' meeting in 2021, 2022 and 2023 were held through videoconferencing. The members of the Board attended the PSE-SEC Corporate Governance Forum on July 10, 2020 and July 10, 2021 to keep abreast of the effects of the COVID-19 pandemic on the national economy and the people, risk management strategies, pursuit of corporate sustainability based on experiences from the pandemic and SEC regulatory updates. The members of the Board were enlightened about the importance of the sustainability reporting in mitigating various risks.

After studying, evaluating, and analyzing the Company's current office and work set-up and the nature of the work of the employees, management concluded that work-from-home mode of work is difficult to adopt. There are accounting activities and transactions doable only at the office. Employees lack computer equipment, inadequate internet connections at their homes, their home conditions are not suited for home-based work are some reasons why work-from-home cannot be adopted. The plan of management to adopt skeletal force to minimize cost was shelved because of limited manpower.

Because of the uncertainties, difficulties, challenges, changing government economic policies, and environmental and mining laws posed by the COVID-19 pandemic, on-going projects discussions and negotiations regarding business prospects have been suspended.

At the start of 2022 the country was besieged by the surge of Covid-19 Omicron variant, a highly contagious but less severe than the Delta variant. This scenario derailed whatever short-term growth the economy experienced. It had a great impact on the operations of the Group especially on its work force. Renewal of business permits and filing of various BIR year-end reports are usually done in January of each year. Because of the Omicron variant surge the work scheduling at the office was disrupted by absences of employees. Banks observed lockdowns which affected business transactions. Preparation and audit of financial reports were hampered. The extension of deadlines by the concerned government agencies eased somewhat the management's fear of not meeting the deadlines with the incidental penalties and surcharges. Government's progressing vaccination program, imposition of stringent health protocols and its past experiences in combating the surge of the Covid-19 pandemic helped reduce the Covid-19 Omicron variant cases.

The spill-over of the impact of the resurgence of Covid-19 Omicron from the first quarter of 2022 to the second quarter of 2022 contracted significantly the recovery of the Philippine economy. What aggravated the economic condition are the external uncertainties brought about by the continuing Ukraine-Russia conflict like the rising cost and supply disruption of fuel and food in the global market.

The extension by the Bureau of Internal Revenue (BIR) of the deadline for the filing of the income tax returns for the year ended December 31, 2021 to the end of the second quarter gave a big relief to the Company. During that time several employees got sick but recovered with an ample time to work on the financial reports, coordinate and collaborate with its external auditors and file said reports and tax return on time. The Securities and Exchange Commission (SEC) followed suit in extending the

deadline for the filing of the financial reports for the year ended December 31, 2021. The Company was able to file its quarterly reports and returns with SEC and BIR on time.

Management has continued giving its monthly Covid-19 related financial assistance of Pesos: Two Thousand (Php2,000.00) to its employees until October, 2023. In 2022 it suspended the transporting of its employees from home to office and back since the availability of transportation has gone back to normal levels. From time to time management provided farm fresh organic fruits and vegetables for the consumption of its employees.

(B) Description of Properties

As of December 31, 2024 the following are the properties of material value owned by the Group.

1. Investment Property - A parcel of land located at No. 1004 EDSA, Quezon City, covered by Transfer Certificate of Title No. N-307207 of the Register of Deeds of Quezon City with an area of Five Thousand (5,000) sq.m., more or less, issued under the name of Imperial Resources, Inc. was acquired in 2007 with a transfer value of Four Hundred Million Pesos (P400,000,000.00) as full payment for Thirty Four Million (34,000,000) Common Class "A" shares and Forty Six Million (46,000,000) Common Class "B" shares subscribed all at Five Pesos (P5.00) per share by Mr. Oliverio G. Laperal, Sr. This property is taken up as "Investment Property". The Company is in the process of opposing a request for reinstatement of lis pendens annotation with the Registry of Deeds of Quezon City with Reference No. 009783-10-000001. The Company's legal consultants confirmed that as an innocent purchaser for value of the land in question, cannot be prejudiced by lis pendens annotation that did not appear in the predecessor title of the land at the time of the transfer. Up to the date of this report, management has not received any communication with the Registry of Deeds and the lis pendens annotation has not been restored. There are informal settlers in the property. This property was appraised by Cuervo Appraisers, Inc., an SEC accredited appraiser. The appraisal value of this property as of December 31, 2022 is P889 Million. The appraisal value of the said property as of December 31, 2023 is P932 Million. and P1,035 Billion as of December 31, 2024. In computing the market value of the appraised property as of December 31, 2024, the appraiser used as in the past the Market Approach. Included in the analysis of the market data is the traditional valuation technique called "stripping method". This method divides the property into several parcels of appropriate strips conforming to the typical depth influence in the area.
2. School Building – In September, 2002, the school building constructed by Phil. Cyber College Corp. (PCC) for PCC Baguio Center was finished and inaugurated. The total cost amounted to Two Million Two Hundred Thousand Pesos (P2,200,000.00). The building is now fully depreciated but is in rentable condition.
3. Welding machines and equipment needed for the Techno-Vocational Education Training and Assessment courses of PCC costing of about P1.4 million were acquired in 2008. Management planned to dispose these assets and has been looking for interested buyers.
4. Transportation Equipment - A Toyota Innova acquired in 2009 at P 1,150,000.00. While it is fully depreciated it is still serviceable.

All the above-mentioned properties are not mortgaged. The Group is not aware of any lien or encumbrance on any of them.

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The Group does not have any property under lease.

5. Exploration and Evaluation Asset account consists of:
 - a. The exclusive mining rights of exploration, exploitation, development and operation of about 1,940 hectares of Mining Exploration Concession located at Buton Island, South East Sulawesi Province, Indonesia which the Company has acquired on January 30, 2009 from PT Aspal Buton Nasional by paying a signature bonus of US \$150,000.00 or P7,090,500.00.
 - b. The signature bonus amounting to P4,705,000.00 (US \$100,000.00) paid by Imperial Resources, Inc. to PT. Indominas, an Indonesian Company, for the former to acquire other mining rights in Indonesia per memorandum of agreement executed on January 17, 2010 between the said parties.
 - c. In 2015, the Company spent US\$99,250.00 or P4,453,844.00 to cover the budget required for various technical and tax expenses on the CNC IUP Production Program for the coverage area of 1,722 hectares located at Waangu-Angu area.
 - d. As of December 31, 2016 the accumulated cost of geophysical and geological works/studies amounted to P38,676,848.00 and the acquisition of rights to explore amounted to P11,795,500.00.
 - e. There was no disbursement pertaining to the mining project from 2019 to 2023 so the amounts remain the same.
 - f. Management decided to record impairment loss of about 33.33% or P16.8 million in 2022 and another P16.8 million in 2023 and P16.8 million in 2024 as approved by the board.

This account is further discussed in note 13 of the consolidated financial statements.

Management is still awaiting the technical, financial and developmental reports from its Indonesian partners especially on the current status of the Production Operations Mining Agreement issued by the Indonesian government on April 28, 2014. While this Mining Agreement has a term of twenty (20) years management is not certain as to its current status whether it has expired for some reasons unknown to management or it can be renewed under government - prescribed conditions of Indonesia until it receives the requested report from its partners. Management cannot prepare a definite budget or developmental plan for it to continue its exploration activities until it receives the requested financial and technical reports needed.

Because of these factors including the Indonesian government's plan to halt importation of asphalt in 2024 and instead develop the Buton Island asphalt deposit, management has decided to impair the Exploration and Evaluation Asset within the period of three (3) years. Management believes that within the period of three (3) years it (1) shall have received all the technical, financial and developmental reports from its Indonesian partners, (2) management shall have studied, evaluated, analyzed and collaborated its Indonesian partners, (3) management shall have determined whether the project is commercially viable or not, (4) if it is viable it shall have come up with plans to finance the project including preliminary talks for possible joint-venture, (5) management shall have undertaken the courses of action decided upon, and (5) the Indonesian government as announced by its top government official in 2022, shall have started to aggressively develop Buton Island's asphalt deposit as a measure to stop importation of asphalt by 2024.

During the special meeting of the Board of Directors of the Company held on April 28, 2023 a resolution approving the impairment of the Exploration and Evaluation Assets and another resolution why the impairment is for a period of three (3) years in accordance with above stated reasons and factors was unanimously approved. Such resolution was implemented in 2022, 2023 and 2024.

Currently, the Company is considering to defer its mining exploration with P.T. Aspal Buton and P.T. Indominas, in Buton Island and Waangu-Angu, Sulawesi, Indonesia. Owing to the (i) countervailing duties or tariff taxes imposed by foreign States on crude gas and oil; (ii) precipitous fall in the price of crude gas and oil (iii) risk management about the peace and order in the prospective mining areas/sites; (iv) variability and precariousness in the conduct and development of geologic and geophysical (Electric Resistivity) surveys for commercial gas and oil exploration, drillings and discovery; (v) eventual expiration of the mining exploration concession/permit; (vi) restrictive and/or prohibited environmental impact mitigation measures and requirements; (vii) suspension of budgetary activities during the production operation stage due to the deteriorating physical condition of the former President, Mr. Oliverio G. Laperal, Sr., after a stroke and eventual demise on August 26, 2018; (viii) pending probate court proceedings for the administration, management, distribution and partition of the Eighty-Three point Seven One Four percent (83.714%) of the total shares of the capital outstanding of Imperial Resources Incorporated issued in the name of Oliverio G. Laperal, Sr.; (ix) pending project assessment and financial report of Mr. Eddy Surohadi with documentary proofs in support of the various disbursements/expenses for the mining project as well as the status of the Production Operations Mining Agreement issued by the Indonesian government to P.T. Aspal Buton; and (x) ominous tensions among several foreign States as well as the rippling effect of the wars between the States of Russia and Ukraine, Israel and Palestine.

There was no material acquisition of assets by the Group during 2024. The Company has not perfected any mining claims in the Philippines.

(C) Legal Proceedings

There are no legal proceedings pending or terminated during the fiscal year covered by this report, which directly concern or pertain to Imperial Resources, Inc. and Philippine Cyber College, Corp., hence, no information similar to that required by aforesaid disclosure can be disclosed.

So far as is known to the registrant, there is no proceeding known or contemplated by government authorities or any other entity to be brought against it.

(D) Submission of Matters to a Vote of Security Holders

The Company did not submit during the 4th quarter of the fiscal year covered by this report to a vote by security holders, through the solicitation of proxies.

PART III – SECURITIES OF THE REGISTRANT

(A) Market Price of and Dividends on Registrant’s Common Equity and Related Stockholder Matters

I. Market Information

The shares of stock of Imperial Resources, Inc. (IMP) are traded in the Philippine Stock Exchange. Presented below are the quarterly market prices of the stocks of the Company in 2024 and 2023 as provided by the Market Data Department of the Philippine Stock-Exchange:

Imperial Resources, Inc.
Annual Report
2024

	<u>2024</u>	<u>1st QTR</u>	<u>2nd QTR</u>	<u>3rd QTR</u>	<u>4th QTR</u>
Common Stock	Par Value	1.00	1.00	1.00	1.00
	High	0.78	0.83	0.79	0.78
	Low	0.52	0.54	0.58	0.57
	Close	0.61	0.57	0.58	0.63

	<u>2023</u>	<u>1st QTR</u>	<u>2nd QTR</u>	<u>3rd QTR</u>	<u>4th QTR</u>
Common Stock	Par Value	1.00	1.00	1.00	1.00
	High	1.32	1.03	0.92	0.80
	Low	1.03	0.70	0.56	0.52
	Close	1.03	0.73	0.79	0.55

In 2024, the total volume of Common shares traded was 1,687,165. In 2023 the total volume traded was 1,848,330 shares. In May 19, 2025 the high was 0.425, low was 0.425, close was and the volume was 30,000.

2. Holders

Until February 10, 2017 the Company had two (2) classes of stock; both classes were identical in all aspects, except that:

Class "A" shares may be issued and/or sold only to citizens of the Philippines or to corporations at least sixty percent (60%) of the capital stock of which is owned by citizens of the Philippines; and

Class "B" shares may be issued and/or sold to any person or corporation irrespective of citizenship. Provided, that a stockholder who is a Filipino citizen holding Common Class "B" shares is entitled at any time to convert his Common Class "B" shares to Common Class "A" shares in the manner provided in the By-Laws.

On February 10, 2017 the SEC approved the declassification of the Common Class "A" and Class "B" shares into Common Stock of at least 60% of the common shares of stock shall be issued and/or sold only to citizens of the Philippines or to Corporations at least 60% of the capital stock of which is owned by the citizen of the Philippines.

The holders of Common Stock have the right to participate and vote in the regular annual stockholders' meeting have rights to dividends and are entitled to all proprietary right in relation to their stockholdings.

a) The approximate number of holders number of holders of Common Stock as of May 31, 2025 is 1,665. There are about 1,584 owning 100 shares or more. The following is a list of the top twenty (20) stockholders as May 31, 2025, submitted to us by our transfer agent, Professional Stock Transfer, Inc..

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Page 11 of 11

IMPERIAL RESOURCES INCORPORATED
TOP TWENTY (20) STOCKHOLDERS
AS OF MAY 31, 2025

	NAME OF STOCKHOLDER	TOTAL NUMBER OF SHARES	%
1	LAPERAL, SR., OLIVERIO G.	546,233,670	83.7140
2	PCD NOMINEE CORP	33,264,465	5.0980
	Filipino - 32,551,801		
	Non-Filipino - 712,664		
3	LMI HOLDINGS CORPORATION	21,904,500	3.3570
4	MARINO OLONDRIZ Y CIA	2,411,095	0.3695
5	LAPERAL, DESIDERIO L.	1,670,000	0.2559
6	LAPERAL, ALEXANDRA L.	1,660,000	0.2544
7	GANOTISI, FILOMENO	1,630,000	0.2498
8	LAPERAL, ROSAMARIA	1,626,500	0.2493
9	CONCEPCION, REGINA L.	1,580,000	0.2421
	LAPERAL, JR., OLIVERIO	1,580,000	0.2421
	LAPERAL, VICTORINA L.	1,580,000	0.2421
10	LTC REAL ESTATE CORPORATION	1,047,375	0.1605
11	BENJAMIN CO CA & CO., INC.	1,009,755	0.1548
12	CHIONG & CO., INC.	976,100	0.1496
13	INVESTORS SECURITIES, INC.	948,750	0.1454
14	E. SANTAMARIA & CO., INC.	812,275	0.1245
15	ANSELMO TRINIDAD & CO., INC.	797,875	0.1223
16	ANSALDO GODINEZ & CO., INC.	699,850	0.1073
17	PHILSEC INVESTMENT CORPORATION	662,275	0.1015
18	DACILLO, NENITA C.	638,000	0.0978
19	KUI, JOHN	605,620	0.0928
20	AQUINO, ANTONIO & VELMONTE SEC.	573,250	0.0879

(b) As of May 31, 2025, 99.6597% are owned by Filipinos while 0.339% are owned by other nationalities.

3. Dividends

The Company has never declared any dividend on any class of its common equity since its incorporation because it has not gone into commercial operations and, therefore, it does not have cash surplus earnings

The Board of Directors of the Registrant has the unrestricted power to declare dividends out of the unrestricted earnings which shall be payable in cash, property or in stocks to all stockholders on the basis of outstanding stock held by them. Other than as are provided for in Section 42 of the Corporation Code, as exception to the retention of surplus earnings, the registrant has no agreement, stipulation or undertaking in favor of any bank, financial institution or any other entity or person, limiting its ability to pay dividends on common equity or that are likely to do so in the future.

4. Recent Sales of Unregistered Securities

For the year 2024, there was no sale of unregistered securities.

Exemption from Registration Claimed:

In its Resolution No. C15, series of 1998, the Securities and Exchange Commission upon letter petition filed by Imperial Resources, Inc. requesting that the issuance to LMI Holdings Corporation of Fifteen Billion (15,000,000,000) Common Class "A" (Par value per share P0.01) shall be exempted from the registration requirements of the Revised Securities Act, the Commission granted the request considering that the said securities are to be issued exclusively to an existing stockholder out of the increase in authorized capital stock approved by the Commission on August 5, 1997, and held that the issuance thereof, is an exempt transaction based on Section 6(a) (4) of the Revised Securities Act (now Sec. 10 1(e) of the Securities Regulation Code.

(B) Description of Registrant's Securities

1. Common Stock

(a) As of December 31, 2024 presented below is the capital stock structure of the Company:

	Common Stock	
	No. of shares	Amount
Authorized Capital	<u>1,800,000,000</u>	<u>P 1,800,000,000.00</u>
Issued and Outstanding	230,643,195	230,643,195.00
Subscribed & Partially Paid	421,856,805	421,856,805.00
Total	<u>652,500,000</u>	<u>P 652,500,000.00</u>

b) As of December 31, 2023

	Common Stock	
	No. of shares	Amount
Authorized Capital	<u>1,800,000,000</u>	<u>P 1,800,000,000.00</u>
Issued and Outstanding	230,643,195	230,643,195.00
Subscribed & Partially Paid	421,856,805	421,856,805.00
Total	<u>652,500,000</u>	<u>P 652,500,000.00</u>

A further discussion of the Company's share capital is shown in Note 23 of the Consolidated Financial Statements as of December 31, 2024.

Imperial Resources, Inc.
2024-2023

- (c) By provision of the Articles of Incorporation, security holders are denied of their pre-emptive rights. All shares of stock are entitled to equal voting rights. Likewise, all shares of stock are entitled to the distribution of dividends, either in cash or stock dividend.
7. **The Company has no stock options, warrants or rights, debt securities, securities subject to redemption or call, securities other than common equity and other securities, hence, the details being asked could not be discussed nor disclosed.**

INTEGRATED ANNUAL CORPORATE GOVERNANCE

A. In relation to the implementation of the Code on Corporate Governance and the Company's duly adopted Manual on Corporate Governance, the Company is always reminded of its reportorial obligation which should be complied with by the responsible officers of the Company.

B. All material information about the Company which could adversely affect its viability or the interest of its stockholders and other stakeholders should be publicly and timely disclosed. Such information include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.

C. Disclosures are reported in the following manner:

1. For changes or updates *required* to be reported or disclosed under Section 17 of the Securities Regulation Code (SRC), the Company shall notify the Commission using *SEC Form 17-C* within five (5) calendar days from the occurrence of the reportable change to be signed by the duly authorized officer of the Company;
2. For changes or updates *not required* to be reported or disclosed under Section 17 of the Securities Regulation Code (SRC), the Company shall notify the Commission through an *advisement letter* stating the changes or updates made within five (5) days from the occurrence of the reportable change to be signed by the Corporate Secretary and Compliance Officer;
3. To facilitate the disclosure and to harmonize the corporate governance requirements of the Securities and Exchange Commission and the Philippine Stock Exchange, the Company shall submit an Integrated Annual Corporate Governance Report (I-ACGR) in the following manner:
 - a. The Company shall submit four (4) copies of a fully accomplished I-ACGR on May 30 of the following year and every year thereafter;
 - b. The I-ACGR shall cover all relevant information from January to December of the given year. At least one (1) complete copy of the I-ACGR filed with the Commission shall be duly notarized and shall bear original and manual signatures of the following required signatories: Chairman of the Board, Chief Executive Officer or President, all Independent Directors, Compliance Officer and Corporate Secretary;
 - c. The I-ACGR, with accessible links, shall be posted on the Company's website within five (5) business days from submission to the SEC;

The Company, however, is no longer required to file updates and changes on its I-ACGR within five (5) days from the occurrence of the reportorial change(s). Further, the Company is no longer required to file its Consolidated Changes in the ACGR within ten (10) days from the end of the year pursuant to SEC Memorandum Circular N0. 15, Series of 2017.

PART IV – FINANCIAL INFORMATION

A. Management's Discussion and Analysis (MD & A) or Plan of Operation

1. Plan of Operations

Mining and Asphalt

As earlier discussed under the subject: Business of Issuer – Asphalt found on page 5, in 2015 Company remitted to Mr. Eddy Surohadi for the account of P.T. Aspal Buton and P.T. Indominas the amount of US\$99,250 to cover the budget for the various technical works, government taxes and fees, and other construction and engineering expenses to secure the necessary CNC (Clean and Clear) Certificate IUP Production Program for the coverage area of 1,722 hectares located at Waangu-Angu area. Since then the Company has not received any request for additional funding nor submitted status reports for the project from the Indonesian partners.

Management was able to establish communication with Mr. Eddy Surohadi of P.T. Aspal Buton and P.T. Indominas. In the letter management requested Mr. Surohadi to submit pertinent financial reports with corresponding documentary proofs support of the various disbursements/expenses incurred for the mining project and the status of the Production Operations Mining Agreement issued by the Indonesian government to P.T. Aspal Buton Nasional. Also, management requested Mr. Surohadi to make his project assessment report including his suggestions or available options for the Company under the present economic conditions both in Indonesia and in the Philippines in order to recover the entire exploration expense.

Currently all expenditures regarding the mining project are all classified under the Exploration and Evaluation Assets Account since the Company is still in the exploration and evaluation stages of the mineral resources. With the submission of supporting documents for the various expenditures, management will be able to definitely analyze, determine and classify them.

The status report of Mr. Surohadi regarding the Production Mining Agreement issued by the Indonesian government shall guide management to determine whether the Exploration and Evaluation assets will be assessed or classified for impairment. However until now there has been no development as to the status report to be submitted to management.

While the Mining Permit term granted by the Indonesian government is for twenty (20) years, the suspension of the funding of and other budgetary activities during the production operation stage due to the deteriorating physical condition of the former President, Mr. Oliverio G. Laperal, Sr. after a stroke and subsequent demise in 2018, and by the incident of the Corona Virus Disease 2019 (Covid-19) Pandemic, there might have been government policies, laws, rules and regulations imposed by the Indonesian government affecting said mining permit.

Management received a reply from Mr. Surohadi wherein he stated that he will respond to the letter as soon as possible. Management is hopeful that with the data on information to be disclosed by Mr. Surohadi, it can study extensively the financial aspects, evaluate and analyze the technical feasibility and commercial viability of the mining project, considering the very promising results of the Resistivity Geophysics Study.

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After the communications with Mr. Eddy Surohadi has been established, management had been hopeful to have more discussions, meetings and fruitful collaboration with him before it can come up with a decision as to what courses of action to take regarding the mining project.

Towards the end of June, 2023 another follow-up letter was sent Mr. Surohadi by the then Vice-President, Mr. Desiderio L. Laperal through email. In Mr. Surohadi's reply he stated the following: "We have the data, but need to meet you in person for us to explain the chronology in details. When do you have time to meet in Surabaya? We will try to manage the time when you have inform us prior of your planned schedule". Because of conflict in schedules the planned trip to Surabaya, Indonesia by some officers of the company to meet with Mr. Eddy Surohadi regarding the issues concerning the Indonesian mining project did not materialize.

The stockholdings of the late Mr. Oliverio G. Laperal, Sr. represents Eighty three point seven one four per cent (83.714%) of the total shares of the capital outstanding and issued by the Company is presently, the subject of probate proceedings. On December 2, 2021 Mr. Desiderio L. Laperal, the designated Administrator/Executor of the Estate of Mr. Oliverio G. Laperal, Sr., filed with the Regional Trial Court, Capital Judicial Region, Branch 148, Makati City, Ad Cautelam Preliminary Inventory, of a true and complete inventory of the real and personal estate of the deceased which included the 546,233,670 shares of stock of the Company as of October 31, 2021 as mandated by the Court.

Executor/Administrator, Mr. Desiderio L. Laperal, filed the Executor's Accounting dated October 26, 2022 informing the Court of all banks wherein decedent Oliverio G. Laperal, Sr. had accounts and submitted the summary of Bank Balances as of March 2022.

Executor/Administrator, Mr. Desiderio L. Laperal, has continued to coordinate with the banks wherein decedent Oliverio G. Laperal, Sr. has accounts and prepared an updated Summary of Bank balances as of January, 2023.

Executor/Administrator, Mr. Desiderio L. Laperal, has filed an Urgent Omnibus Motion to set case for hearing on the following:

- (1) Expenses of administration;
- (2) For authority to withdraw from bank accounts for payment of Expenses of administration; and,
- (3) For authority to open a bank account for the Estate of Oliverio G. Laperal, Sr.;

Executor/Administrator, Mr. Desiderio L. Laperal, was able to make partial withdrawal from the bank deposits under the name of Oliverio G. Laperal, Sr.,

Executor/Administrator, Mr. Desiderio L. Laperal, discussed and coordinated with the lawyers regarding the procedures and requirements necessary to Sell/Dispose of some properties of the estate to fully pay its obligations.

The probate court's approval of the administration, distribution and disposition of the estate of Mr. Oliverio G. Laperal, Sr. is another factor that management has to consider since these shares being part of his Estate will be distributed to his designated heirs.

Management submitted to the Board of Directors during the special board meeting held on April 13, 2023 for their consideration, ratification and approval of the plan of the Company, Imperial Resources, Incorporated, to consider the impairment of its mining exploration and evaluation assets for Buton Island and Waangu-Angu, Sulawesi, Indonesia, for the period of three (3) years, owing to the – (i) precipitous fall in the price of crude gas and oil; (ii) risk management about the peace and order in the prospective mining areas/sites; (iii) variability and precariousness in the conduct and development of

geologic and geophysical (Electric Resistivity) surveys for commercial gas and oil exploration, drillings and discovery; (iv) eventual expiration of the mining exploration concession/permit; (v) restrictive and/or prohibitive environmental impact mitigating measures and requirements; (vi) suspension of budgetary activities during the production operation stage due to the deteriorating physical condition of the former President, Mr. Oliverio G. Laperal, Sr., after a stroke and subsequent demise on August 26, 2018; (vii) pending probate court administration and management of the Eighty-Three point Seven One Four percent (83.714%) of the capital stock issued by Imperial Resources Incorporated in the name of Oliverio G. Laperal, Sr.; (viii) health, security, social, political, and economic impact of the Corona Virus Disease 2019 (Covid-19) Pandemic; and, (ix) ominous rippling effect of the war between States of Russia and Ukraine; and was ratified and approved.

It was reported that during the BNI Investor Daily Summit held in Jakarta on October 11, 2022 a top government official said that he will halt asphalt imports in 2024 and that everything must be supplied from Buton Island which held up to 662 million tons of asphalt deposits enough to supply Indonesia's need for 120 years. Indonesia imported 95% of asphalt in 2021. Buton Island production produces only 100,000 tons of asphalt per year a far cry from the government's target of five (5) million tons per year. This plan of the Indonesian government will surely drive economic recovery in the mining industry from the crisis brought about by the Covid-19 pandemic. With government policies, laws and regulations gears toward good mining practices, post mine land use, and community development whatever poverty-reduction and livelihood programs the local governments have will be carried and sustained. Management saw this plan of the Indonesian government as very encouraging.

The Company studied and evaluated a project cost study submitted by a project proponent pertaining to silica sand quarrying and processing operation. The Company was aware of the increasing demand for flat glass and glass bottles by local glass manufacturing companies like San Miguel Corporation and Asia Brewery, Inc. Prospective silica sand mine sites were identified by the proponent. The project cost study showed a fairly good ROI. Management considered the impact of the latest environmental policies, regulations and pronouncements made by various government agencies on the feasibility and sustainability of the project. Another important factor considered by management was the peace and order situation in the prospective silica mining sites. Management has decided not to pursue this project.

Other Business Opportunities

In 2018 the President, Desiderio L. Laperal travelled to Europe for preliminary discussions and observation of IT-based business applications related to remote sensing of marine and land resources, land-use, and community development. President Laperal observed driver-less autonomous farm machinery, robotic steel fabrication and remote-controlled fisheries management systems. He was impressed with the Green Energy initiatives mandated by the European Union, which is meant to encourage more reliance on renewable power such as air turbines, hydro and solar. All of these applications and the downstream business opportunities are relevant to Imperial Resources Incorporated.

Mr. Desiderio Laperal travelled to Europe in June 2019 to meet with potential partners and continue discussions on investment opportunities in the Philippines. On that trip he accompanied two Italian businessmen to the Philippine Consul in Milan, Italy to confer with Consul General Irene Susan Natividad and Consul Mersole Mellejor. Mr. Laperal invited the two Italian businessmen to visit Manila in 2019. The date was subsequently reset to March 2020. The Covid-19 pandemic has caused the visit to be cancelled.

In June, 2022 on his first trip to Europe since the start of the Covid-19 pandemic Mr. Desiderio L. Laperal, took the opportunity to re-establish contact with his business friends. However, due to

communications problem the planned meeting did not materialize. Presently with less travel restrictions and easing of Covid protocols Mr. Laperal is hopeful that his contacts will continue their interest to visit the Philippines with the goal to establish a business presence here hand in hand with Imperial Resources Incorporated.

The Laperal family through its family-owned corporation, LTC Real Estate Corporation, will continue to support financially the operations of the Company.

2. Management's Discussion and Analysis

The Company has never been into commercial operations since its incorporation. In 2008, its revenues were derived from its subsidiary's (PCC) I.T. project. In 2009 its revenues were derived from its subsidiary's techno-vocational education and training project. Since 2010, except for interest income earned unrealized gain on foreign exchange, and gain from investment revaluation (2013), no other income was reported because of the temporary suspension of PCC's Techno-Vocational Project. For several years the subsidiary (PCC) allowed the Philippine National Internal Affairs Service (Benguet) to use a portion of the building as its office for free to deter informal settlers from occupying the building. In 2018 the said agency vacated the place. The subsidiary (PCC) repaired and repainted the building during the middle part of 2019 to attract more prospective lessees. Currently the building is up for lease. As previously discussed the subsidiary, (PCC) has been receiving offers to lease its building in Baguio City.

The yearly losses shown in its financial reports are actually administrative expenses incurred. Presented below are the consolidated financial highlights of the Company as of December 31, 2024, 2023, and 2022.

	2024	2023	2022
Statement of Loss			
Revenues	103,118,570	42,979,638	19,246,706
Administrative Expenses	23,955,832	24,110,318	23,444,834
Other Comprehensive Income (Loss)	182,962	153,538	(16,684)
Balance Sheet			
Total Current Assets	3,032,343	3,231,485	3,159,590
Non Current Assets	1,036,140,989	949,953,459	923,765,944
Total Assets	1,039,173,332	953,184,944	926,925,534
Current Liabilities	2,913,386	2,719,386	1,792,169
Non-Current Liabilities	78,830,466	72,452,212	66,205,687
Total Liabilities	81,743,852	75,171,598	67,997,856
Equity	957,429,480	878,013,346	858,927,678
Total Liabilities and Equity	1,039,173,332	953,184,944	926,925,534

The following are the financial soundness indicators for 2024, 2023 and 2022.

	2024		2023		2022	
(i) Current/liquidity ratios:						
Current assets	3,032,343	= 1.04:1	3,231,485	= 1.10:1	3,159,590	= 1.76:1
Current liabilities	2,913,386		2,719,386		1,792,160	
(ii) Debt-to-equity ratios:						
Total liabilities	81,743,852	= 0.09:1	75,171,598	= 0.09:1	67,097,856	= 0.08:1
Equity	957,429,480		878,013,346		858,927,678	
(iii) Solvency ratios:						
Total liabilities	81,743,852	= 0.08:1	75,171,598	= 0.08:1	67,097,856	= 0.07:1
Total assets	1,039,173,332		953,184,944		929,925,534	
(iv) Asset-to-equity ratios:						
Total assets	1,039,173,332	= 1.00:1	953,184,944	= 1.00:1	929,925,534	= 1.08:1
Equity	957,429,480		878,013,346		858,927,678	
(v) Interest rate to coverage ratios (Earnings before interest and taxes/Interest expense):	This ratio is not applicable since the Company has no interest expense.					
(vi) Profitability ratios (Net profit after taxes/Revenues before cost of services):	This ratio is not applicable since the Parent Entity and Subsidiary has no revenues.					

A separate schedule showing the financial soundness indicators is also presented in the attachments to the Notes to Consolidated Financial Statements in compliance with SRC Rule 68, as amended.

By comparing the Consolidated Statements of Financial Position and Consolidated Statements of Comprehensive Income for the years 2024 and 2023, the following are the material (5% or more) changes and their causes:

STATEMENTS OF FINANCIAL POSITION:

1. Trade and Other Receivables - Net

In 2024 this account increased by about 71% or P12.4 thousand due to the salary loan extended to an employee. The same is true in 2023. When this account increased by about 50.4% or P5.8 thousand due to salary loan extended to an employee. In 2022 there was also an increase of about 206.1% or P11.5 thousand due to the extension of salary loan to its employees.

2. Prepayments

There was a decrease of about 14.3% or P3.3 thousand in 2024 compared with the figure for 2023 because there were lesser expense accounts subjected to prepayment adjustments in 2024. In 2023 there was a decrease of about 6.6% or P1.6 thousand compared with 2022 figure for the same reason. The difference between the figures for 2022 and 2021 was immaterial.

3. Property and Equipment

In 2024 the company bought office equipment amounting to P2 thousand. There was no purchase of the same nature in 2023, hence, the 100% increase. There was no material acquisition in 2022.

4. Investment property

The appraisal value of this property in 2024 compared with the figure for 2023 increased by about 11.05% or P103 million. The increase in the appraisal value in 2023 over 2022 figure was about 4.8% or P43 million. The increase in the appraisal value in 2022 over 2021 figure was 2.2% or P19 million.

5. Exploration and Evaluation Asset

In 2022 there was recorded an impairment loss amounting to P16.8 million or 33.3% of the total amount of this account. In 2023 another impairment loss amounting to P16.8 million or 33.3% was recorded. In 2024 another impairment loss amounting to P 16.8 million was taken up, hence, bringing the amount of this account to zero.

6. Accruals and Other Payables

In 2024 this account increased by about 7.13% or P194 thousand primarily because of the accrual of the realty tax for 2024 and increase in the professional fee of the external auditors. In 2023 this account increased by about P927 thousand or 51.7% primarily because of the accrual of realty tax due on the Company's investment property for 2023 and the increase in the professional fee of the company's external auditors. In 2022 this account increased by about 43.8% or P546 thousand because of the accrual of 2022 realty tax due on the Company's investment property.

7. Advances from Shareholders

In 2024 A stockholder advanced P6.34 million, hence, an increase of 9.29%. In 2023 a stockholder advanced P6.2 million, hence, an increase by about 10%. In 2022 a stockholder advanced P6.5 million or an 11.49% increase over the 2021 figure.

STATEMENTS OF COMPREHENSIVE INCOME:

	Notes	2024	2023	2022
OTHER INCOME				
Unrealized fair value gain from investment property	17	103,000,000	43,000,000	19,000,000.00
Interest income	7	7,294	4,782	3,754.00
Unrealized gain (loss) on foreign exchange, net	8, 20	111,276	(25,144)	242,952.00
Total Other Income		103,118,570	42,979,638	19,246,706.00
ADMINISTRATIVE EXPENSES				
	3, 22	23,931,673	24,110,318	23,444,834.00
INCOME (LOSS) FROM OPERATIONS				
		79,186,897	18,869,320	(4,198,128.00)
INCOME TAX BENEFIT - DEFERRED				
	16	70,551	62,811	(26,627.00)
NET INCOME (LOSS)				
		79,257,448	18,932,131	(4,171,501)
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Revaluations of retirement benefits payable, net of 1	3, 15	182,962	153,538	(16,684.00)
Total Other Comprehensive Income		182,962	153,538	(16,684.00)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR				
		79,440,410	19,085,669	(4,188,185.00)
EARNINGS (LOSS) PER SHARE:				
Basic	3, 25	0.12	0.03	(0.01)
Diluted	3, 25	0.12	0.03	(0.01)

2024-2022
2024-2022
2024-2022

1. Revenue

7.1 Other Income

This account consists of interest income and unrealized gain/loss on the foreign exchange. In 2024 there was an increase in the interest income earned of about 52.5% or P2.5 thousand compared with the figure in 2023 while in 2023 there was an increase of about 27.4% or P1 thousand compared with the figure in 2022. There was an unrealized gain on foreign exchange in 2024 of P111.3 thousand while there was an unrealized loss on foreign exchange in 2023 of P25 thousand. In 2022 there was an unrealized gain on foreign exchange of P243 thousand.

1.2 Fair Value Adjustment

In 2024 there was an increase in unrealized fair value gain from investment property amounting to P60 million based on the 2024 appraisal value of the property compared to the figure in 2023 while in 2023 there was an increase of P43 million compared to the figure in 2022.

2. Administrative Expenses

2.1 SSS, Philhealth and HDMF Contribution

In 2024 this account decreased by about 16.82% or P16 thousand because one (1) employee filed for SSS retirement pension benefit. In 2023 this account increased by about 12.5% or P11 thousand because of the increase in the premium contribution for SSS effective January 2023. In 2022 this account increased by 16.7% or about P12.4 thousand because of the increase in the premium contribution for Philhealth.

2.2 Director's Fee

In 2024 there was a decrease of about 28.6% or P90 thousand because there were two (2) recorded absences. There was none in 2023. In 2023 there was an increase of about 46.5% or P100 thousand because of an increase in the number of board meetings held. In 2022 there was a decrease of about 8.5% or P20 thousand because of one (1) recorded absence.

2.3 Professional Fee

In 2024 this account increased by about 5.6% or P45 thousand due to the increase in the professional fee of the Company's external auditors. In 2023 the Company's external auditors increased their professional fees by about 40% or P157 thousand which caused in part the increase of this account by about 32.1% or P196 thousand. In 2022 there was an increase of about 66.67% or P157 thousand primarily due to the increase in the audit fee.

2.4 Retirement Benefit Expense

In 2024 this account increased by about 12.32% or P31 thousand because of the increase in the interest expense per actuarial report. In 2023 this account increased by about 135% or P144.7 thousand because of the increase in the interest cost per actuarial report. The decrease in this account in 2022 by about 16.3% or P20.8 thousand was due to the decrease in the interest cost.

2.5 Repairs & Maintenance

This account includes repairs and maintenance of the vehicles being used by the Company officers and employees, computers, printers, xerox machine and other office equipment. In 2024 there was an increase of about 45.5% or P66 thousand mostly incurred for the repairs and maintenance of company vehicles. In 2023 there was an increase of about 22.5% or P42.4 thousand. In 2022 there was an increase of about 164.5% or P116.8 thousand mostly incurred for the repairs of company vehicles.

2.6 Supplies and other expenses

This account includes computer and office supplies, advertising and printing expenses. In 2024 this account increased by about 13.4% or P5 thousand because of the reproduction expenses incurred by the subsidiary. None of this nature was incurred in 2023. In 2023 this account decreased by about 26.3% or P12 thousand because of the decrease in the consumption of ink toner, reproduction and printing expenses and consumption of computer supplies. In 2022 this account decreased by about 17.89% or P9.9 thousand due to the recycling of office paper and stationery.

2.7 Travel & Transportation

This account includes gasoline and oil and other traveling and transportation expenses. In 2024 this account increased by about 12.25% or P11 thousand because of the increase in the cost of gasoline and increase in the gasoline expenses incurred by company officers. This account decreased by about 25.8% or P30.6 thousand in 2023 because of the decrease in messengerial activities during the year compared to that of 2022. In 2022 this account increased by about 5.45% or P6 thousand because of increased messengerial activities compared to that of 2021.

2.8 Miscellaneous expenses

This account also includes bank charges, attendance fee and out-of-pocket expenses of auditors. In 2024 this account decreased by about 36.5% or P98 thousand. There were expenses incurred in 2023 which were not incurred in 2024 attendance fee, expenses for preparation of SEC reports by the transfer agent, Christmas donations and incidental expenses in securing business permit. All these contributed to the decrease. In 2023 the bill for the out-of-pocket expenses of the auditors for the year 2022 was submitted to and paid by the Company in 2023. The bill for 2023 was taken up in 2023, thus contributing to the increase of about 86.6% or P126 thousand. In 2022 there was a decrease of about 26.3% or P50 thousand because the out-of-pocket expenses of the auditors for 2022 was taken up in 2023 unlike in 2021 where those expenses were taken up in 2021.

2.9 Penalties & Surcharges

In 2024 the company did not incur any penalty charges. In 2023 there was an increase in this account by about 2,479.7% or P1.5 thousand because the company incurred penalty charges for late remittance of withholding tax payable. In 2022 there was a decrease of about 65.5% or P112 due to the delay in the remittance of SSS premium contributions.

2.10 Insurance

In 2024 this account decreased by about 35.5% or P12.6 thousand because insurance company did not approve the renewal of the insurance policy of one (1) old vehicle. There were no material changes in this account during the year 2023 and 2022.

MATERIAL EVENT/S AND UNCERTAINTIES

Other than the disclosures made in this report including those contained in the Notes to the Consolidated Financial Statements and its Subsidiary which includes some material events after balance sheet date, the Group has nothing to report on the following:

- (i.) Any known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way, except for the impact of Covid-19 pandemic which is discussed earlier and the Russia-Ukraine war.
- (ii.) Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of obligation. The Group is not in default or in breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments. Except for the advances made by a major stockholder the Group has no trade payables and there is no significant amount in its other payables that has not been paid within the stated terms. There is no identifiable material deficiency since the major stockholders are committed to fund the Group's operations.
- (iii.) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- (iv.) Any other material commitments for capital expenditures.
- (v.) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues, income from continuing operations, except for the effect of Covid-19 pandemic which is discussed earlier and the Russia-Ukraine.
- (vi.) Any significant elements of income or loss that did not arise from the issuer's continuing operations.
- (vii.) Any seasonal aspects that had a material effect on the financial condition or results of operations except for the effect of Covid-19 pandemic.

COMPANY VISION

To become a self-sustaining and profitable Company for a long period of time by providing energy and energy-related products as its contributions to enhance energy supply in the country.

8. Changes in and Disagreements with the Group's accountants on Accounting and Financial Disclosure

There was no disagreement with the Group's external auditors on matters relating to accounting principles or practices or financial disclosures or auditing scope or procedures during the last three (3) fiscal years.

In December, 2010, the Group engaged the services of Villaruz, Villaruz & Co., CPA's with office address at Unit 3, 9th Floor, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City to audit the financial statements of Imperial Resources, Inc. (Parent Entity) and Philippine Cyber College Corp. (Subsidiary) as at December 31, 2010. The said auditing firm audited the financial statements of the Parent Entity and its Subsidiary for the succeeding years. The Professional fees as agreed upon for the years 2024, 2023 and 2022 are presented below:

Imperial Resources, Inc.
Philippine Cyber College Corp.

	PROFESSIONAL FEE	12% VALUE ADDED TAX	OUT OF POCKET EXPENSES	TOTAL
IMPERIAL RESOURCES, INC.				
2024	530,000.00	63,600.00	53,000.00	646,600.00
2023	490,000.00	58,800.00	49,000.00	597,800.00
2022	350,000.00	42,000.00	35,000.00	427,000.00
	<u>1,370,000.00</u>	<u>164,400.00</u>	<u>137,000.00</u>	<u>1,671,400.00</u>
PHILIPPINE CYBER COLLEGE CORP.				
2024	45,000.00	5,400.00	-	50,400.00
2023	35,000.00	4,200.00	-	39,200.00
2022	20,000.00	2,400.00	-	22,400.00
	<u>100,000.00</u>	<u>12,000.00</u>	<u>-</u>	<u>112,000.00</u>
	<u>1,470,000.00</u>	<u>176,400.00</u>	<u>137,000.00</u>	<u>1,783,400.00</u>

For the Parent Entity an out of pocket expenses equivalent to 10% of the professional fee covering travel, meals, communication, printing, etc. shall be billed separately. For the Subsidiary actual out of pocket expenses incurred in the course of audit shall be billed separately.

For the years 2010 to 2013, inclusive, the signing partner was Mrs. Normita L. Villaruz and for the years 2014 to 2018 inclusive, the signing partner was Mr. George V. Villaruz. For the years 2019 to 2023, the signing partner was Mrs. Normita L. Villaruz. The Group will rotate the signing partner of its external auditors at least every five (5) years to comply with the requirements of SRC Rule 68 (3) (b) (iv).

EXTERNAL AUDIT FEES

1. The scope of the audit services rendered by Villaruz, Villaruz & Co., CPA's for the fiscal year 2024 and prior years is as follows:

- a. Audit and examination of the statement of financial position as at December 31, 2024 and the related statements of comprehensive income, statements of equity and of cash flows as of and for the year ended December 31, 2024 of Imperial Resources Incorporated and its subsidiary, Philippine Cyber College Corp.;
- b. Submission of the proposed auditor's adjusting journal entries and review of the draft of the audited financial statements after the posting of the approved audit adjustments as of and for the year ended December 31, 2024 to come up with the Company's audited financial statements which shall be prepared by the Company's accountant and which will be reviewed by Villaruz, Villaruz & Co., CPA's, in compliance with SEC Memorandum Circular No. 16 dated December 31, 2024.
- c. Review of the annual income tax return which shall be prepared by the Company accountant based on the audited financial statements for the year ended December 31, 2024.

2. Aside from the above-mentioned audit services there were no other professional services rendered by Villaruz, Villaruz & Co., CPA's for the fiscal year 2024 and prior years.

(a) Under the caption "Tax Fees"

There is nothing to report under "Tax Fees" caption since the external auditors did not perform any tax accounting, compliance, advice, planning and any other form of tax services.

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(b) Under the caption "All Other Fees"

There is nothing to disclose under this category since no services were rendered other than the audit services as described earlier and as provided by the external auditors.

(c) The engagement proposal for the audit of the financial statements of Imperial Resources Incorporated and its subsidiary, Philippine Cyber College Corp., was reviewed by the members of the audit committee before the approval by the management.

The members of the Audit Committee met with the external auditors and management to discuss the audit findings, adjusting journal entries, additional suggested steps to be implemented to strengthen the Company's internal controls and financial reporting issues and judgments used in the preparation of the financial statements.

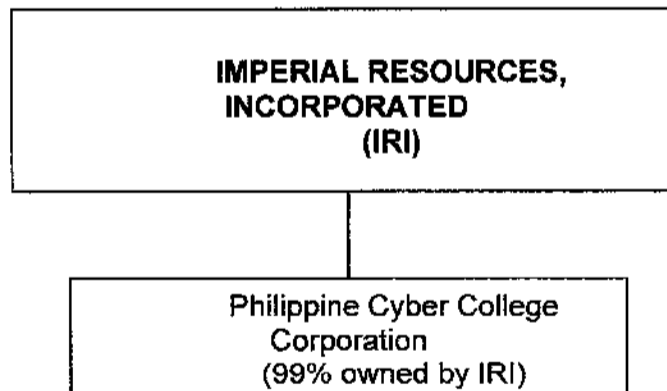
The members of the Audit Committee, after reviewing and discussing the audited financial statements, approved and submitted the same to the Board of Directors for approval and authority for issue.

FINANCIAL STATEMENTS

The Company's audited Financial Statements and its Subsidiary as at December 31, 2024 and 2023, were approved and authorized for issuance by the Vice-President/CFO Mr. Desiderio L. Laperal during the meeting of the Board of Directors held on April 12, 2025 after these were reviewed and recommended for approval by the Audit Committee on April 12, 2025. The Audited Consolidated Financial Statements as at December 31, 2024 were approved and authorized for issuance by the Vice-President/CFO Mr. Desiderio L. Laperal during the meeting of the Board of Directors on April 12, 2025. The said Financial Statements submitted with this report and incorporated in the 2024 Annual Report to security holders to be presented to the stockholders during the annual stockholders' meeting for approval.

The Consolidated Cash Flow Statement for three (3) years, Notes to Financial Statements (Accounting Policies and Explanatory Notes), Representations as to the Audit, General Notes to Financial Statements including applicable supplementary schedules as required under Annex 68-J and 68-E of Rule 68, are also submitted with this report.

MAP OF THE CONGLOMERATE OR GROUP OF COMPANIES WITHIN WHICH THE REPORTING ENTITY BELONGS



PART V - EXHIBITS AND SCHEDULES

EXHIBITS AND REPORTS

A. 2024 MATTERS DISCLOSED FOR THE LAST 6 MONTHS

Regular Annual Stockholders' Meeting on July 11, 2024.

The regular annual stockholders' meeting of Imperial Resources Incorporated was held on July 11, 2024, at Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila, and through Google Zoom Platform with Meeting ID 893 9276 1571 and Passcode 224627.

Upon call by the Chairman, the Corporate Secretary reported on the Proof of Notice of the meeting.

Report.

The report of the Corporate Secretary was that copies of the Definitive Information Statement (SEC FORM 20-IS) containing the Written Notice of the regular annual stockholders' meeting of Imperial Resources Incorporated set for July 11, 2024, together with the Agenda of the meeting, were sent by remote communication facility, postal service, and private courier under his personal supervision, beginning on June 19, 2024, to all stockholders of record.

The notice of the regular annual stockholders meeting was likewise published in the June 19, 2024 issue of the Philippine Star and Manila Bulletin.

The Securities and Exchange Commission and the Philippine Stock Exchange were furnished and serve with copies of the Notice and Agenda of the regular annual stockholders' meeting in SEC FORM 20-IS on June 19, 2024 through electronic mail (e-mail) and personal service.

The transfer agent of the Corporation, Professional Stock Transfer, Inc. and the Auditor, Villaruz, Villaruz & Co., CPAs, were likewise notified of the Regular Annual Stockholders' Meeting on June 18, 2024.

Accordingly, all requirements of law and the By-Laws of the corporation concerning the giving of notices of the regular annual stockholders' meeting to all stockholders of record entitled to vote and other agencies of government were duly complied with.

The Corporate Secretary further reported that the Books of Imperial Resources Incorporated show that as of the record date on May 24, 2024, the number of shares outstanding and entitled to vote in the regular annual stockholders' meeting is Six Hundred Fifty-Two Million Five Hundred Thousand (652,500,000.00) common shares, with the par value of One Peso (Php1.00) per share. Of said number of shares Five Hundred Seventy-Four Million Four Hundred Ninety-Seven Thousand Five Hundred Forty-Five (574,497,545) shares were present in person and those represented by holders of Secretary's Certificate, Special Power of Attorney and of unsolicited proxies.

The number of shares present in person and by holders of Secretary's Certificate, Special Power of Attorney and unsolicited proxies in the meeting is Eighty-Eight point Zero Four Five Six per cent (88.0456%) of the subscribed and outstanding capital entitled to vote.

Imperial Resources Incorporated
Corporate Secretary

Items Approved.

Unanimous approval of the Minutes of the regular annual stockholders' meeting held on July 13, 2023.

Unanimous approval of the Annual Report and Financial Statements as at December 31, 2023.

Declaration of the duly elected seven (7) members of the Board of Directors inclusive of two (2) Independent Directors by virtue of the unanimous votes garnered.

Approval and appointment of Independent Auditor of Imperial Resources Incorporated, with business address at Unit 3, Level 9 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila. and,

Confirmation, approval and ratification of all acts, contracts, resolutions and proceeding of the board of directors and corporate officers acting within the scope of their designated authority since July 13, 2023, annual stockholders' meeting until the present July 11, 2024.

On other matters, it was disclosed by the Corporate Secretary and administrator of the google zoom link that a certain person wanted to join through zoom. However, upon verification with the Stock and Transfer Book, Transfer Agent and the Lists of unsolicited proxies or power of attorney, such individual/person is not among those listed on record of the corporation.

Thereafter, meeting was, on motion made and duly seconded, adjourned.

Board of Directors Organizational Meeting.

After the regular annual stockholders' meeting the Organizational Meeting followed. The lists of elected executive officers and committees of Imperial Resources Incorporated are, as follows:

The List of officers of Imperial Resources Incorporated are as follows:

Atty. Horacio M. Pascual	- Chairman of the Board
Mr. Oliverio L. Laperal, Jr.	- President/CEO
Mr. Desiderio L. Laperal	- Vice-President/CFO/Treasurer
Ms. Vilma B. Villanueva	- Chief Accounting Officer/ - Assistant Treasurer
Atty. Jesus Vicente B. Capellan	- Corporate Secretary/ - Compliance Officer

The following committees are as follows:

Nomination Committee:

Jesus Vicente B. Capellan	- Chairman
Oliverio L. Laperal, Jr.	- Member
Genelita G. Manandic	- Member(Independent Director)

Compensation and Remuneration Committee:

Desiderio L. Laperal	- Chairman
Vilma B. Villanueva	- Member
Marciano G. Delson	- Member(Independent Director)

Audit Committee:

- | | |
|----------------------|-----------------------------------|
| Genelita G. Manandic | - Chairman (Independent Director) |
| Desiderio L. Laperal | - Member |
| Horacio M. Pascual | - Member |

**ITEM 9 – RESULTS OF SPECIAL MEETING OF
IMPERIAL RESOURCES INCORPORATED**

Special Meeting of the Board of Directors on April 12, 2024.

In the special meeting of the members of the board of directors of Imperial Resources Incorporated held on April 12, 2024, 2:00 o'clock in the afternoon, at Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila, and through the remote communication facility of Google Zoom Platform, with Meeting I.D. No. 812 1405 6586 and Passcode 759121, the Board approved the following resolutions, to wit:

- (1) The Audited Financial Statements (AFS) of Imperial Resources Incorporated and its subsidiary, Philippine Cyber College Corp., including the corresponding Consolidated Financial Statements as of December 31, 2023, audited by the External Auditor, Villaruz Villaruz & Co., CPA's, as recommended by the Audit Committee;
- (2) The designation and appointment of authority of the President/CEO – Mr. Desiderio L. Laperal, to sign and issue the approved 2023 Audited Financial Statements (AFS) of Imperial Resources Incorporated and its subsidiary, Philippine Cyber College Corp., including the Consolidated Financial Statements as of December 31, 2023;
- (3) The designation and appointment of authority of the President/CEO – Mr. Desiderio L. Laperal, to sign the Annual Income Tax Return (BIR Form 1702-RT) of Imperial Resources Incorporated and its subsidiary, Philippine Cyber College Corp., for the year ended December 31, 2023;
- (4) The designation and appointment of authority of the Chairman – Atty. Horacio M. Pascual; President/CEO – Mr. Desiderio L. Laperal, and the Vice-President/Treasurer – Mr. Oliverio L. Laperal, Jr., to sign and issue the Statement of Management's Responsibility (SMR) for Financial Statements and Annual Income Tax Return on behalf of Imperial Resources Incorporated;
- (5) Designation and appointment of authority of the President/CEO, Mr. Desiderio L. Laperal; the Vice-President/Treasurer, Mr. Oliverio L. Laperal, Jr.; the Chief Accounting Officer/Asst. Treasurer, Ms. Vilma B. Villanueva; and the Corporate Secretary/Compliance Officer, Atty. Jesus Vicente B. Capellan, to sign the Annual Report (SEC FORM 17-A) of Imperial Resources Incorporated for the year ended December 31, 2023.
- (6) Ratification and approval of the recording of the second Thirty-Three point Thirty-Three percent (33.33%) impairment loss on the exploration and evaluation assets of Imperial Resources Incorporated in the amount of Sixteen Million Eight Hundred Twenty-Four Thousand One Hundred Fifteen Pesos and Ninety-Two Centavos (P16,824,115.92) for the year 2023, in conformity with the approved resolution of the board of directors held on April 28, 2023.
- (7) Ratification and approval of the provision for impairment loss on the advances to Philippine Cyber College Corp. in the amount of Two Hundred Seventy-Five Thousand (P275,000.00) as of December 31, 2023.
- (8) Ratification and approval of the commitment of LTC Real Estate Corporation for its continued support to Imperial Resources Incorporated.
- (9) Ratification and approval of the commitment for financial support by Imperial Resources Incorporated to its subsidiary Philippine Cyber College Corp.

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Special Meeting of the Board of Directors on May 10, 2024.

In the special meeting of the members of the board of directors of Imperial Resources Incorporated held on May 10, 2024, 10:00 o'clock in the morning, at Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila, and through the remote communication facility of Google Zoom Platform, with Meeting I.D. No. 898 7275 6069 and Passcode 051627, the Board approved the following resolutions, to wit:

- (1) The Regular Annual Stockholders' Meeting of Imperial Resources Incorporated is set on July 11, 2024, Thursday, at 10:00 o'clock in the morning;
- (2) The venue of the meeting is fixed at Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila;
- (3) The Record Date is fixed on May 24, 2024, Friday;
- (4) The submission of List of Stockholders is on May 31, 2024, Friday;
- (5) The submission of Preliminary Information Statement (SEC FORM 20-IS) is on June 4, 2024, Tuesday;
- (6) The submission of Definitive Information Statement (SEC FORM 20-IS) is on June 17, 2024, Monday;
- (7) The sending of Notices is on June 19, 2024, Wednesday;
- (8) The Books of corporation will be closed on July 3, 2024, Wednesday at 5:00 o'clock in the afternoon;
- (9) The Registration and Validation of the unsolicited proxies is fixed on July 4, 2024, Thursday, at 5:00 o'clock in the afternoon; and,
- (10) The consideration of the attached Draft of the Agenda for the Regular Annual Stockholders' Meeting on July 11, 2024.

- B. List of Top 100 (Quarterly Report -PSE/SEC)
- C. Public Ownership Report (Quarterly Report (PSE/SEC)
- D. Report on Number of Shareholders (Monthly Report-PSE/SEC)
- E. Foreign Ownership Report (Monthly Report-PSE/SEC)
- F. July 13, 2023 – General Information Sheet (SEC/PSE)
- G. Quarter Report (17-Q-PSE/SEC)
- H. 2023 SEC Form 17-A (Annual Report) yearly
- I. 2023 Audited Financial Statements – yearly
- J. Sustainability Report - yearly

ITEM 1. CASES WHERE MR. OLIVERIO L. LAPERAL, JR., MR. DESIDERIO L. LAPERAL AND ANNEX 'A'1. CASES WHERE MR. OLIVERIO L. LAPERAL, JR., MR. DESIDERIO L. LAPERAL AND ATTY. JESUS VICENTE B. CAPELLAN ARE NAMED PARTY-LITIGANTS.

Case Title	Spouses Emilio & Cresencia Valdez, et al. vs. Spouses Oliverio G. Laperal and Emma L. Laperal, et al. Docketed as Civil Case No. 5236-R Regional Trial Court, Branch 61, Baguio City
Date Filed	May 10, 2002
Nature of the Action	The case was filed by the Valdez' against the Laperals, et al. for annulment of documents and recovery of possession with damages.
Status	<p>Said case was dismissed against Spouses Oliverio G. Laperal, Sr. and Emma L. Laperal and Philippine Cyber College Corp., in a resolution dated April 18, 2011. But the plaintiffs appealed to the Court of Appeals which reversed the order of dismissal by the Regional Trial Court and directed that the case be tried on the merits. From the adverse order, defendants filed a petition for review on certiorari before the Supreme Court. Said Court, however, affirmed findings of the Court of Appeals and so the case was remanded for trial on the merits before the Regional Trial Court. After judgment by the Regional Trial Court both parties made an appeal to the Court of Appeals on a question of fact and law.</p> <p>By the death of Oliverio G. Laperal, Sr. on August 26, 2018 and Emma L. Laperal on December 01, 2003, they are substituted by their legitimate children, namely: Victorina L. Laperal, Oliverio L. Laperal, Jr., Rosamaria L. Laperal, Regina Laperal-Concepcion, Desiderio L. Laperal and Alexandra Laperal.</p>
Case Title	Victorina L. Laperal, et al., vs. Filipinas Golf & Country Club, Inc., et al. Docketed as Civil Case No. Q-09-221 Regional Trial Court, Branch 93 Quezon City, Metro Manila

<p>Status</p>	<p>This is a civil case filed by Victorina L. Laperal, Rosamaria L. Laperal, Regina L. Concepcion and Alexandra L. Laperal against Filipinas Golf & Country Club, Inc. on July 1, 2009, asking the RTC to direct the Company to issue their respective proprietary membership certificates.</p> <p>On September 7, 2009, Mr. Oliverio G. Laperal, Sr. filed a motion for leave to admit his complaint-in-intervention against the plaintiffs. He asserted his real and beneficial ownership over the proprietary membership certificates claimed by the plaintiffs and thus, prayed that the court shall dismiss the case for lack of cause of action. On September 7, 2009 the Company filed its verified answer to the complaint. The plaintiffs then filed their reply to the answer on October 8, 2009. Meanwhile, availing of the remedies under the Rules of Court, the Company served written interrogatories and requests for admissions to the plaintiffs on September 29, 2009. The plaintiffs then asked for an extension of time to reply to the discovery devices.</p> <p>During the pre-trial, the parties asked the court for the suspension of the proceedings in order to finalize the terms of their settlement.</p> <p>On August 26, 2018, Oliverio G. Laperal, Sr. died at St. Luke's Medical Center-Global City. Meanwhile, a petition is filed for the probate of the Will of Oliverio G. Laperal, Sr. and appointment of executor, docketed as R-MKT-18-04136-SP, now pending before the Regional Trial Court, Branch 148, Makati City, Metro Manila.</p>
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**RESUME OF THE BOARD OF DIRECTORS
AND
EXECUTIVE OFFICERS**

HORACIO M. PASCUAL, 92	
Imperial Resources Incorporated	
Chairman of the Board	July 19, 2018 to present
EDUCATIONAL ATTAINMENT	
Associate in Arts (Pre-Law) St. Williams College	1950
Bachelor of Science in Education National University	1952
Bachelor of Law Manuel L. Quezon University	1964
Master of National Security National Defense College of the Philippines	1979
Doctor of Public Administration (earned 21 Units) Polytechnic University of the Philippines	1979
OTHER BUSINESS EXPERIENCE	
Filipinas Golf & Country Club, Inc.	Director
M.H. Pascual Law Office	Partner
Acsay Pascual & Associates Law Office	Partner
Legal & Policy Research Department & Enterprises Operations Department	Director
Export Processing Zone Authority	Director
Chief Policy Research Officer	Presidential Economic Staff
Program Implementation Agency	Administrative Assistant
Xavierville Homeowners' Association	Director/President
AFFILIATIONS AND MEMBERSHIPS	
Integrated Bar of the Philippines	Isabela
American Society of International Law	U.S.A.
International Society for the Study of Comparative Public Law	U.S.A.
Philippine Association of Technical Assistance Participants	Manila
ELM Association of the Philippines, Inc.	Manila

DESIDERIO L. LAPERAL, 70	
Imperial Resources Incorporated	
Director	1977 to 1981 1996 to present
Vice-President/CFO/Treasurer	July 11, 2024
President/CEO	July 14, 2016 to July 13, 2017 July 19, 2018 to July 11, 2019

Vice-President/CFO	July 13, 2017 to July 11, 2019
Vice-President	1996 to July 2016 July 13, 2017 to July 18, 2018
Treasurer	1996 to July 2016
President/CEO	July 13, 2023
EDUCATIONAL ATTAINMENT	
Elementary La Salle Greenhills, Mandaluyong City	1965-1971
Secondary Level (High School) Institute Le Rosey, Switzerland	1971-1973
B.S. Finance University of Santa Clara, U.S.A.	1973-1978
OTHER BUSINESS EXPERIENCE	
Pacifica, Inc.	
Director	1978 to August 2010
Vice-President/Treasurer	1996 to July 1997
Vice-President	1976 to 1981
Filipinas Golf & Country Club, Inc.	
Director	1979 to present
Vice-President/CFO	1990-2000-2017-2011-2012
President	2001 to 2014-2016-2018-2011-2012
President	
Philippine Cyber College Corp.	
President	2017 to present
Vice-President/Treasurer	2007 to 2016
LMI Holdings Corporation	
President	2017 to present
Vice-President/Treasurer	2011 to 2016
Laperal Realty Corporation	
Vice-President/Treasurer	2011 to present
Rockway Realty Corporation	
Vice-President/Treasurer	1982 to present
LTC Real Estate Corporation	
Vice-President/Treasurer	1982 to present
Keystone Agricultural Ventures, Inc.	
President	1982 to present
Imperial Development Corporation	
Vice-President/Treasurer	2008 to 2017
Chairman/President	2018 to present
Philippine Hybrid Seeds, Inc.	
Vice-President	1980 to present
Phil. Agro-Research Corporation	
President	1980 to present
AFFILIATIONS AND MEMBERSIPS	
Rotary Club of Makati-Ayala	
Charter Member	1983 to present

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OLIVERIO L. LAPERAL, JR., 75	
Imperial Resources Incorporated	
Director	March 28, 2016 to present
President/CEO	July 11, 2024
Vice-President Treasurer	July 13, 2023
President/CEO	July 13, 2017 to July 18, 2018, July 11, 2019
Vice-President/CFO/Treasurer	July 14, 2016 to July 13, 2017; July 19, 2018 to July 19, 2018
Vice-President/Treasurer	July 13, 2023
EDUCATIONAL ATTAINMENT	
School of Engineering De La Salle University, Manila	1968-1969
BS (Honors) Cornell University, New York, U.S.A.	1969-1973
MBA Cornell University, New York, U.S.A.	1973-1975
OTHER BUSINESS EXPERIENCE	
Front Desk Manager Statler Hotel, New York, U.S.A.	1974-1975
Assistant Manager Chemical Bank of New York Wall St., U.S.A.	1975
Assistant Manager Holiday Inn, Vancouver BC, Canada	1975
Director & Vice-President Marketing Pioneer Savings & Loan, Manila	1975-1980
Vice-President Pacific Shores Capital Dev't Corp.	1975-1980
President & Managing Director R.S. Video & Film Productions	1980-present
Director/President Filipinas Golf & Country Club, Inc.	1975-1980 2016-present
AFFILIATIONS AND MEMBERSHIPS	
Society of Motion Picture and Television Engineers (SMPTE) New York, U.S.A.	
National Association of Broadcasters Washington D.C., U.S.A	
Advertising Suppliers Association of the Philippines	
Commercial Production House Group	
Rotary Club of Makati-West	
Phil. National Team Phil. Practical Shooting Assoc.	
Phil. National Team Waterski Assoc. of the Philippines	Southeast Asian Record Holder
Manila Polo Club	
Alabang Country Club	
Subic Bay Yacht Club	
Tagaytay Highlands & Midlands	

OLIVERIO L. LAPERAL, JR.
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Licensed Pilot (Instrument Rated) Philippines & U.S.A.	
Licensed Drone Commercial Pilot	

VILMA B. VILLANUEVA, 82	
Imperial Resources Incorporated	
Director	1994 to present
Chief Accounting Officer and Asst. Treasurer- Comptroller	2001 to present
Chief Accounting Officer	2001 to present
Assistant Treasurer	1974 to present
EDUCATIONAL ATTAINMENT	
Mangatarem Elementary School	1948-1954
Mangatarem High School	1954-1958
BBA (Accounting) CPA University of the East	1958-1962
MBA (Undergraduate) Letran College	1969-1971
OTHER BUSINESS EXPERIENCE	
Pacifica, Inc.	
Director	1994 to July 1997
Treasurer	1977 to July 1997
Liberty Mines, Inc.	
Director	1990 to 1996
Asst. Corporate Secretary Asst. Treasurer	1979 -1996
Filipinas Golf & Country Club, Inc.	
Director	1989 to present
Comptroller/Chief Accounting Officer	May 2008 to present
Asst. Secretary	1990 to 1994
Treasurer	1995 – April 2008
Imperial Development Corporation	
Asst. Treasurer	1986 to present
Keystone Agricultural Ventures, Inc.	
Director	2000 to present

GENELITA G. MANADIC, 62	
Imperial Resources Incorporated	
Independent Director	June 10, 2010 to present
EDUCATIONAL ATTAINMENT	
Balanga Elementary School	1970 - 1976
Tomas Del Rosario Academy	1976 - 1980
Civil Engineering University of the East	1981 - 1986
OTHER BUSINESS EXPERIENCE	
Filipinas Golf & Country Club, Inc.	
Director	2010 to present
COCOLIFE	
Life Underwriter	1991 to 1992
Agency Underwriter	1992 to 1995

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Everlasting Memorial Park	
Marketing Manager	1995 to 1996
Subic Bay Waterfront Development Corporation	
Group Manager	1996 to 1999
Partner Thocaris One Inc.	1990 to present
Philippine Representative Matthews Cremation Division	1990 to present
Founder, Lecturer Fruit and Veggie Friends Club, Inc.	1994 to present

JESUS VICENTE B. CAPELLAN, 58	
Imperial Resources Incorporated	
Director/Corporate Secretary/Compliance Officer	February 28, 2014 to present
EDUCATIONAL ATTAINMENT	
Basic Education St. Ferdinand College, Ilagan City, Isabela	1973 - 1980
Secondary Education San Jacinto Seminary, Tuguegarao City, Cagayan	1980 - 1984
Bachelor of Arts in Philosophy San Pablo Seminary, Baguio City	1984 - 1985
Bachelor of Arts in Philosophy University of Santo Tomas, Manila	1985 - 1988
Bachelor of Laws/Doctor of Jurisprudence (JD) University of Santo Tomas, Manila	1988 - 1993
Master of Law San Beda University, Manila	
OTHER BUSINESS EXPERIENCE	
Trial Lawyer/Practitioner Of Counsel The Firm of Sarmiento Delson & Resurreccion	1994 to present
Director/Corporate Secretary Filipinas Golf & Country Club, Inc.	February 28, 2014 to present
Corporate Secretary LTC Real Estate Corporation	February 28, 2014 to present
Director/Corporate Secretary Philippine Cyber College Corp.	February 28, 2014 to present
Director/Corporate Secretary Imperial Development Corporation	February 28, 2014 to present
Director/Corporate Secretary Keystone Agricultural Ventures, Inc.	February 28, 2014 to present
Corporate Secretary Laperal Realty Corporation	February 28, 2014 to present
Corporate Secretary LMI Holdings Corporation	February 28, 2014 to present
Trustee/Corporate Secretary National Clay Shooting of the Philippines, Inc.	
Professor/Legal Consultant San Beda College, Alabang, Muntinlupa City	2014 to present
Legal Consultant	

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Manila Bulletin Corporation, Manila	
Legal Consultant Manila Hotel, Manila	
Mediator National Center for Mediation	
AFFILIATIONS AND MEMBERSHIPS	
President (Social Action Center) UST AB Pax Romana	1986 to 1988
Treasurer UST, AB Philosophy Council	1986 to 1988
Member UST AB Legion of Mary	1986 to 1988
Member UST, Knights of Columbus Council 7884	1987 to present

MARCIANO G. DELSON, 58	
Imperial Resources Incorporated	
Independent Director	July 14, 2022 to present
EDUCATIONAL ATTAINMENT	
Bachelor of Laws & Master of Laws San Beda University, Manila	
Bachelor of Science in Commerce major in Accountancy Saint Louis University, Baguio	
Secondary Education Lubon Elementary School, Tadian, Mt. Province	
Basic Education Lubon Elementary School, Tadian, Mt. Province	
PROFESSIONAL EXAMINATION TAKEN	
Certified Public Accountant Licensure Examination Professional Regulation Commission	1986 with a passed rating of 87%
Bar examinations Philippine Supreme Court	1990 with a passed rating of 87.95%
PRESENT WORK ENGAGEMENT	
Dean, College of Law San Beda University, Manila	
Trustee/Professor of Law San Beda College, Alabang, Muntinlupa City	
Senior Partner The Firm of Sarmiento Delson & Resurreccion	

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COVER SHEET

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S.E.C. Registration Number

I M P E R I A L R E S O U R C E S , I N C .

(Company's Full Name)

8 2 - J 4 T H S T R E E T N E W M A N I L A
Q U E Z O N C I T Y

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

JESUS VICENTE B. CAPELLAN

Contact Person

831-4719 / 724-2986

Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

SEC FORM 17-Q
Quarterly Report as of March 31, 2025
Form Type

0 7
Month Day
Annual Meeting

Secondary License Type, If Applicable

I C T D

Dept. Requiring this Doc.

Amended Articles Number/Section

1 6 6 4

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY

Consolidated Statements of Financial Position

March 31, 2025 and December 31, 2024

Amounts in Philippine Peso

	March 31 2025	* December 31 2024	**
A S S E T S			
Current assets			
Cash and cash equivalents	P 2,809,183	2,982,751	
Other receivables	15,878	29,836	
Prepayments	10,424	19,756	
Total current assets	2,835,485	3,032,343	
Non current-assets			
Financial assets at FVOCI	80,000	80,000	
Property and equipment, net	2,083	2,083	
Investment property	1,035,000,000	1,035,000,000	
Due from subsidiary	0	0	
Deferred Tax Asset	1,058,906	1,058,906	
Total non-current assets	1,036,140,990	1,036,140,989	
TOTAL ASSETS	P 1,038,976,475	1,039,173,332	
LIABILITIES AND EQUITY			
Current liabilities			
Accruals and other payables	P 2,630,746	2,913,269	
Income tax payable	117	117	
Total current liabilities	P 2,630,863	2,913,386	
Non-current liabilities			
Retirement benefits payable	4,235,626	4,235,626	
Advances from stockholders	76,234,840	74,594,840	
Total non-current liabilities	80,470,466	78,830,466	
TOTAL LIABILITIES	83,101,329	81,743,852	
Total Equity Attributable to the Owners			
of the Parent			
Share Capital	636,563,546	636,563,546	
Remeasurement gain (loss) on retirement be	333,171	333,171	
Retained earnings / (Deficit)	319,232,005	320,785,609	
	956,128,722	957,682,326	
Non-controlling Interest	(253,575)	(252,846)	
TOTAL EQUITY	955,875,147	957,429,480	
TOTAL LIABILITIES AND EQUITY	P 1,038,976,475	1,039,173,332	

* Unaudited

** Audited

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IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY**Consolidated Statements of Comprehensive Income****(Unaudited)****For the Quarters ended March 31, 2025 and 2024**

	Amounts in Philippine Peso	
	March 31	March 31
	2025	2024
INCOME		
Interest Income	P 280	P 306
EXPENSES		
Salaries and Wages	630,798	616,127
Professional Fees	84,720	40,320
Utilities	117,363	106,146
Rental	213,110	213,110
Repairs and Maintenance	42,030	17,845
Transportation and Travel	12,845	11,463
Dues and Subscription	290,295	289,382
Miscellaneous	31,519	15,267
Security Services	51,000	51,000
Supplies and other office expenses	7,364	5,736
SSS, PHIC and HDMF contributions	17,400	17,405
Taxes and Licenses	37,009	32,996
Insurance	19,166	14,356
	<u>P 1,554,618</u>	<u>1,431,153</u>
LOSS FROM OPERATIONS	(1,554,338)	(1,430,847)
OTHER COMPREHENSIVE INCOME (LOSS)	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>(1,554,338)</u>	<u>(1,430,847)</u>
LOSS FOR THE QUARTER		
ATTRIBUTABLE TO :		
Owners of the Parent	(1,546,314)	(1,430,847)
Non-Controlling Interest	(729)	(622)
	<u>P (1,547,043)</u>	<u>P (1,431,469)</u>
LOSS PER SHARE	<u>(0.002)</u>	<u>(0.002)</u>

Note:

Loss per share amounts are computed by dividing the net loss attributable to the owners of the Parent for the period over the number of shares issued and outstanding at the end of the period which is 652,500,000 shares for 2025 and 2024.

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY**Consolidated Statements of Changes in Equity
(Unaudited)****March 31, 2025 and 2024**

	Amounts in Philippine Peso	
	March 2025	December 31 2024
EQUITY		
Capital stock - par value - P1.00 for 2025 and 2024		
Authorized - 1,800,000,000 shares for 2025 and 2024		
Common Stock - 1,800,000,000 shares for 2025 and 2024		
Common Stock - Issued and outstanding - 230,643,195 for 2025 and 2024 ,		
Balance at beginning of year	P 230,643,195	P 230,643,195
Issued	-	-
Balance at end of period	<u>230,643,195</u>	<u>230,643,195</u>
Common Stock - subscribed capital stock - 421,856,804 shares for 2025 and 2024,		
Balance at beginning of year	421,856,805	421,856,805
Addition (Deduction) - net	-	-
Balance at end of period	<u>421,856,805</u>	<u>421,856,805</u>
Less: subscription receivable		
Balance at beginning of year	15,936,454	15,936,454
Addition (Deduction) - net	-	-
Balance at end of period	<u>15,936,454</u>	<u>15,936,454</u>
	<u>405,920,351</u>	<u>405,920,351</u>
Total share capital	<u>636,563,546</u>	<u>636,563,546</u>
Remeasurement of retirement benefits payable	333,171	333,171
Retained Earnings		
Balance at the beginning of year	320,786,342	241,549,445
Comprehensive loss for the period	(1,554,338)	79,236,164
Balance at the end of the period	<u>319,232,005</u>	<u>320,785,609</u>
Non-Controlling interest	<u>(253,575)</u>	<u>(252,846)</u>
TOTAL EQUITY	P 955,875,147	P 957,429,480

Consolidated Statements of Cash Flows
(Unaudited)
For the Quarters Ended March 31, 2025 and 2024

Amounts in Philippine Peso

	March 31	March 31
	2025	2024
Cash Flows from Operating Activities		
Net loss from Operations	P (1,554,338)	P (1,430,847)
Adjustments for Interest Income	(208)	(306)
Decrease (Increase) in :		
Receivables	13,958	(88,369)
Prepayments	9,332	10,240
Increase (Decrease) in :		
Accruals and other Payables	(282,523)	(434,446)
Cash Used in Operating Activities	(1,813,779)	(1,943,728)
Interest Income Received	208	306
Net Cash Used in Operating Activities	(1,813,571)	(1,943,422)
Cash Flows from Financial Activities		
Additonal Paid up Capital		
Increase in advances from stockholders	1,640,000	1,515,000
	1,640,000	1,515,000
Net Cash Provided from Financial Activities	1,640,000	1,515,000
Net Increase (Decrease) in Cash and Cash Equivalents	(173,571)	(428,424)
Cash and Cash Equivalents at the Beginning of the Period	2,982,751	3,190,974
Cash and Cash Equivalents at the End of the Period	P 2,809,183	P 2,762,550

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY

Aging of Accounts Receivable

(Unaudited)

As of March 31, 2025

Trade and other Receivables -	P	-
Advances to employees for liquidation	P	-
Loans to Employees and other companies	P	15,878.00
SSS Maternity Benefit	P	-
Total		P 15,878.00

1) Aging of accounts receivable

Type of accounts receivable	Total	1 Month	2-3 Mos.	4-6 Mos.	7 Mos To 1 Year	1-2 Years	3-5 Years	5 Years- above	Past due accounts & Items in Litigation
a) Trade receivables									
1) Trade receivables	-	-	-	-	-	-	-	-	-
b) Non-trade receivables									
1) Loan to employees	15,878.00	u	-	15,878.00	-	-	-	-	-
2) Maternity Benefit-SSS	-	-	-	-	-	-	-	-	-
Advances to employees	-	-	-	-	-	-	-	-	-
Non-trade receivable	15,878.00	-	-	15,878.00	-	-	-	-	-
Total accounts receivable (net)	15,878.00								

2) Accounts receivable description

Type of receivable	Nature/Description	Collection Period
1) Loans to employees	Loans to company employees	six (6) months
2) Others	Advances to employees for liquidation SSS Maternity Benefit	one (1) month two (2) months

3) Normal Operating Cycle : Calendar Year (12 months)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended: March 31, 2025
2. Commission identification number: 39243 3. BIR Tax Identification No.: 000-463-670

IMPERIAL RESOURCES, INC.

4. Exact name of issuer as specified in its charter

Metro Manila, Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

**Unit 202 Villa Building, No. 78 Jupiter Street corner Makati Avenue, Barangay Bel- Air,
Makati City 1200**

8. Issuer's telephone number, including area code

(632) 724-2986

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Voting Shares – P1.00 par value 652,500,000 Million Voting Shares	652,500,000 Million Voting Shares
	There are no debt securities
	Amount of Debt Outstanding – P83,101,329

One Hundred Fifty Million (150,000,000) Common voting shares are exempted from registration

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

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange Common Voting shares

The original Twenty Million (20,000,000) shares of stock consisting of Fourteen Million (14,000,000) Common Class "A" shares and Six Million (6,000,000) Common Class "B" shares are listed in the Philippine Stock Exchange. After the approval of the change in par value from P5.00 to P1.00 and declassification of Class "A" and Class "B" into Common Stock by the Securities and Exchange Commission on February 10, 2017, the Common Stock shares listed with Philippine Stock Exchange has become 100,000,000 shares.

Inasmuch as the company desires to increase its listed shares in the Philippine Stock Exchange (PSE), the majority of the issued and outstanding shares of stocks of Imperial Resources, Incorporated, in the number of **Five Hundred Forty-Six Million Two Hundred Thirty-three Thousand Six Hundred Seventy (546,233,670) common shares**, which consist of **Eighty Three point Seven One Four Percent (83.714%)**, is the subject of probate proceedings, entitled: IN RE: Petition for the Will of Oliverio G. Laperal, Sr., Desiderio Christopher L. Laperal, petitioner, pending before the Regional Trial Court, Branch 148, Regional Trial Court, Makati City.

Once the probate court allows and approves the administration and disposition of the estate, including the said shares of stocks of Oliverio G. Laperal, Sr., as well as when the economic environment makes it feasible the company shall endeavor to work on the listing requirements of PSE.

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes No

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

Yes No

PART I – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

1. The Financial Statements are as follows:

- a) Consolidated Statements of Financial Position as of March 31, 2025 (Unaudited) and December 31, 2024 (Audited).
- b) Unaudited Consolidated Statements of Changes in Equity for the Quarters Ended March 31, 2025 and 2024.
- c) Unaudited Consolidated Statements of Comprehensive Income for the Quarters Ended March 31, 2025 and 2024.
- d) Unaudited Consolidated Statements of Cash Flows for the Quarters Ended March 31, 2025 and 2024.
- e) Aging of Accounts Receivable as of March 31, 2025.

Item 2. ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

During the first quarter of 2025, per data provided by the Philippine Stock Exchange, Parent Entity (IMP) shares traded at a high of P0.67, low at P0.56 and closed at P0.56. The total volume of shares traded during the quarter was 595,948 shares. On the other hand during the first quarter of 2024 the shares of stocks traded at a high of P0.78, low of P0.52 and closed at P0.61 with a volume of 684,300 shares.

The Company received cash advances during the quarter covered by this report from a stockholder amounting to P1.64 million which funded the administrative expenses during the said period amounting to P1.55 million.

During this quarter the amount of interest income earned was immaterial.

The Group during the first quarter of 2025 did not dispose any asset of material amount nor does it plan to do it in the near future. It has not budgeted nor committed any substantial amount for material or capital expenditures for the coming quarters. Any amount needed for the Group's operation will be funded by the Laperal family through its family-owned corporation, LTC Real Estate Corp.

Management submitted to the Board of Directors on April 13, 2023 during the special board meeting for their consideration, ratification and approval of the Company's plan to consider the impairment of the Company's mining exploration in Buton Island and Waangu-Angu, Sulawesi, Indonesia over a period of three (3) years starting from the calendar year ending December 31, 2022. Given the various economic, political, financial, environmental and security conditions in the domestic and international fronts the resolution was ratified and approved. The financial statements of Imperial Resources, Inc. as of December 31, 2022 showed an impairment loss on Exploration and Evaluation Assets (E&EA) in the amount of Sixteen Million Eight Hundred Twenty-Four Thousand One Hundred Sixteen Pesos (P16,824,116) representing thirty- three point thirty- three percent (33.33%) of the total E&EA of P50,472,348.

During the special board meeting held on April 12, 2024 the recording in the books of the company of the second thirty- three point thirty- three percent (33.33%) impairment loss on the exploration and evaluation asset (E&EA) in the amount of Sixteen Million Eight Hundred Twenty-Four Thousand One

Hundred Sixteen Pesos (Php16,824,116) as of December 31, 2023 was ratified and approved.

During the special board meeting held on April 12, 2025 the recording in the books of the company of the third of the thirty-three point thirty four percent (33.34%) impairment loss on the exploration and Evaluation asset (E&EA) in the amount of Sixteen Million Eight Hundred Twenty Four Thousand One Hundred Sixteen (Php 16,824,116) as of December 31, 2024 was ratified and approved.

All the financial reports and returns of the Company as of December 31, 2024 such as the Audited Financial Statements, Audited Consolidated Financial Statements, Annual and Quarterly Income Tax Return with all the required attachments, General Form for Financial Statements (GFFS) and the SEC 17Q report for the first quarter of 2025 were submitted to the Securities and Exchange Commission (SEC) and Bureau of Internal Revenue (BIR) within the prescribed period.

Material changes (five percent (5%) or more) in the accounts under the unaudited consolidated statements of financial position as at March 31, 2025 compared with the figures appearing in the audited consolidated statements of financial position as at December 31, 2024 including the reasons for such changes are presented below:

1. Cash and cash equivalents

First this account decreased by about 5.8% or P174 thousand. While the advances from a stockholder during the quarter of 2025 amounted to P1.64 million and the administrative expense amounted to P1.555 million some payables were liquidated resulting to the decrease.

2. Other Receivables

There was a decrease of about 46.8% or P14 thousand because of collection of the loan extended to an employee during the first quarter of 2025.

3. Prepayments

There was a decrease of about 47.2% or P9 thousand because some of the prepaid accounts were expensed during the first quarter of 2025.

4. Accruals and other payables —

The decrease of about 9.7% or P282 thousand was the result of the payment of accrued expenses during the first quarter of 2025.

Discussed below are the material changes (five per cent (5%) or more) in the accounts under the Consolidated Statements of Comprehensive Income for the first quarter of 2025 in comparison with the same period in 2024 including the causes of such changes:

A. Income Account

1. Interest Income

This account decreased during the first quarter of 2025 by about 8% or P306.

B. Administrative Expenses Accounts

1. Utilities –

There was an increase of about 10.57% or P11.2 thousand during the first quarter of 2025 compared with the figure for the same period in 2024 because of the increase in consumption of water and electricity.

2. Repairs and Maintenance -

There was a increase in this account by about 135.53% or P24 thousand compared with the figure for the first quarter of 2024 because of the increase in cost of maintaining the company vehicle is good running condition than in the same period in 2023.

3. Travel and Transportation-

This account includes gasoline and oil expense for company vehicles and motorcycles being used by company officers and messengers. This account increased during the first quarter of 2025 compared to the figure during the same period in 2024 by about 12.06% or P1 thousand because most of the messengerial activities were done through motorcycle instead of company vehicles resulting to lesser gasoline consumption.

4. Supplies and Other Office Expenses—

This account includes office supplies, advertising, printing and reproduction expenses. This account decreased by about 28.38% or P16 thousand because the usage of office supplies incurred compared to the same period in 2024.

5. Miscellaneous—

During the first quarter of 2025 the company's transfer agent billed the company miscellaneous expenses incurred in the preparation of reports regarding the company's shares of stock. Also, the miscellaneous expenses incurred in securing business permit for 2025 increased during the first quarter of 2025, hence, the increase of about 106.46% a P16 thousand.

6. Taxes and Licenses –

There was an increase of about 53.9% on P13 thousand because of the increase in the business permit paid for the year 2025.

7. Professional fees –

There was a increase of about 110.1% or P44.4 thousand during first quarter of 2025 compared with the figure for the same period in 2024, because of the increase in the audit fee of the company's external auditors and professional fee of the appraiser for the year 2025.

8. Insurance –

There was an increase of about 33.5% or P4.8 thousand because the insurance premium for one vehicle was paid during the second quarter of 2024 while the same was paid during the first quarter of 2023.

THE GROUP'S FINANCIAL SOUNDNESS INDICATORS

Presented below are the Financial Soundness Indicators used by the Group for the March 31 2025, December 31, 2024 and March 31, 2024

	March 31, 2025		December 31, 2024		March 31, 2024
(i) Current/liquidity ratios:					
Current assets	2,835,485	=		1.08:1	
Current liabilities	2,630,863		3,032,343	=	1.04:1
			2,913,386		2,881,191
					=
					1.26:1
(ii) Debt-to-equity ratios:					
Total liabilities	83,101,329	=		0.09:1	
Equity	955,875,147		81,743,852	=	0.09:1
			957,429,480		76,252,152
					=
					0.09:1
(iii) Solvency ratios:					
Total liabilities	83,101,329	=		0.08:1	
Total assets	1,038,976,475		81,743,852	=	0.08:1
			1,039,173,332		76,252,152
					=
					0.08:1
(iv) Asset-to-equity ratios:					
Total assets	1,038,976,475	=		1.09:1	
Equity	955,875,147		1,039,173,332	=	1.09:1
			957,429,480		952,834,650
					=
					1.09:1
(v) Interest rate coverage ratios (Earnings before interest and taxes/Interest expense):					
This ratio is not applicable since the Company has no interest expense.					
(vi) Profitability ratios (Net profit after taxes/Revenues before cost of services):					
This ratio is not applicable since the Parent Entity and Subsidiary has no revenues.					

2. Notes to Interim Financial Statements and Other Required Disclosures:

- a. The Group's unaudited interim consolidated financial statements as of March 31, 2025 presented in this report have been prepared in conformity with generally accepted accounting principles. The same have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) and Philippine Accounting Standards (PAS). The same accounting policies and methods of computation were followed in the unaudited interim consolidated financial statements as compared with the Company's audited consolidated financial statements as of December 31, 2024.
- b. There were no items affecting assets, liabilities, equity, net income, or cash flows considered unusual because of their nature, size, or incidents.
- c. The Group did not use estimates of amounts in its interim period reports covering the 1st quarter of the year 2025 and end of the year 2024, hence, no changes that have material effect in the current interim period can be reported.
- d. The Group has no issuances, repurchases and repayments of debt and equity securities. It has no short-term or long-term promissory notes. Therefore, it has no interest expense nor amortization of debt discount and expense or premium.
- e. There has been no changes in the composition of the Group during the interim period covered by this report, including business combinations, acquisition or disposal of subsidiaries and long-term investments, and restructurings.
- f. The Group has no contingent liabilities or contingent assets since December 31, 2024.

- g. There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.
- h. There were no material segment revenue and segment business results during the period covered by this report.
- i. There has been no cash or stock dividends paid by the Group since their incorporation.
- j. Certain accounts have been reclassified and comparative figures have been adjusted to conform with the presentation of the Consolidated Financial Statements as of December 31, 2024. The accounting policies adopted in the preparation of the consolidated financial statements as of December 31, 2024 and interim financial statements as of March 31, 2025 are consistent with those of the previous financial year except for the adoption of the new and amended standards and interpretations, which became effective beginning January 1, 2024. The adoption of these new and amended standards and interpretations did not have significant impact on the Parent Entity and Subsidiary's financial statements. No standard interpretation on amendment that has been issued but is not yet effective was early adopted.

BASIS OF PREPARATION, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below to facilitate an understanding of the data presented in the consolidated financial statements. These policies have been consistently applied, unless otherwise stated.

Basis of preparation and statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS) and 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.

These financial statements have been prepared under the historical cost convention, except for certain financial assets measured at fair value. The financial statements are presented in Philippine Peso, the Group's functional currency.

The preparation of the consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies.

Basis of Consolidation

These consolidated financial statements consist of the financial statements of Parent Company and its Subsidiary. The financial statements of the Subsidiary are prepared for the same reporting period as the Parent Company using consistent accounting policies.

	Principal place of business	Principal activities	Effective ownership	
			2024	2023
PCCC	Philippines	Technical vocational education	100%	100%

Subsidiary

A subsidiary is an entity that is controlled by another entity. Control is when the latter is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the subsidiary.

The Parent Company has the power to govern the financial reporting policies generally accompanying a shareholding of more than one-half of the voting rights of the Subsidiary. The Parent Company obtains and exercises control through voting rights. The existence and effect of potential voting rights that are currently exercisable and convertible are considered when assessing whether the Parent Company controls another company. Consolidation begins from the date the Parent Company obtains control of the Subsidiary and ceases when it loses control.

All intragroup balances, income and expenses and unrealized gains and losses from intragroup transactions are eliminated in full.

Non-controlling Interest (NCI)

NCI represents the portion of profit or loss and other comprehensive income and the net assets not held by the Parent Company and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the equity holders of the Parent Company. Transactions with NCI are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to existing standards and interpretations effective in 2023

The adoption of the new and amended standards and interpretations did not have an impact on the Group's financial statements, unless otherwise stated.

Effective Beginning after January 1, 2024

Amendments to PAS 7 and PFRS 7 – Supplier Financing Arrangements

Effective January 1, 2024, amendments to PAS 7, Statement of Cash Flows and PFRS 7, Financial Instruments: Disclosures introduced new requirements to enhance transparency regarding supplier financing arrangements. These amendments require entities to disclose:

- The terms and conditions of supplier financing arrangements;
- The carrying amounts of liabilities under these arrangements and their presentation in the statement of financial position;
- Changes in these liabilities during the reporting period, including cash flow and non-cash changes; and
- The liquidity risk associated with these financing arrangements and their impact on the entity's cash flow management.

As of December 31, 2024, the Group has no supplier financing arrangements.

Amendments to PFRS 16 – Lease Liability in Sale and Leaseback

The amendments to PFRS 16, Leases clarify the measurement of lease liabilities arising from sale and leaseback transaction. Under these amendments, the lease liability must reflect the payments required over the lease term, even if those payments vary, ensuring consistency with the initial recognition and measurement principles of PFRS 16. Entities are required to:

- Measure lease liabilities at the present value of expected lease payments;
- Recognize right-of-use assets based on the proportion of the asset retained by the seller-lessee; and
- Disclose the nature and financial impact of sale leaseback transactions, including any resulting gains or losses.

Amendments to PAS 1, Classification of Liabilities as Current or Non-current

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 Management is still evaluating the impact of these new amendments.

k. Financial Risk Management Objectives and Policies

The Group's activities are exposed to a variety of financial risks: credit risk, liquidity risk, market risk and fair value estimates. The Group's overall risk management program seeks to minimize potential adverse effects on its financial performance and to make an optimal contribution to its revenues by managing these risks. The Parent Entity's risk management, vested thru the Board of Directors, focuses on actively securing its short to medium-term cash flows by minimizing the exposure to financial risks. Long-term financial investments are managed to generate lasting returns.

Management is aware of the following risks that the Company will face in the future as regards its mining project:

1. Mining metals and non-metals is essentially risky and expensive and faced with multiple problems.
2. The prices of commodities are always subject to fluctuations.
3. All governments change its heads and regulations are subject to unpredictable changes and government laws and regulatory policies and corporate governance poses hazards to plan, execute and deliver on long-term projects.
4. The global weather is unpredictable.
5. Many governments are demanding larger and larger share of the profits. Higher taxes and rents are seen as management problems.
6. Terms of contracts may be subjected to unpredictable changes.

Management's Responses and Outlook

1. The Company's main goal is to explore for less risky exploration and exploitation minerals.
2. Shorten exploration period and look for the most economical ways to explore and conduct the latest geological and geophysical techniques to minimize risks of exploration.
3. Management will engage experts to utilize proven hedge and financial initiatives to mitigate and minimize the inherent risks of the volatility of commodities.
4. The Group is aware of the importance of community welfare and community relationship.

Financial risk factors

The Group's financial assets and liabilities, comprising mainly of cash and cash equivalents, trade and other receivables, available-for-sale investments and refundable deposits are exposed to a variety of financial risks. The management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks in the Group's financial performance. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

1. Credit Risk Management

Credit risk refers to the risk that a counterpart will default on its obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets.

The credit risk for cash and cash equivalent is assessed by Management as low risk since these are deposited with reputable banks which have low probability of insolvency. The amount of the Group's trade and other receivables account is not material. The Group's maximum exposure to credit risk from the available-for-sale investments is equivalent to the fair value of the shares in the Philippine Stock Exchange (PSE). The Group has no investments in foreign securities. The total carrying amount of the financial assets composed of cash and cash equivalents, and other receivables, as presented in the financial statements as of March 31, 2025 is P2.825 million. These financial assets are not impaired and none are used for collateral or other credit enhancements.

2. Liquidity Risk Management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by maintaining adequate highly liquid assets in the form of cash and cash equivalents. Management has no knowledge of any other trends, demands, commitments, events or uncertainties that would have material impact on the groups liquidity. A call of subscription receivable by the Board of Directors of the Parent Entity is an alternative to raise cash. The major stockholders have committed to make advances to the Parent Entity to sustain its operations. A stockholder made a cash advance amounting to P1.64 million during the first quarter of 2025. The current ratio as of March 31, 2025 is 0.03:1.

3. Market Risk Management

Market risk is the risk of loss to future earnings, to fair value or to future cash that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes.

3.1 Interest rate and foreign currency risk

The Group's exposure to the risk of changes in interest rates is minimal since its cash and cash equivalents have fixed interest rates not affected by interest rates in the market. The Group does not have any interest bearing notes payable and is therefore not affected by changes in interest rates. The Parent Entity is exposed to foreign currency risk primarily with respect to its monetary assets denominated in US Dollar which are used to cover the exploration and development costs of its mining project in Indonesia. The Parent Entity's financial position and financial performance are affected by the movements in the Philippine Peso to US Dollar exchange rates. Foreign currency risk arises when recognized assets and liabilities are denominated in a currency that is not the entity's functional currency.

The balance of the US Dollar denominated cash and cash equivalents was US\$ 45,513, on December 31, 2024 and US\$ 45,520 on March 31, 2025. Any unrealized gain/loss from foreign exchange rate is taken up at the end of the year.

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3.2 Other Price Risk Sensitivity

The Parent Entity's market price risk arises from available-for-sale financial asset which is carried at fair value. It manages its risk from changes in market price by monitoring the changes in the market price of the investments.

Since there has been no available market value in the PSE since 2010 of Philcomsat Holdings, Corp. due to its suspension from trading the Company recognized impairment loss of P720,000 as of December 31, 2024.

i. Operating Segment

An operating segment is a component of an entity that (a) engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity; (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

In 2009, with the interest of the Parent Entity in mining, this business segment can be reported as an operating segment even though it is still in its exploratory stage. The business segment is organized and managed separately according to the nature of the services provided. A segment asset includes all operating assets used by a segment and consists of supplies, deposits, exploration and evaluation assets, property and equipment (net of accumulated depreciation),

With the granting of rights of exploration, development and operation of the mining concessions in Indonesia, as of March 31, 2025, there is nothing to report on mining business segment while the total segment assets under exploration and evaluation asset account amounts to P50,472,348 since December 31, 2016 broken down into acquisition of rights to explore amounting to P11,795,500 and geophysical studies amounting to P38,676,848. There has been no disbursement pertaining to the mining project from 2016 to the first quarter of 2025.

Management decided to record impairment loss for three (3) years. The financial Statements of the Company as of December 31, 2022 showed as impairment loss in the amount of P16.8 million another P16.8 million in the year 2023 and finally P16.8 million in the year 2024. Management has no knowledge of any other trends, demands, commitments, events, or uncertainties that would have material impact on the Group's liquidity. The Group look at its current assets as source of liquidity. The Group still expects to collect some subscription receivables from its by way of a formal call by the board of directors. Management has no knowledge of any other trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the Group's operations. Management is not aware of any significant elements of income or loss that did not arise from the Group's operations nor were there any seasonal aspects that had material effect on the financial condition of the Group during the period covered by this report.

Except for the current financial obligation; there are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

As at the end of the 1st quarter of year 2025, the Group was not in default in any of its indebtedness. It has enough resources or can raise resources, if necessary, in order to meet any of its obligations and implement its planned activities. It does not foresee any liquidity problem in the coming quarters.

PART III – OTHER INFORMATION

All material events and / or matters during the period covered by this report were disclosed under SEC Form 17-C. There are no other material matters/events during the period covered by this report which are required by SEC to be disclosed that are not disclosed with SEC.

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SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer

IMPERIAL RESOURCES, INC.

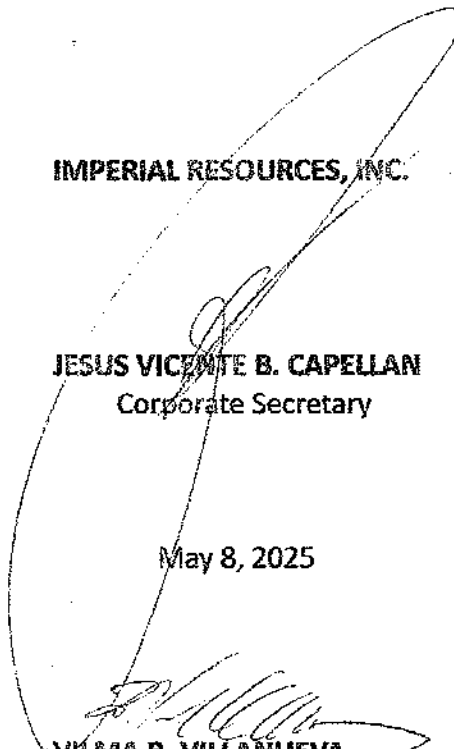
Signature and Title

JESUS VICENTE B. CAPELLAN
Corporate Secretary

Date

May 8, 2025

Signature and Title


WILMA B. VILLANUEVA
Chief Accounting Officer/Assistant
Treasurer

Date

May 8, 2025

IMPERIAL RESOURCES, INC. AND SUBSIDIARY

82-14th Street, Marikina, New Manila, Quezon City, Metro Manila
Telephone No. 8724-2986-8721-4648

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Securities and Exchange Commission (SEC)
Secretariat Building
PHC Complex, Roxas Boulevard
Pasay City
Philippines

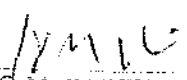
The management of **IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY** (the Parent Entity and Subsidiary) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with Philippine Financial Reporting Standards (PFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

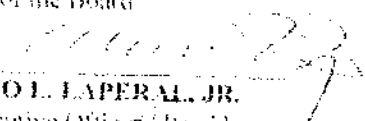
In preparing the consolidated financial statements, management is responsible for assessing the Parent Entity and Subsidiary's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends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


The Board of Directors is responsible for overseeing the Parent Entity and Subsidiary's financial reporting process.

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

VILLARUZ, VILLARUZ & CO., CPAs, the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Parent Entity and Subsidiary in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature 
HORACIO M. PASCUAL
Chairman of the Board

Signature 
OLYERIO L. LAPERAL, JR.
Chief Executive Officer / President

Signature 
DESIDERIO L. LAPERAL
Chief Financial Officer / Treasurer

Signed this 12th day of April, 2025

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IMPERIAL RESOURCES, INC. AND SUBSIDIARY

82-14th Street, Marikina, New Manila, Quezon City, Metro Manila
Telephone No. 8724-2986-87214648

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

Securities and Exchange Commission (SEC)
Secretariat Building
PICC Complex, Roxas Boulevard
Pasay City
Philippines

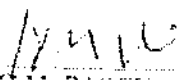
The management of **IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY** (the Parent Entity and Subsidiary) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with Philippine Financial Reporting Standards (PFRSS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

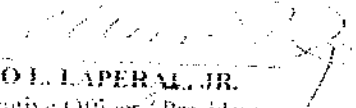
In preparing the consolidated financial statements, management is responsible for assessing the Parent Entity and Subsidiary's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends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

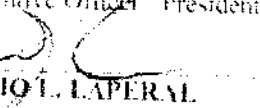
The Board of Directors is responsible for overseeing the Parent Entity and Subsidiary's financial reporting process.

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

VILLARUZ, VILLARUZ & CO., CPAs, the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Parent Entity and Subsidiary in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature 
HORACIO M. PASCUAL
Chairman of the Board

Signature 
OLIVERIO L. LAPERAL, JR.
Chief Executive Officer / President

Signature 
DESIDERIO L. LAPERAL
Chief Financial Officer / Treasurer

Signed this 12th day of April, 2025

| | |

IMPERIAL RESOURCES, INC. AND SUBSIDIARY

82-J 4th Street, Marikina, New Manila, Quezon City, Metro Manila
Telephone No. 8724-2986-8721-4648

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

Securities and Exchange Commission (SEC)
Secretariat Building
PCC Complex, Roxas Boulevard
Pasay City
Philippines

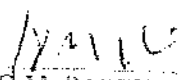
The management of **IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY** (the Parent Entity and Subsidiary) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with Philippine Financial Reporting Standards (PFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

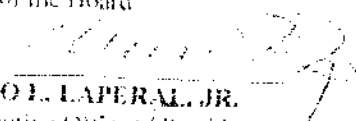
In preparing the consolidated financial statements, management is responsible for assessing the Parent Entity and Subsidiary's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends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

The Board of Directors is responsible for overseeing the Parent Entity and Subsidiary's financial reporting process.

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

VILLARUZ, VILLARUZ & CO., CPAs, the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Parent Entity and Subsidiary in accordance with *Philippine Standards on Auditing*, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature 
HORACIO M. PASCUAL
Chairman of the Board

Signature 
OLIVERIO L. LAPERAL, JR.
Chief Executive Officer / President

Signature 
DESIDERIO L. LAPERAL
Chief Financial Officer / Treasurer

Signed this 12th day of April, 2025



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of
IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
82-J 4th Street, Barangay Mariana, New Manila
Quezon City

Report on the Audits of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY (the 'Group') which comprise the consolidated statements of financial position as at December 31, 2024 and 2023 and consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the two years in the period ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated 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.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement in the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of Investment property

Management has estimated the fair value of the Group's investment property amounting to P1,035,000,000 as at December 31, 2024 with a fair value gain for the year ended December 31, 2024 amounting to P103,000,000. Independent external valuation was obtained in order to support management's estimates. The valuation is dependent on certain key assumptions that require significant management judgment including selection of fair value technique to determine the fair value of the investment property. Such fair value was determined based on recent prices of similar properties, with corresponding adjustments to reflect any changes in economic conditions affecting the latest valuation.

The Group's disclosures about investment property are included in Note 13 to the consolidated financial statements.

Audit response

Our procedures in relation to management's valuation of investment property included:

- Evaluation of the independent external valuer's competence, capabilities, independence and objectivity;
- Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the property industry; and
- Checking, on a sample basis, the accuracy and relevance of the input data used.

We found that the key assumptions used were supported by appropriate supporting documents and available market data. The fair market value of the property was determined using the Market Approach which considered the sale of similar, or substitute properties and related market data were determined to be reasonable and acceptable. We found the disclosures in Note 13 to be appropriate.

Recoverability of Exploration and evaluation assets

The carrying value of the exploration and evaluation assets as at December 31, 2024 amounted to P16,824,116. The exploration and evaluation assets pertains to Group's mining exploration concession with P.T. Asphal Buton Nasional and P.T. Indominas in Buton Island and Kolaka and Bombana, South East Sulawesi Province, Indonesia. Under PFRS 6, *Exploration for and Evaluation of Mineral Resources*, these exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amounts exceed the recoverable amounts. The ability of the Group's to recover its exploration and evaluation assets depends on the commercial viability of the mineral resources. This matter is important to our audit because of the significant management judgment involved in performing the impairment and recoverability review of the account.



The Group's disclosures about exploration and evaluation assets are included in Note 14 to the consolidated financial statements.

Audit response

Our procedures in relation to management's assessment on the recoverability of exploration and evaluation assets included the following:

- Obtained the status of the Group's exploration and evaluation projects in Indonesia as of December 31, 2024;
- Reviewed the terms of contracts, agreements, and reports pertaining to the geologic and geophysical survey and improved operating license agreements and permits of the exploration and evaluation projects to determine the right of the Group's to explore in specific areas; and
- Reviewed management's assessment on the impairment of the exploration and evaluation assets by evaluating the conditions pertaining to recognition of impairment losses under PFRS 6 and its recoverability awaiting the definitive response about the status of the project from their Indonesian partners.

As of the current period, the Group's management has determined that there are indicators of impairment for its exploration and evaluation assets, which are subject to PFRS 6. These indicators primarily arise from the fact that the period for which the entity has the right to explore in the specific area has not been explored due to several factors during the period or is set to expire in the near future, with the possibility of renewal still uncertain.

Other Information

The Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the financial statements and our auditors report thereon. The SEC Form 17-A and Annual Report for the year ended December 31, 2024, are expected to be made available to us after the date of this auditor's 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 consolidated 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 consistent 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 Consolidated Financial Statements

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



In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



Villaruz, Villaruz & Co., CPAs

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

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

The engagement partner on the audit resulting in this independent auditor's report is George V. Villaruz.

VILLARUZ, VILLARUZ & CO., CPAs
000-889-941

By:

GEORGE V. VILLARUZ

CPA Certificate No. 36018

PRC ID no. 0036018 valid until August 26, 2026

PTR No. 6990554D issued on January 6, 2025 at Quezon City

BIR Accreditation No. (Individual) 07-100688-002-2023 issued on October 9, 2023 valid until October 8, 2026

BIR Accreditation No. (Firm) 07-000109-006-2023 issued on October 13, 2023 valid until October 12, 2026

SEC Accreditation No (Individual) as general auditors 36018-SEC (Group A) issued on November 10, 2022

SEC Accreditation No (Firm) as general auditors 0058-SEC (Group A) issued on November 10, 2022

T.L.N. 101-741-882

BOA/PRC Registration No. 0058/P-001 issued on June 27, 2024 valid until June 26, 2027

Quezon City, Philippines
April 12, 2025

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IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY

**REPORT ON EXAMINATION
OF CONSOLIDATED
FINANCIAL STATEMENTS
December 31, 2024 and 2023**

VILLARUZ, VILLARUZ & CO., CPAs

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023
(All amounts in Philippine Peso)

ASSETS

	Notes	2024	2023
CURRENT ASSETS			
Cash and cash equivalents	3, 8	2,982,751	3,190,974
Other receivables	3, 9	29,836	17,448
Prepayments	3, 10	19,756	23,063
Total current assets		3,032,343	3,231,485
NON-CURRENT ASSETS			
Financial assets at FVOCI	3, 11	80,000	80,000
Property and equipment, net	3, 12	2,083	-
Investment property	3, 13	1,035,000,000	932,000,000
Exploration and evaluation assets	3, 14	-	16,824,116
Deferred tax asset	3, 16	1,058,906	1,049,343
Total non-current assets		1,036,140,989	949,953,459
TOTAL ASSETS		1,039,173,332	953,184,944
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accruals and other payables	3, 17	2,913,269	2,719,386
Income tax payable	3, 16	117	-
Total Current Liabilities		2,913,386	2,719,386
NON-CURRENT LIABILITIES			
Advances from shareholders	3, 19	74,594,840	68,254,840
Retirement benefits payable	3, 18	4,235,626	4,197,372
Total Non-current Liabilities		78,830,466	72,452,212
TOTAL LIABILITIES		81,743,852	75,171,598
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	3, 20	636,563,546	636,563,546
Remeasurement gain on retirement benefits payable	3, 18	333,171	150,209
Retained earnings	3	320,785,609	241,549,446
		957,682,326	878,263,200
NON-CONTROLLING INTEREST	3, 25	(252,846)	(249,854)
TOTAL EQUITY		957,429,480	878,013,346
TOTAL LIABILITIES AND EQUITY		1,039,173,332	953,184,944

(See Notes to Consolidated Financial Statements)

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
OTHER INCOME			
Interest income		7,294	4,782
Unrealized gain (loss) on foreign exchange, net	8, 22	111,276	(25,144)
Total Other Income		118,570	(20,362)
ADMINISTRATIVE EXPENSES	24	23,955,832	24,110,318
LOSS BEFORE FAIR VALUE ADJUSTMENT AND INCOME TAX		(23,837,262)	(24,130,681)
FAIR VALUE ADJUSTMENT			
Unrealized fair value gain from investment property	13	103,000,000	43,000,000
INCOME BEFORE INCOME TAX		79,162,738	18,869,319
INCOME TAX BENEFIT			
Current		117	-
Deferred		(70,551)	(62,811)
Income Tax Benefit	16	(70,434)	(62,811)
NET INCOME FOR THE YEAR		79,233,172	18,932,130
OTHER COMPREHENSIVE INCOME			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement gain on retirement benefits payable, net of tax	3, 18	182,962	153,538
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		79,416,134	19,085,668
NET INCOME (LOSS) ATTRIBUTABLE TO:			
Owners of the parent		79,236,164	18,934,999
Non-controlling interest	3, 25	(2,992)	(2,869)
		79,233,172	18,932,130
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:			
Owners of the parent		79,419,126	19,088,537
Non-controlling interest	3, 25	(2,992)	(2,869)
		79,416,134	19,085,668
EARNINGS PER SHARE:			
Basic	3, 26	0.12	0.03
Diluted	3, 26	0.12	0.03

(See Notes to Consolidated Financial Statements)

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Equity Attributable to Equity Holders of Parent				Equity attributable to equity holders of the non-controlling interest (Note 25)	Total equity
	Notes	Share capital (Note 20)	Remeasurements on retirement benefits payable (Note 18)	Retained earnings		
SHARE CAPITAL						
Authorized 1,800,000,000 shares at P1 par value per share	4, 20	1,800,000,000				
Issued and Subscribed 652,500,000 shares at P1 par value per share	4, 20	652,500,000				
Subscription receivable	20	15,936,454				
Paid-up 636,563,546 shares at P1 par value per share	4, 20	636,563,546				
Balance at January 1, 2023		636,563,546	(3,329)	222,614,446	(246,985)	858,927,678
Total comprehensive income (loss):						
Income (Loss) for the year	18			18,934,999	(2,869)	18,932,130
Other comprehensive income for the year			153,538			153,538
Total comprehensive income (loss) for the year			153,538	18,934,999	(2,869)	19,085,668
Balance at December 31, 2023		636,563,546	150,209	241,549,445	(249,854)	878,013,346
Total comprehensive income (loss):						
Income for the year				79,236,164	(2,992)	79,233,172
Other comprehensive income for the year	18		182,962			182,962
Total comprehensive income (loss) for the year			182,962	79,236,164	(2,992)	79,416,134
Balance at December 31, 2024		636,563,546	333,171	320,785,609	(252,846)	957,429,480

(See Notes to Consolidated Financial Statements)

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		79,162,738	18,869,319
Adjustments for:			
Unrealized fair value gain from investment property	13	(103,000,000)	(43,000,000)
Impairment loss on exploration and evaluation asset	14	16,824,116	16,824,116
Accrual of retirement benefits expense	18, 24	282,204	251,242
Depreciation	12, 24	417	-
Accrual of real property tax		495,000	495,000
Unrealized (gain) loss on foreign exchange, net	8, 24	(111,276)	25,144
Interest income	8	(1,454)	(4,782)
Operating loss before working capital changes		(6,348,255)	(6,539,961)
Decrease (Increase) in:			
Other receivables		(12,388)	(5,848)
Prepayments		3,307	1,617
(Decrease) Increase in:			
Accruals and other payables		(301,117)	432,217
Cash used in operations		(6,658,453)	(6,111,975)
Interest received	8	1,454	4,782
Net cash used in operating activities		(6,656,999)	(6,107,193)
CASH FLOWS FROM INVESTING ACTIVITY			
Acquisition of property and equipment	12	(2,500)	-
CASH FLOW FROM FINANCING ACTIVITY			
Additional advances from shareholders	19	6,340,000	6,200,000
EFFECT OF EXCHANGE RATE CHANGES ON CASH	8, 22	111,276	(25,144)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(208,223)	67,663
CASH AND CASH EQUIVALENTS, January 1		3,190,974	3,123,310
CASH AND CASH EQUIVALENTS, December 31	8	2,982,751	3,190,974

(See Notes to Consolidated Financial Statements)

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at and for the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso unless otherwise stated)

NOTE 1 - GENERAL INFORMATION

Imperial Resources, Incorporated (the "Parent Company") was incorporated and registered in the Philippines with the Securities and Exchange Commission (SEC) per Registration No. 39243 on September 5, 1969. It is a publicly listed company with shares traded on the Philippine Stock Exchange under ticker symbol "IMP".

The primary purpose of the Parent Company is to carry on the business of operating coal mines, and of prospecting, exploration and of mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling, exchanging, and producing, and dealing in all kinds of ores, metals and minerals, asphalt-bitumen, hydrocarbons, acids and chemicals, and in the products and by-products of every kind and description and by whatever process, can be or may be produced; to purchase, lease, option, locate or acquire, own, exchange, sell, or dispose of, pledge, mortgage, deed in trust, hypothecate, and deal in mines, mining claims, mineral lands, coal lands, timber lands, water and water rights, and other property, both real and personal. The Parent Company's current principal activity is the holding of mineral rights and investment properties. No active exploration or educational operations were undertaken in 2024. Management continues to evaluate asset optimization strategies, including leasing idle property and evaluating new business directions.

The Parent Company holds 99% interest in Philippine Cyber College Corporation (PCCC or the "Subsidiary") with principal place of business at 82-J 4th Street, Barangay Mariana, New Manila, Quezon City. The Subsidiary was registered with the SEC on May 30, 2000 per Registration No. A20007650 to own, operate, manage and maintain a school of learning, offering, kindergarten or pre-school training, as well as primary, secondary and tertiary levels of school instructions and to develop and educate students in accordance with approved curriculum prescribed by the government, and in connection therewith, to obtain the required permits and government recognition for the operation of said educational institution and the authority to confer certificates of completion/graduation and/or diploma; further, to own, lease and acquire the use and possession of land for school campus, school buildings and properties for school facilities. The Subsidiary had management and technical agreement with two I.T. learning centers located in Baguio and Malolos, Bulacan. However, in June 2008 the two learning centers temporarily suspended their operations. Management decided to shift from I.T. education project to technical vocational education, training and assessment project. Since the latter part of 2009, the Subsidiary's operations have remained suspended.

On October 2, 2013, a special meeting of the Board of Directors (BOD) was called to consider, among other matters, the amendment of the Articles of Incorporation, specifically the articles pertaining to the change of name of the Company to Century Sun Services, Inc. which was already approved by the BOD and reserved with the SEC. Also, a proposal was raised for the amendment of the purpose of the Company. It was also proposed that the corporate term be extended for another 50 years. Finally, another proposal was submitted to increase the authorized capital stock from P1,800,000,000 to P6,000,000,000. Upon motions made and duly seconded, the proposed amendments were unanimously approved by the BOD. On July 10, 2014, in the regular annual stockholders' meeting, the same had been confirmed and ratified. As of December 31, 2024, the Parent Company's management has not acted on the amendment of Articles of Incorporation.

The Parent Company and its Subsidiary (collectively referred to as the "Group") has eight employees as at December 31, 2024 and 2023.

The Group's principal place of business is Unit 202 Villa Building, No. 78 Jupiter Street corner Makati Avenue, Barangay Bel-Air, Makati City, Metro Manila, the business address is 82-J 4th Street, Barangay Mariana, New Manila, Quezon City and the registered office is 3762-C Cuenca corner Emilia Streets, Barangay Palanan, Makati City, Metro Manila.

The consolidated financial statements have been approved and authorized for issuance by Mr. Desiderio L. Laperal, Vice President and CFO, on behalf of the Board of Directors on April 12, 2025.

NOTE 2 – STATUS OF OPERATIONS

Parent Company

Since 2005, the Parent Company has been evaluating mining projects and has narrowed down the prospective mining properties to gold mining, asphalt mining and energy.

P.T. Asphal Buton Nasional

In January 2009, the Parent Company signed a Memorandum of Agreement (MOA) with P.T. Asphal Buton Nasional, an entity organized and existing under the laws of Indonesia, which was granted mining rights covering 1,940 hectares of Mining Exploration Concession (MEC) located at Buton Island, South East Sulawesi Province, Indonesia. With the deposit amounting to P7,090,500 (US\$ 150,000) made by the Parent Company to the said Indonesian entity in 2008, the Parent Company was granted the exclusive rights of exploration, exploitation, development and operation of the above-described mining concessions during its lifetime and over such additional future mining concessions that P.T. Asphal Buton Nasional may acquire or be awarded.

In 2009, the Indonesian partners obtained the services of Jurusan Teknik Pertambangan, Fakultas Teknologi Mineral, Universitas Pembangunan Nasional "Veteran" Yogyakarta to conduct a geophysics and geophysical (Electric Resistivity) study of the Buton asphalt in Wakaokili and Waangu-angu, Pasarwajo, Kabupaten Buton. The geophysical interpretation data was necessary to determine the site for drilling exploration and the depth and thickness of asphalt-bearing rock. Details of the study is disclosed in Note 14.

In August 2010, the Parent Company supplied a few samples of rocks gathered from the mining property to Toyo-Union Co. Ltd. (TUCL) and expressed an intention to have a business association with them, subject to terms and conditions, including confidentiality and exclusivity rights reserved for the Parent Company. The Parent Company and TUCL signed a MOA on September 13, 2010. In 2011, the engineers and geologists of TUCL together with the engineers from P.T. Asphal Buton Nasional were able to go to the asphalt concession areas and collected about 60 kilos of samples and TUCL was able to bring samples to Tokyo. However, the project with TUCL did not prosper.

During the second half of 2011, the MEC of P.T. Asphal Buton Nasional were expiring. However, because of the significant geophysical electric resistivity survey conducted and arranged by P.T. Asphal Buton Nasional funded by the Parent Company, the Parent Company decided to extend the validity of the agreement. After further geophysical activities and meeting all requirements with the funding from the Parent Company, P.T. Asphal Buton Nasional was able to secure the approval for the extension of the MEC for an additional period of two years.

In 2011, the Parent Company has spent US\$220,000 for additional geologic works/studies needed for the preparation of the project feasibility report and environmental impact report required pending conversion of P.T. Asphal Buton Nasional exploration permit to development and exploitation permit. In 2012, the Parent Company spent US\$120,000 for more geological works and studies. The project feasibility report and environmental impact report (the 'reports') written in Bahasa Indonesia upon completion were submitted to the Indonesian authorities for approval. The Parent Company funded the translation of the

reports from Bahasa Indonesia to English in 2012. The English version reports would be used by the Parent Company in negotiating with the foreign investors for possible joint venture or capital funding considering that this project entails a huge capital outlay. In 2013, Parent Company financed the cost of another extension of the MEC.

In 2014, the Parent Company spent US\$50,000 for obtaining informal approval for the exploitation concession of the 1,722 hectares located at Waangu-Angu area and US\$52,000 for the preparation of the required technical reports on the post-production program to restore most of the mined-in areas to usable condition.

Forming as integral parts of the mining explorations activities and based on the results of the review and evaluation, P.T. Aspal Buton Nasional was qualified to be given approval on the increase in activity under the Production Operation Mining Agreement. Pursuant thereto, a Decree of the Regent of Buton, identified as No. 333 Year 2014 and No. 334 Year 2014, covered under the title of "Improved Operating License Agreement Mining Exploration Permits Mining Operations into Production" was issued. The regional-wide Mining Permit under Decree 333 Year 2014 covers 218.5 hectares while Decree No. 334 Year 2014 covers 1,722 hectares both located at Waangu-Angu, Pasarwajo, District of Buton, province of Southeast Sulawesi.

The term of the mining permit is for 20 years: two years for construction stage and 18 years for production stage and can be extended twice, respectively for ten years. This decree enumerates all the laws embodying the terms, conditions, and national and local government regulations to be implemented in the furtherance of the mining production activities.

Proceeding to the production operation stage during the early part of 2015 in compliance with governmental laws especially in Environmental management Mr. Eddy Surohadi, for the account of PT Aspal Buton and PT Indominas, presented a budget to cover the cost of technical and tax expenses on the CNC (Clean and Clear Certificate) IUP Production Program for the 1,722 hectares. The total estimated expenses amounting to US\$ 99,250 were presented as follows:

	Amount
1. Reclamation guarantee	\$ 30,000
2. Mine closure guarantee	30,000
3. Earth and building tax	950
4. Annual fee tax	550
5. Work plan and budget cost	5,000
6. Annual work plan and environment engineering	5,000
7. Report on implementation of the management and environment monitoring	2,500
8. Construction and installation of the mining area 1,722 Ha. Boundary	22,000
9. Miscellaneous expenses	3,250
	\$ 99,250

The Parent Company remitted the amount of US\$99,250 to Mr. Eddy Surohadi for the account of P.T. Aspal Buton and P.T. Indominas to cover the said budget and expenses. There were no subsequent remittances made from 2016 to date.

P.T. Indominas

In December 2009, the Parent Company deposited P4,705,000 (US\$100,000) to P.T. Indominas to acquire other mining rights in Indonesia which the Parent Company subsequently charged to exploration and evaluation assets during the year.

On January 17, 2010, the Parent Company signed a MOA with P.T. Indominas, an entity duly organized and existing under the laws of the Republic of Indonesia, with principal office address at JL. Klampis Anom II/29, Surabaya, Indonesia (the 'Claim owners'). After January 17, 2010, the Claim owners expect to be granted Mining Rights by the government state corporation Perusahaan Daerah (Perusda) Pd. Utama Sultra of South East Sulawesi of the Republic of Indonesia, covering an approximate 4,779 hectares MEC at South East Sulawesi Province of the Republic of Indonesia. The Claim owners granted the Parent Company the exclusive rights to do preliminary studies before choosing the area to be developed. If the results of the studies are favorable, the Parent Company shall pay another US\$170,000 upon approval of the conversion of the selected areas into MEC. Within 30 days after the Claim owners shall have obtained and delivered to the Company all government approvals, permits, extensions and licenses, the Parent Company at the sole expense shall start geological and geophysical surveys on the mining concessions for the purpose of determining the potentials for commercial operations, development and exploitation of the MEC.

The preliminary geologic survey on the proposed subject area indicated possible deposits. Outside and a bit far from the subject area, there are many gold panners. The Parent Company is also evaluating the peace and order situation in the area. After evaluating several factors, the Parent Company will have a better total picture of the business prospects of the gold mining project.

In the third quarter of 2015, Mr. Oliverio G. Laperal, Sr. then the incumbent President and Chief Executive Officer (CEO), suffered a stroke that incapacitated him. Consequently, all funding requirements for the Indonesian project with P.T. Indominas were temporarily suspended. From the start of the project, it was only Mr. Oliverio G. Laperal, Sr. who had been actively involved with the Indonesian partners. The Indonesian partners directly reported to Mr. Laperal about the status, progress, development of the project including the financial and technical requirements and disposition of budgets released to them. From the time the former President and CEO became sick and until his death in 2018 there was no formal report submitted to the Parent Company about the status of the project. It was learned, however, that the Indonesian partners have been continuously looking for foreign partners to invest in the project by way of joint venture agreements because of its viability.

On March 16, 2017, in the special meeting of the BOD, it was resolved that while the Parent Company is proceeding with caution and at the same time re-evaluating its Indonesian mining projects owing to the precipitous fall in the world price of crude, the Parent Company is at present inclined to pursue the said project for that reason the Indonesian partners have been continuously looking for foreign partners to invest the capital needed after they have secured formal approval of the exploitation concession because of its viability. Furthermore, the Parent Company has been studying and evaluating a project cost study submitted by a project proponent pertaining to silica sand quarrying and processing operation. The Parent Company is aware of the increasing demand for flat glass and glass bottles by local glass manufacturing companies. Management has been evaluating the impact of the latest environmental policies, regulations and pronouncements made by various government agencies on the feasibility and sustainability of the project. Another important factor being considered by management is the peace and order situation in the prospective silica mining sites.

In 2018, the new President, Desiderio L. Laperal travelled to Europe for preliminary discussions and observation of IT-based business applications related to remote sensing of marine and land resources, land use, and community development. The President observed driver-less autonomous farm machinery, robotic steel fabrication and remote-controlled fisheries management systems. He was impressed with the Green Energy initiatives mandated by the European Union, which are meant to encourage more reliance



on renewable power such as air turbines, hydro and solar. All of these applications and the downstream business opportunities are relevant to the Parent Company.

In June 2019, the President travelled to Europe to meet with potential partners and continue discussions on investment opportunities in the Philippines. On that trip, he accompanied two Italian businessmen to the Philippine Consul in Milan, Italy to confer with Consul General Irene Susan Natividad and Consul Mersole Mellejor. The President invited the two Italian businessmen to visit Manila in 2019 but the date was subsequently reset to March 2020. The COVID-19 pandemic has caused the visit to be cancelled.

Immediately after the Government imposed the Enhanced Community Quarantine (ECQ) on March 15, 2020, the management gave priority to the safety and well-being of its employees by temporarily stopping the operations of the Parent Company. The quarantine entailed more expenses and difficulties for the employees to meet their daily needs and health issues. To allay the fears and anxieties of its employees facing uncertainties about their finances as well as health conditions one of the officers of the Parent Company advanced the employees' 13th month pay and paid leave in full.

After two months of lockdown on May 18, 2020 when the Modified Enhanced Community Quarantine (MECQ) was imposed, the Parent Company started operating again. The primary concern of the Parent Company was how to keep its employees fit to work, protect them from being infected with the COVID-19 virus and implementing the many government-imposed restrictions and guidelines. The Parent Company had developed certain guidelines in line with the prescribed procedures by the government to mitigate the negative effects of the pandemic on its employees' mental well-being and physical and emotional health.

The development of vaccine by various pharmaceutical companies against COVID-19 during the latter part of 2020 boosted the hopes for global economic recovery. However, this was disrupted by the unrelenting spike of COVID-19 Delta variant cases in 2021. The economic gains derived from the government's vaccination program were dented by the surge of the highly contagious but less severe Omicron variant.

Management has been using various modes of remote communication such as teleconferencing, videoconferencing and electronic mail system. The new normal way of conducting staff meetings is videoconferencing. All the meetings of the BOD including the annual stockholders' meeting in 2020 were held through videoconferencing. All the members of the BOD attended the PSE-SEC Corporate Governance Forum on July 10, 2020 and July 10, 2021 to keep abreast of the effects of the COVID-19 pandemic on the national economy and the people, risk management strategies, pursuit of corporate sustainability based on experiences from the pandemic and SEC regulatory updates. The members of the BOD were enlightened about the importance of sustainability reporting in mitigating various risks.

After studying, evaluating, and analyzing the Parent Company's current office and work set-up and the nature of the work of the employees, management concluded that the work-from-home mode of work is difficult to adopt. There are accounting activities and transactions doable only at the office. Employees' lack of computer equipment, inadequate internet connections at their homes and their home conditions are not suited for home-based work are some reasons why the work-from-home cannot be adopted. The plan of management to adopt skeletal force to minimize cost was shelved because of limited manpower.

This COVID-19 pandemic has greatly affected the human and financial resources of the Parent Company. The Parent Company's survival has been a pressing and challenging issue. Management is concerned not only about sustainability but also the capability of its human resources to meet the demands of these challenging times efficiently and effectively. Despite the economic and health benefits management has been extending its employees they still experience anxiety, lack of focus and concentration, fear for the health of their families, frequent absences and uncertainty of the future resulting in a below-par performance in discharging their duties and responsibilities. The administrative costs for the year 2020 went up due to the transportation and gasoline expenses incurred in transporting its employees and use of



vehicles for messengerial activities. The medical and dental expenses of the employees also increased due to the mandatory rapid and swab testing and more frequent medical check-ups. Office and other supplies increased due to the COVID-19-related supplies purchased. In 2021, the retirement of an employee in the latter part of 2020 decreased the cost of gasoline used for transporting him to and from the office. Also, due to the vaccination program in 2021, the medical expenses have decreased since there's a lesser cost incurred for rapid and swab-testing as well as medical check-ups of employees. Business opportunities in 2020 and 2021 had not been actively pursued due to the pandemic, however, in 2022, as soon as health and travel conditions improved, Management pursued a business meeting and discussion with the Indonesian Partners for further exploratory and mining activities of the project.

The Parent Company is considering to defer its mining exploration with P.T. Aspal Buton and P.T. Indominas, in Buton Island and Waangu-Angu, Wakaokili, Sulawesi, Indonesia, owing to:

- (i) countervailing duties or tariff taxes imposed by foreign States on crude gas and oil;
- (ii) precipitous fall in the price of crude gas and oil;
- (iii) risk management about the peace and order in the prospective mining areas/sites;
- (iv) variability and precariousness in the conduct and development of geologic and geophysical (Electric Resistivity) surveys for commercial gas and oil exploration, drillings and discovery;
- (v) eventual expiration of the mining exploration concession/permit;
- (vi) restrictive and/or prohibited environmental impact mitigating measures and requirements;
- (vii) suspension of budgetary activities during the production operation stage due to the deteriorating physical condition of the former President, Mr. Oliverio G. Laperal, Sr., after a stroke and eventual demise on August 26, 2018;
- (viii) pending probate court proceedings for the administration, management, distribution and partition of the Eighty-Three point Seven One Four percent (83.714%) of the total shares of the capital outstanding of Imperial Resources Incorporated issued in the name of Oliverio G. Laperal, Sr.;
- (ix) pending project assessment and financial report of Mr. Eddy Surohadi with documentary proofs in support of the various disbursements/expenses for the mining project as well as the status of the Production Operations Mining Agreement issued by the Indonesian government to P.T. Aspal Buton; and
- (x) ominous tensions among several foreign States as well as the rippling effect of the wars between the States of Russia and Ukraine, Israel and Palestine.

Commitment of support of shareholders

In the previous years, Mr. Oliverio G. Laperal Sr., the Parent Company's former President, and other major shareholders have committed to support and fund the ongoing and new projects and assured the continuous operations of the Parent Company.

In 2007, as a sign of support and commitment, the President paid in full his subscription of P400 million to increase the capital stock of the Parent Company (from P700 million to P1.8 billion) by executing a deed of assignment of a real estate property in favor of the Parent Company. The transfer certificate of title of the said property was issued in the name of the Parent Company on September 3, 2007 per TCT N-307207 issued by the Register of Deeds of Quezon City. Aside from the subscription of P400 million paid for in real estate property, cash advances amounting to P8.89 million, P4.5 million and P915 thousand were received from the former President for the years 2015, 2014 and 2013, respectively. The shareholders have paid their unpaid subscription amounting to P150,000 and P100,436 for the years 2018 and 2016, respectively.

The Laperal family through their family-owned corporation, LTC Real Estate Corporation committed to continuously support and fund operations of the Parent Company. LTC Real Estate Corporation, a shareholder, had provided cash advances amounting to P6,340,000 and P6,200,000 the years ended December 31, 2024 and 2023, respectively (Note 19). Given the financial condition of the Parent Company, the shareholders have not demanded immediate repayment of their advances to the Parent Company and agreed to its long-term settlement when the company is able to pay for it.

In 2022, the Parent Company recognized an impairment loss for its exploration and evaluation assets, which has impacted its financial condition. Despite this, the LTC Real Estate Corporation, has continued to provide cash advances, ensuring the support and funding of the Indonesian projects, and operating expenses.

Subsidiary

The Subsidiary incurred net losses of P299,159 and P286,876 for the years ended December 31, 2024 and 2023 resulting in capital deficiencies amounting to P25,284,303 and P24,985,144 as at December 31, 2024 and 2023, respectively. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary's ability to continue as a going concern.

On March 20, 2013, during the meeting of the Management Committee, whose members are also directors and represented a majority of the BOD, unanimously resolved and approved the dormancy status of the Subsidiary due to its non-operation since 2010 and significant losses it had incurred.

In 2015, the Subsidiary entertained inquiries or proposals to lease its building in Baguio City. The management was hoping to have the building rented out in 2016 for a rental income of P35,000 per month. Consequently, the Subsidiary has changed its basis of accounting from a liquidation basis to going-concern basis.

In 2016, an interested party proposed to rent the building to be used as its marketing office for P35,000 per month. On March 16, 2017, at the special meeting of the BOD, it was resolved that the Vice-Chairman and Vice-President, are authorized and empowered to negotiate, transact, conclude, execute and sign, for and on behalf of the Subsidiary, agreements or contracts for the lease of the property in Baguio as well as to deliver such necessary records, documents or papers pertinent to or in its implementation.

It was resolved further that the same person is authorized and empowered to agree on the terms, conditions and stipulations, and the price of the lease, for the best interest of the Subsidiary. However, due to the change of marketing plans of the prospective lessee, the lease agreement was not finalized. Early in 2018, an interested party made an offer to lease the building to be used as a primary school for P40,000 per month. However, the negotiation bogged down.

Despite the presence of the caretaker to prevent informal settlers to enter and use the property as their dwelling place, in 2013, management decided to allow Philippine National Police Internal Affairs Services (PNP-IAS) to use a portion of the ground floors as its office for free. During the latter part of 2018, the PNP-IAS moved out of the property. In 2019, the management repaired and repainted the building to better attract potential lessees considering its good location. Accordingly, the Subsidiary continued its reporting under the going-concern basis of accounting.

In June 2020, management received a proposal from an educational institution to lease the Baguio property to set up a school for its mainstream learning and distant learning programs at P75,000 per month. The prospective lessee wanted a minimum of a five-year lease contract. The negotiation did not prosper.

In January 2021, another interested party submitted a proposal to lease the Baguio property for its planned bcd and breakfast business at P75,000 per month for two years. Management evaluated the proposal including some conditions proposed by the lessee in line with the short and long-term effects of the COVID-19 pandemic on the business of the Subsidiary and the lessee. However, the negotiation was overtaken by the surge of COVID-19 (Delta Variant) cases in the area and the lessee did not pursue it. Because of the proclamation of the government entities involved to resume progressive expansion of face-to-face classes both in public and private in areas designated, management was confident that it can find a lessee during the year 2022.

In February 2023, an inquiry was received from an officer of the Registry of Deeds of Baguio City asking whether the School Building of the Company in Baguio City is available for lease. After a brief discussion, the prospective lessee was then requested to submit its proposal(s) and/or Letter of Intent for the consideration of the BODs. From there, the office has yet to receive the desired letter of firm interest to lease.

In March 2023, the Subsidiary received a proposal from an entity in the food and industry business specializing on Korean cakes, pastries and bread to rent the former's Baguio City property for its expansion program in the area. The prospective lessee proposed a P100,000 per month rent for three years with a 5% increase every after two years plus one month deposit and two months advance rent for a term of five years with an option to renew. For its proposed building renovation, it submitted a site development plan, ground floor plan and second-story plan. At present Management is currently studying and evaluating the proposal considering the prevailing market climate.

The Subsidiary has been non-operational since 2009. The property owned in Baguio has remained idle and is under review for potential lease or sale. No revenue was generated from this asset in 2024.

The Parent Company has committed to continue providing financial support to the Subsidiary for its working capital and payment of all its debts when they fall due. Given the financial condition of the Subsidiary, the Parent Company does not demand immediate repayment of its advances to the Subsidiary.

Going concern

The consolidated financial statements of the Group have been prepared on a going concern basis, reflecting the management's assessment that the entities will continue their operations in the foreseeable future. Despite the recognition of impairment losses on exploration and evaluation assets in 2024 and 2023, the Parent Company has maintained financial stability through continued support from LTC Real Estate Corporation, which has provided cash advances ensuring funding for operating expenses. Additionally, the Parent Company has reaffirmed its commitment to providing financial assistance to the Subsidiary for working capital and debt payments, thereby alleviating immediate repayment demands. These factors collectively indicate management's confidence in the Group's ability to sustain its operations, justifying the use of the going concern basis in the preparation of the consolidated financial statements.

NOTE 3 - BASIS OF PREPARATION, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below to facilitate an understanding of the data presented in the consolidated financial statements. These policies have been consistently applied, unless otherwise stated.

3.1 Basis of preparation and statement of compliance

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

These financial statements have been prepared under the historical cost convention, except for certain financial assets measured at fair value. The financial statements are presented in Philippine Peso, the Group's functional currency.

The preparation of the consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment, complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

Basis of Consolidation

These consolidated financial statements consist of the financial statements of Parent Company and its Subsidiary. The financial statements of the Subsidiary are prepared for the same reporting period as the Parent Company using consistent accounting policies.

	Principal place of business	Principal activities	Effective ownership	
			2024	2023
PCCC	Philippines	Technical vocational education	100%	100%

Subsidiary

A subsidiary is an entity that is controlled by another entity. Control is when the latter is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the subsidiary.

The Parent Company has the power to govern the financial reporting policies generally accompanying a shareholding of more than one-half of the voting rights of the Subsidiary. The Parent Company obtains and exercises control through voting rights. The existence and effect of potential voting rights that are currently exercisable and convertible are considered when assessing whether the Parent Company controls another company. Consolidation begins from the date the Parent Company obtains control of the Subsidiary and ceases when it loses control.

All intragroup balances, income and expenses and unrealized gains and losses from intragroup transactions are eliminated in full.

Non-controlling Interest (NCI)

NCI represents the portion of profit or loss and other comprehensive income and the net assets not held by the Parent Company and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the equity holders of the Parent Company. Transactions with NCI are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction.

3.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.2.1 Amendments to existing standards and interpretations effective in the current year

The adoption of the new and amended standards and interpretations did not have an impact on the Group's financial statements, unless otherwise stated.

Effective beginning on or after January 1, 2024

Amendments to PAS 7 and PFRS 7 – Supplier Financing Arrangements

Effective January 1, 2024, amendments to PAS 7, Statement of Cash Flows and PFRS 7, Financial Instruments: Disclosures introduced new requirements to enhance transparency regarding supplier financing arrangements. These amendments require entities to disclose:

- The terms and conditions of supplier financing arrangements;
- The carrying amounts of liabilities under these arrangements and their presentation in the statement of financial position;
- Changes in these liabilities during the reporting period, including cash flow and non-cash changes; and
- The liquidity risk associated with these financing arrangements and their impact on the entity's cash flow management.

As of December 31, 2024, the Group has no supplier financing arrangements.

Amendments to PFRS 16 – Lease Liability in Sale and Leaseback

The amendments to PFRS 16, Leases clarify the measurement of lease liabilities arising from sale and leaseback transactions. Under these amendments, the lease liability must reflect the payments required over the lease term, even if those payments vary, ensuring consistency with the initial recognition and measurement principles of PFRS 16. Entities are required to:

- Measure lease liabilities at the present value of expected lease payments;
- Recognize right-of-use assets based on the proportion of the asset retained by the seller-lessee; and
- Disclose the nature and financial impact of sale and leaseback transactions, including any resulting gains or losses.

Amendments to PAS 1, Classification of Liabilities as Current or Non-current

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 Management is still evaluating the impact of these new amendments.

3.2.2 New standards, amendments to existing standards and interpretation but not yet effective

These are new PFRS, revisions, amendments to existing standards, annual improvements and interpretations that are effective for periods on or after January 1, 2024. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective on or after January 1, 2026

- PFRS 17, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*

Deferred effectivity:

- Amendments to PFRS 10 and PAS 28 (Amended), *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Material accounting policy information and financial reporting policies

3.3 Current versus noncurrent classification

The Group presents assets and liabilities in the consolidated statement of financial position based on a current and noncurrent classification. An asset is current when it is:

- (a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
- (b) Held primarily for the purpose of trading;
- (c) Expected to be realized within 12 months after the reporting period; or
- (d) Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Classification

The Group classifies financial assets and liabilities according to the categories described below. Management determines the classification of the financial assets and liabilities at initial recognition.

3.4.1.1 Financial assets

The classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group classifies financial assets in the following categories:

a. Financial assets at amortized cost

Financial assets at amortized cost are debt instruments where contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The Group's financial assets classified under this category consist of cash and cash equivalents, other receivables and refundable deposit (Note 8 and 15).

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets at FVOCI comprise:

- *Debt instruments* where contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and are held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling financial instruments.
- *Equity instruments* that are not held for trading and which the Group has irrevocably elected at initial recognition to recognize in this category. This election is made on an instrument-by-instrument basis.

The Group's financial asset under this category consists of investment in stocks quoted in an active market (Note 11).

Financial assets at fair value through profit or loss (FVPL)

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

The Group has no financial assets under this category.

3.4.1.2 Financial Liabilities

The Group classifies financial liabilities into the following categories:

a. Financial liabilities at FVPL

Financial liabilities at FVPL or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Group has no financial liabilities under this category.

b. Financial liabilities at amortized cost

Financial liabilities that are not classified as at FVPL fall into this category and are subsequently measured at amortized cost. They contain contract obligations to deliver cash or another financial asset to the holder or to settle the obligation other than an exchange of a fixed amount of cash. They are included in current liabilities, except for maturities greater than 12 months after the reporting period which are classified in non-current liabilities.

The Group's financial liabilities classified under this category consist of advances from shareholders and accruals and other payables (except payable to government agencies) (Notes 17 and 19).

3.4.2 Recognition and measurement

a. Initial recognition and measurement

Except for trade receivables that do not contain a significant financing component which are measured at the transaction price, the Group initially measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

If the fair value of the financial asset or financial liability at initial recognition differs from the transaction price, the Group shall recognize the difference as a gain or loss.

Regular way purchases and sales of financial assets are recognized on the trade-date, e.g., the date on which the Group commits to purchase or sell the asset.

b. Subsequent measurement

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

For equity instruments designated at FVOCI, gains and losses are never recycled to profit or loss. Dividends are recognized as income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

Other financial liabilities are measured at amortized cost using the effective interest method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the consolidated statement of comprehensive income.

3.4.3 Derecognition

3.4.3.1 Financial assets

The Group shall derecognize a financial asset only when:

- (a) the contractual rights to the cash flows have expired or are settled, or
- (b) the Group transfers to another party substantially all of the risks and rewards of ownership, or
- (c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Group shall:
 - (i) derecognize the asset, and
 - (ii) recognize separately any rights and obligations retained or created in the transfer.

The carrying amount of the transferred asset shall be allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations shall be measured at their fair values at that date. Any difference between the consideration received and the amounts recognized and derecognized in accordance with this paragraph shall be recognized in profit or loss in the period of the transfer.

3.4.3.2 Financial liabilities

The Group shall derecognize a financial liability (or a part of a financial liability) only when it is extinguished, i.e., when the obligation specified in the contract is discharged, cancelled, or has expired.

3.4.4 Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

For financial assets at amortized costs being individually assessed for ECLs, the Group applied lifetime ECL calculation. This involves determination of probability of default and loss-given default based on available data, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants. In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.4.5 Offsetting financial instruments

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

3.4.6 Fair value of financial instruments

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 of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions,
- Reference to the current fair value of another instrument that is substantially the same, and
- A discounted cash flow analysis or other valuation models.

3.4.7 Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation technique used to value these financial instruments is discounted cash flow analysis.

3.5 Cash and cash equivalents

Cash, which includes cash on hand and deposits held at call with banks and carried in the consolidated statement of financial position at face value, are unrestricted and immediately available-for-use in the current operations.

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

3.6 Other receivables

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance and provision for impairment.

At the end of each reporting period, the carrying amounts of other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable.

3.7 Prepayments

Prepayments include advance payment for insurance, membership dues and subscription. These represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to income as these are consumed in operations or expire with the passage of time.

3.8 Financial assets at FVOCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

3.9 Property and equipment, net

Property and equipment are carried at cost less accumulated depreciation and any impairment in value. The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Cost also includes the cost of replacing part of such property and equipment when the recognition criteria are met.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed using the straight-line method over the estimated useful lives (EUL) of the related assets as follows:

	EUL in years
Building	15
Transportation equipment	5
Welding equipment	5
Office equipment	3
Office furniture and fixtures	3

The useful lives and depreciation method are reviewed at each reporting period to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Depreciation of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. When assets are retired or otherwise disposed of, the cost, related accumulated depreciation and accumulated impairment losses are removed from the accounts and the resulting gain or loss, which is determined by comparing the proceeds with the carrying amount, is recognized to the consolidated statement of comprehensive income. Fully depreciated assets are retained in the accounts until they are no longer in use.

3.10 Investment property

This account represents a parcel of land which is initially carried at cost. Cost includes the acquisition cost of the land plus incidental costs incurred in effecting the transfer of title of the property and other necessary expenses incurred in the acquisition.

Investment property is property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes, or
- (b) sale in the ordinary course of business.

Investment property is recognized as an asset when and only when: (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity, and (b) the fair value of the investment property can be measured reliably. Subsequently, investment property is measured at fair value, reflecting market conditions at the reporting date, in accordance with PAS 40 *Investment Property*.

After initial recognition, investment property is measured either by the fair value model or by the cost model and shall apply that policy to all of its investment property. Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

The fair value of investment property shall reflect market conditions at the reporting date. A gain or loss arising from the change in the fair value of investment property shall be recognized in profit or loss for the period in which it arises.

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The Group shall continue to measure the property at fair value until disposal (or until the property becomes owner-occupied property or the Group begins to develop the property for subsequent sale in the ordinary course of business) even if comparable market transactions become less frequent or market prices become less readily available.

3.11 Exploration and evaluation assets

Exploration and evaluation assets are measured at cost in accordance with the Group's accounting policy. The cost includes expenditures incurred in the acquisition of rights to explore, topographical, geological, geochemical, and geophysical studies, exploratory drilling, trenching, sampling, and activities related to assessing the technical feasibility and commercial viability of extracting a mineral resource.

The exploration and evaluation assets are classified as intangible assets in the financial statements, in accordance with PFRS 6, and the Group have been using the cost model to measure these assets. Under the cost model, exploration and evaluation are carried at cost less accumulated impairment losses.

The exploration and evaluation assets cease to be classified as tangible assets when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. These costs shall be assessed for impairment, and any impairment loss is recognized before reclassification.

Exploration and evaluation assets are reassessed for impairment on a regular basis. An impairment review is performed, either individually or at the cash generating unit (CGU) level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined.

When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, impairment loss is measured, presented and disclosed in accordance with PAS 36, *Impairment of Assets*.

3.12 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready for use - are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or CGU is written down to its recoverable amount. The estimated recoverable amount is the higher between the assets' net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the estimated cost of disposal while the value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. An impairment loss is charged to expense immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognized revaluation surplus for the same asset.

Non-financial assets include prepayments, property and equipment, net, investment property and exploration and evaluation assets (Notes 10, 12, 13 and 14).

3.13 Refundable deposit

This account pertains to refundable deposit for welding equipment which is stated at amortized cost less any impairment in value.

3.14 Related party transactions and relationships

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities, which are under common control with the reporting enterprise or between and/or among the reporting enterprises and their key management personnel, directors or their shareholders.

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

Advances from shareholders are initially recorded at transaction price and are subsequently measured at amortized cost using the effective interest method.

3.15 Operating segment

An operating segment is a component of an entity (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to the transactions with other components of the same entity), (b) whose operating results are reviewed regularly by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess the performance, and (c) for which discrete financial information is available.

3.16 Taxation

Income tax expense (benefit) represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable nor deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as at the reporting date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method.

The balance sheet liability method focuses on temporary differences, which are the differences between the amount attributed to an asset or liability for tax purposes (tax base) and the carrying amount of that asset or liability in the consolidated statement of financial position.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle the current tax assets and liabilities on a net basis.

Current tax and deferred tax shall be recognized outside profit or loss if the tax relates to items that are recognized, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognized, in the same or a different period:

- (a) in other comprehensive income, shall be recognized in other comprehensive income,
- (b) directly in equity, shall be recognized directly in equity.

3.17 Accruals and other payables

Accruals and other payables are recognized in the period in which the money or services are received, or when a legally enforceable claim against the Group is established, or when the corresponding assets and expenses are recognized/incurred.

Accruals and other payables are recognized at their nominal or face value, reflecting the amount owed, in accordance with the measurement basis outlined in PFRS 9 and subsequently measured at amortized cost using the effective interest method. Accruals and other payables are derecognized when extinguished.

3.18 Provisions

Provisions are recognized when the Group have a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

3.19 Contingencies

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 are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

3.20 Equity

Share capital is determined using the nominal value of shares that have been issued and fully paid.

Other comprehensive income (loss) pertains to remeasurement on retirement benefits payable.

Retained earnings include current and prior period results of operations as disclosed in the consolidated statement of changes in equity.

3.21 Revenue and expense recognition

Revenue is measured at the fair value of the consideration received or receivable in exchange for the service in the ordinary course of the Group's activities. The Group recognizes revenue when the amount of revenue is collectible, and it has met the requirements of the five-step approach of PFRS 15. Revenue from a contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Parent Company is in the business of mining. This account comprises the revenue from sales of asphalt, gold and other precious metal produced, sold and payment received from the mining concessions and services rendered when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services.

This disclosure pertains to the Parent Company's future revenue streams, as it is currently in the pre-development and exploration stage of its mining project. No revenue has been recognized to date.

Additionally, the Subsidiary, although dormant, has received unsolicited inquiries or proposals to lease its building in Baguio City, indicating potential rental income being considered by management.

(i) Interest income

Interest income on bank deposits is presented when earned, net of final tax.

Interest income on salary loan is recognized when earned.

(ii) Cost and expenses

Direct costs and expenses are recorded when incurred.

3.22 Employees costs

Short-term employee benefits

Short-term employee benefits are employees' benefits (other than termination benefits) that fall due wholly within 12 months after the end of the period in which the employees render the related service. It includes salaries, wages, social security contributions, paid annual leaves and paid sick leave profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits for current employees. Currently, the Group's employees are entitled to all the above-mentioned short-term benefits except profit sharing.

Retirement benefits payable

Retirement benefits payable are employee benefits (other than termination benefits) that are payable after the completion of employment.

The Group has an unfunded defined benefits retirement plan for qualified employees. For purposes of determining its costs and obligation, the Group considers the minimum requirement of Republic Act (RA) 7641 Philippine Retirement Pay Law. Under RA 7641, in the absence of a retirement plan or agreement providing for retirement benefits of employees in the private sector, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five years in the Group, may retire and shall be entitled to retirement pay equivalent to at least $\frac{1}{2}$ month salary for every year of service, a fraction of at least six months being considered as one whole year. The term " $\frac{1}{2}$ month salary" includes the following:

- a. 15 days salary based on the latest salary rate;
- b. Cash equivalent of five days or service incentive leave (or vacation leave); and
- c. One-twelfth of the 13th month pay (where the 13th month pay is the total basic salary for the last 12 months of the service divided by 12)

The Group's net obligation in respect of the defined benefits retirement plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current year and prior year periods. The benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at financial reporting date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligation. The current calculation is performed by a qualified actuary using the projected unit credit method.

Retirement benefits expense comprises the following:

- a. Service cost,
- b. Net interest on the net defined benefits liability,
- c. Remeasurements of net defined benefits liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefits liability is the change during the period in the net defined benefits liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefits liability. Net interest on the net defined benefits liability is recognized as an expense in the profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefits liability) are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

3.23 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term lease of office space. It has no other lease which will be classified as low-value asset. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.24 Foreign currency transactions

In preparing the Group's consolidated financial statements, transactions in foreign currencies other than its functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currency are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Foreign currency gain or loss resulting from the settlement of such transaction at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

3.25 Basic and diluted earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the income for the year attributable to the common shareholders of the Parent Company by the weighted average number of common shares outstanding during the year, after considering the retroactive effect of stock dividend declaration, if any. The Revised Corporation Code of the Philippines under Section 173 defines outstanding capital stock as the total shares of stock issued under binding subscription agreements to subscribers or stockholders, whether or not fully or partially paid except treasury shares.

For the purpose of calculating diluted earnings per share, income for the year attributable to ordinary equity holders of the Parent Company and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

3.26 Subsequent events

The Group identifies subsequent events as events that occur after the reporting date but before the date when the consolidated financial statements are authorized for issue. Any subsequent events that provide additional information about the Group's financial position at the reporting date are reflected in the consolidated financial statements.

Non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

NOTE 4 - CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The primary objective of the Group on capital management is to ensure their ability to continue as a going concern and to provide adequate returns and benefits to shareholders and other stakeholders by operating with guidance of high technical services and pursue the long-term outlook of management to deliver long term growth and profits.

The Group manages the following capital as shown in the consolidated statements of changes in equity:

		Note	2024	2023
Authorized capital	1,800,000,000	20		
Subscribed capital	652,500,000	20		
Paid-up capital		20	636,563,546	636,563,546

The Group monitors capital based on the carrying amount of equity as presented on the face of the consolidated statements of financial position. Measurement of the Group's financial leverage is summarized as follows:

	2024	2023
Total liabilities	81,743,852	75,171,598
Total equity	957,429,480	878,013,346
Debt-to-equity ratio	0.0854 : 1	0.0856 : 1

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

The Group defines capital as paid-up share capital and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock are excluded from capital for purposes of capital management.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and make adjustment in the light of changes in economic conditions and the risk characteristics of the underlying asset.

The Group is not subject to externally imposed capital requirements.

NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

5.1 Critical management judgments in applying accounting policies

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

a. **Functional currency**

The Philippine Peso (P) is the currency of the primary economic environment in which the Group operates. It is the currency in which the Group measures its performance and reports the results of its operations.

b. **Determining the lease term of contracts with renewal and termination**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group renewal options for leases under Note 23 are not included as part of the lease term because it needs the mutual agreement of both parties prior to the expiration of the agreements. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

The Group applies the short-term lease recognition exemption to its short-term leases of office premises. Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Rent expense pertaining to these leased properties amounted to P852,438 for the years ended December 31, 2024 and 2023 (Notes 23 and 24).

5.2 Critical accounting estimates and assumptions

a. EUL of property and equipment

The management estimates the useful lives of property and equipment based on the period in which the assets are expected to be available for use. The EUL of the property and equipment (Note 3.9) are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the estimation of the useful lives of property and equipment is based on the Group's collective assessment of industry practice, internal evaluation and experience with similar assets. It is possible, however, that the future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these circumstances. A reduction in the EUL of property and equipment would increase recorded operating expenses and decrease non-current assets.

The carrying value of property and equipment amounted to P2,083 and nil as at December 31, 2024 and 2023, respectively (Note 12).

Depreciation expense amounted to P417 and nil for the years ended December 31, 2024 and 2023, respectively (Notes 12 and 24).

b. Impairment of property and equipment

The Group performs an impairment review when certain impairment indicators are present. Purchase accounting requires extensive use of accounting estimates and judgment to allocate the purchase price to the fair market values of the assets purchased and liabilities assumed. Determining the fair value of property and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Group's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that their assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

The carrying value of property and equipment amounted to P2,083 and nil as at December 31, 2024 and 2023, respectively (Note 12).

The cost of fully depreciated property and equipment still in use by the Group amounted to P4,876,335 as at December 31, 2024 and 2023 (Note 12).

c. Fair value of investment property

The Group has adopted the fair value approach in determining the carrying value of its investment property. While the Group has opted to rely on independent appraisers to determine the fair value of its investment property, such fair value was determined based on recent prices of similar property, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The amounts and timing of recorded changes in fair value for any period would differ if the Group made different judgments and estimates or utilized different basis for determining fair value (Notes 3.4.6 and 3.4.7).

The fair value of investment property is P1,035,000,000 and P932,000,000 as at December 31, 2024 and 2023, respectively (Note 13).

The unrealized fair value gain from investment property amounted to P103,000,000 and P43,000,000 for the years ended December 31, 2024 and 2023, respectively (Note 13).

d. Recoverability of exploration and evaluation of assets

Exploration and evaluation costs are recognized as assets in accordance with PFRS 6, *Exploration for and Evaluation of Mineral Resources*. Capitalization of these costs is based, to a certain extent, on management's judgment of the degree to which the expenditure may be associated with finding a specific mining reserve.

The application of the Group's accounting policy for exploration and evaluation assets requires judgment and estimates in determining whether it is likely that the future economic benefits are certain, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after the exploration and evaluation assets are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of comprehensive income in the period when the new information becomes available.

The Group reviews the carrying values of its exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. An impairment loss is recognized when the carrying values of these assets are not recoverable and exceed their fair value.

The factors that the Group's considers important which could trigger an impairment review of exploration and evaluation assets include the following:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mining reserves in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mining reserves in the specific area have not led to the discovery of commercially viable mining reserves and the Group decided to discontinue such activities in the specific area;
- When a concession agreement where the Group has participating interest in is permanently abandoned; and
- sufficient data exist to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The Group determines impairment of projects based on the assessment of the technical group of its Indonesian partners or based on management's decision not to pursue any further commercial development of its exploration projects.

The impairment losses on exploration and evaluation assets amounted to P16,824,116 for the years ended December 31, 2024 and 2023 (Notes 14 and 24). The carrying amount of exploration and evaluation assets amounted to nil and P16,824,116 as at December 31, 2024 and 2023, respectively (Note 14).

c. Impairment of non-financial assets

The Group's policy on estimating the impairment of non-financial assets is discussed in Note 3.12. Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Except for impairment on exploration and evaluations assets, the Management assessed that the non-financial assets have no indication of impairment.

f. Estimated retirement benefits payable

The determination of the Group's obligation and cost of pension is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions are, and include, among others, discount rate and salary increase rate. In accordance with PAS 19 (Revised), actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

PAS 19 (Revised) also requires a retrospective application which means that minimum disclosure requirements shall be made in the comparative period as well as the current period.

The retirement benefits expense, payable and detailed discussion of sensitivity analysis are discussed in Note 18.

Retirement benefits expense amounted to P282,204 and P251,242 for the years ended December 31, 2024 and 2023, respectively (Notes 18 and 24). The Group's retirement benefits payable amounted to P4,235,626 and P4,197,372 as at December 31, 2024 and 2023, respectively (Note 18).

g. Recognition of deferred tax assets

The carrying amounts of deferred income tax assets at each financial reporting date are reviewed and are reduced to the extent that there is no longer sufficient future taxable income available to allow all or part of the deferred income tax assets to be utilized. The Group's assessment of the recognition of deferred tax assets on deductible temporary differences, and the carryforward benefits of NOLCO is based on the forecasted taxable income for the future years. This forecast is based on the Group's past results and future expectations on revenue and expenses.

The carrying values of deferred tax assets related to retirement benefits payable, which the management has assessed to be fully utilized within the next few years amounted to P1,058,906 and P1,049,343 as at December 31, 2024 and 2023, respectively (Note 16).

The Group also has deductible temporary differences, carryforward benefits of unused NOLCO and excess MCIT for which no deferred tax asset was recognized (Note 16).

NOTE 6 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks: credit risk, liquidity risk and market risk. The Group's overall risk management program seek to minimize potential adverse effects on its financial performance and to make an optimal contribution to its revenues by managing these risks. The Group's risk management, vested through the BOD, focuses on actively securing their short to medium-term cash flows by minimizing the exposure to financial risks. Long-term financial investments are managed to generate lasting returns.

The Group's response to the risks and challenges they face are as follows:

- To explore less risky exploration and exploitation of minerals,
- Shorten the exploration period and look for the most economical ways to explore and conduct the latest geological and geophysical techniques to minimize the risks of exploration,
- To engage experts to utilize proven hedge and financial initiatives to mitigate and minimize inherent risks of the volatility of commodities, and
- To place importance on community welfare and community relationship.

The policies for managing specific risks are summarized below:

Financial risk factors

The Group's financial assets and liabilities, comprising mainly of cash and cash equivalents, other receivable, deposits, financial assets at FVOCI, accruals and other payables (except payable to government agencies) and advances from shareholders are exposed to a variety of financial risks. The management ensures that it has sound policies and strategies in place to minimize the potential adverse effects of these risks on the Group's financial performance.

6.1 Credit risk management

Credit risk refers to the risk that a counterparty will default on its obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated financial statements or in the detailed analysis provided in the notes to consolidated financial statements, as summarized below:

2024	Note	Carrying amount	Neither past due nor impaired	Impaired
Cash and cash equivalents*	8	2,978,751	2,978,751	-
Other receivables	9	29,836	29,836	-
Financial assets at FVOCI	11	80,000	800,000	720,000

2023	Note	Carrying amount	Neither past due nor impaired	Impaired
Cash and cash equivalents*	8	3,186,974	3,186,974	-
Other receivables	9	17,448	17,448	-
Financial assets at FVOCI	11	80,000	800,000	720,000

**excluding petty cash fund*

None of the above financial assets are used for collateral or other credit enhancements.

Accordingly, the Group has assessed the quality of the following financial assets:

1. The credit risk for cash and cash equivalents is assessed as low risk since cash are deposited in reputable banks which have a low probability of insolvency.
2. Other receivables pertain to receivable from employees and accrued interest from time deposit. The credit risk is assessed as low risk since it is collected through salary deduction and deposited in a reputable bank which has a low probability of insolvency.
3. The maximum exposure to credit risk of the Group from the financial assets at FVOCI is equivalent to the fair value of the shares in the Philippine Stock Exchange (PSE) as at the reporting date.
4. The Group's refundable deposit is presented as non-current asset as it is not expected to be refunded within the next twelve 12 months. The Group has provided a full impairment allowance on the refundable deposit as the management assessed the Group will not be able to recover the deposit.

6.2 Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

As at December 31, 2024 and 2023, the Group's financial liabilities have contractual maturities as follows:

	Note	2024		2023	
		3 to 12 months	More than 12 months	3 to 12 months	More than 12 months
Accruals and other payables**	17	2,876,984	-	2,671,408	-
Advances from shareholders	19	74,594,840	-	68,254,840	-
		77,471,824	-	70,926,248	-

**excluding withholding taxes, documentary stamp tax, SSS, PHIC and HDMF payables

The total current assets exceeded the total current liabilities by P118,957 and 512,099 as at December 31, 2024 and 2023, respectively, computed as follows:

	2024	2023
Total current assets	3,032,343	3,231,485
Total current liabilities	2,913,386	2,719,386
	118,957	512,099

The Group manages liquidity risk by maintaining adequate highly liquid assets in the form of cash and cash equivalents. Management has no knowledge of any other trends, demands, commitments, events, or uncertainties that would have a material impact on the Group's liquidity. The Group views its current assets as a source of liquidity. A call on subscription receivable is an alternative to raise cash. The major shareholders have committed to pay their subscription payable to the Parent Company as the need arises.

6.3 Market risk management

Market risk is the risk of loss to future earnings, to fair value or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes.

6.3.1 Interest rate and foreign currency risk

The Group's exposure to the risk of changes in interest rates is minimal since the cash and cash equivalents have fixed interest rates not affected by interest rates in the market.

The Group is exposed to foreign currency risk primarily with respect to the monetary assets denominated in US Dollar. The Group's financial position and financial performance are affected by the movements in the Philippine Peso to US Dollar exchange rates. Foreign currency risk arises when recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group's foreign currency denominated monetary asset is shown in Note 22.

As at December 31, 2024, if the Philippine Peso has strengthened by 0.59 against the US Dollar with all other variables held constant, income for the year would have been lower by P26,762, mainly as a result of foreign exchange gains/losses on translation of US Dollar denominated net asset shown in Note 22. The 1% volatility is based on 30-day historical foreign currency fluctuations experienced by the Group.

6.3.2 Other price risk sensitivity

The Group's market price risk arises from financial assets at FVOCI which is carried at fair value. It manages its risk by monitoring the changes in the market price of the investments.

For the equity securities, there was no available market value in PSE due to the continuous suspension of Philcomsat Holdings Corporation (PHC).

6.4 Fair value estimation of financial assets and liabilities

Due to the short-term nature of cash and cash equivalents, other receivables and accrual and other payables (except statutory payables) approximate their fair value as at reporting date.

Advances from shareholders. The carrying amount of the advances from shareholders amounted to P74,594,840 and P68,254,840 as at December 31, 2024 and 2023, respectively (Note 19), while its fair value amounted to P 55,449,389 and P51,086,347 as at December 31, 2024 and 2023, respectively. The fair value was computed using the present value method. A significant unobservable input used under this method is the discount rate used. The rate used for discounting is at 6.10% and 5.97% as at December 31, 2024 and 2023 based on PHP BVAL rates with tenor of 5 years. These are categorized under level 3.

These advances from shareholders are non-interest-bearing and have no fixed maturity. These serve as the Parent Company's principal source of working capital and were measured at fair value upon initial recognition. The resulting difference between face value and fair value has been recognized within equity as a shareholder contribution. While management is exploring the potential for conversion to equity, no board resolution or SEC filing has been completed as at December 31, 2024 and 2023.

6.5 Fair value hierarchy of financial assets that are measured at fair value on a recurring basis

The fair value of the financial assets at FVOCI is categorized as Level 1 as the equity investment is listed in PSE. However, the investment has no available market values since 2007 because of the suspension of PHC in the PSE. The management believes that the carrying amount of the financial assets at FVOCI approximate its fair value. As at December 31, 2024, the book value per share is P1.46 per share based on the 2023 consolidated financial statement of PHC, the latest available financial statements as of the date of the report.

NOTE 7 - OPERATING SEGMENT

The Group considers this mining business as its sole reportable segment. The Group's primary operating segment encompasses its mining activities in Indonesia. While the Group is domiciled and primarily located in the Philippines, its operational presence is solely in Indonesia at the exploratory stage. Geographical segment information is not presented as all mining operations are confined to Indonesia.

The business segment is managed based on the nature of services provided, with a particular emphasis on exploration and evaluation activities. Segment assets comprise various operational assets, notably including exploration and evaluation assets, alongside other significant assets such as investment properties. As at December 31, 2024 and 2023, the carrying amount of exploration and evaluation assets totaled nil and P16,824,116, respectively, reflecting the Group's ongoing investment in this operational segment.

NOTE 8 - CASH AND CASH EQUIVALENTS

This account as at December 31 consists of:

	2024	2023
Cash equivalent	2,473,572	2,368,259
Cash in banks	505,179	818,715
Petty cash fund	4,000	4,000
	2,982,751	3,190,974

Cash in banks generally earn interest at prevailing bank deposit rates. Cash equivalents are placements good for 35 days with one local bank depending on the immediate cash requirements and earn interest at the prevailing short-term deposit rate of 0.01% to 0.25% per annum.

Total interest income from bank deposits for the years ended December 31, 2024 and 2023 amounted to P1,454 and P4,782, respectively, as presented in the consolidated statements of comprehensive income.

Unrealized foreign exchange gain (loss), net recognized in the consolidated statements of comprehensive income due to revaluation of the cash in bank and cash equivalents dollar accounts amounted P111,276 and (P25,144) for the years ended December 31, 2024 and 2023, respectively (Note 22).

NOTE 9 - OTHER RECEIVABLES

This account as at December 31 consists of:

	2024	2023
Salary loans receivable	26,462	17,400
Advance receivable	3,276	-
Accrued interest on time deposit	98	48
	29,836	17,448

Salary loans earn an interest rate of 16% per annum payable on a semi-monthly installment. This pertains to the proportion of salary loans of an employee of Filipinas Golf & Country Club, Inc. as a co-maker of the promissory note.

NOTE 10 - PREPAYMENTS

This account pertains to advance payments on the Group's cars insurance coverage, membership fees and subscription which are unexpired amounting to P19,756 and P23,063 as at December 31, 2024 and 2023, respectively.

NOTE 11 - FINANCIAL ASSETS AT FVOCI

Financial assets at FVOCI consists of the quoted equity investments in Philcomsat Holdings Corporation (PHC) amounting to P80,000 as at December 31, 2024 and 2023.

There was no available market value for PHC as at December 31, 2024 and 2023 due to suspension by the PSE since December 21, 2007.

On December 3, 2008 the Corporation Finance Department (currently known as Corporate Governance and Finance Department or CGFD) of the Philippines SEC issued an order of suspension of PHC's Registration of Securities for violation of SRC Rules 17.1 (1) (A) (i) & (ii) due to its continuing failure to file its 2006 and 2007 annual reports as well as its 1st, 2nd and 3rd quarterly reports for 2007. As at December 31, 2024, the suspension has not been lifted. PHC is a subject of intra-corporate controversies. Due to the unavailability of a market price, a valuation technique could be used to establish its fair value. Valuation techniques include using arm's length market transactions between knowledgeable parties, if available; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. However, due to intra-corporate controversies in which PHC has been involved for several years now, management has decided to take a conservative stand and provide a 90% allowance based on cost for the impairment of its investment. Management has not recognized any fair value gains or recoverability and will reassess the investment classification in future periods should market conditions change.

Due to suspension of PHC in PSE, there is no available market value for the investments, thus, there is no net accumulated unrealized gain on financial assets at FVOCI as at December 31, 2024 and 2023.

As at December 31, 2024, the book value per share is P1.46 per share based on the 2023 consolidated financial statements of PHC, the latest available financial statements as of the date of the report.

NOTE 12 - PROPERTY AND EQUIPMENT, NET

Details of property and equipment as at December 31 are as follows:

	Building	Transportation equipment	Welding Equipment	Office equipment	Office furniture and fixture	Total
Cost:						
January 1, 2023 and December 31, 2023	2,193,697	1,150,000	1,397,734	19,529	115,375	4,876,335
Additions	-	-	-	2,500	-	2,500
December 31, 2024	2,193,697	1,150,000	1,397,734	22,029	115,375	4,878,835
Accumulated depreciation:						
January 1, 2023 and December 31, 2023	2,193,697	1,150,000	1,397,734	19,529	115,375	4,876,335
Depreciation - Note 24	-	-	-	417	-	417
December 31, 2024	2,193,697	1,150,000	1,397,734	19,946	115,375	4,876,752
Carrying value:						
As at December 31, 2023	-	-	-	-	-	-
As at December 31, 2024	-	-	-	2,083	-	2,083

The above property and equipment have not been used as collateral for a loan. There are no contractual commitment for the acquisition of property and equipment as at December 31, 2024 and 2023.

The cost of fully depreciated property and equipment still in use by the Group amounted to P4,876,335 as at December 31, 2024 and 2023, respectively.

NOTE 13 - INVESTMENT PROPERTY

This represents the transfer value or consideration of the parcel of land which was used as full payment of the subscription of the former President, Oliverio G. Laperal, Sr., on the increase in authorized capital stock of the Parent Company amounting to P400 million in 2007. The parcel of land is located at Northwest corner of Epifanio Delos Santos Avenue and Nueva Ecija extension, Barangay Magsaysay, Quezon City with a land area of 5,000 sqm. This investment property is covered by TCT No. N-307207 issued by the Land Registration Authority to the Parent Company on September 3, 2007. An annotation on the title states that "the acquisition of the property described in this title/certificate is by virtue of tax-free exchange pursuant to Section 40 C (2) of the National Internal Revenue Code (NIRC) of 1997 per Deed of Assignment of Real Property dated February 2, 2007".

The Group's investment property is measured using the fair value model.

The fair value of the Group's investment property as at December 31 are as follows:

	2024	2023
Fair value, beginning	932,000,000	889,000,000
Increase in unrealized fair value	103,000,000	43,000,000
Fair value, ending	1,035,000,000	932,000,000

The fair values of investment properties were determined by independent, professionally qualified appraisers. The fair value represents the price that would be received to sell an investment property in an orderly transaction between market participants at the measurement date.

The value of the property is based on the appraisal made by Cuervo Appraisers, Inc., an independent appraiser accredited with Philippine SEC, PSE and Bangko Sentral ng Pilipinas, and determined using the Market Approach. This is a comparative approach to the value that considers the sales of similar, or substitute properties and related market data which establishes a value estimate by processes involving comparison. Based on the analysis and considering the location, size, shape and physical characteristics, highest and best use of the subject property, the appraiser's report indicated that the fair market value of the land is P1,035,000,000 and P932,000,000 as at December 31, 2024 and 2023, respectively.

The Group assessed that the investment property is considered a capital asset under Sec. 39 (A) (1) of the NIRC subject to capital gains tax upon sale and the Group does not intend to sell the property. Thus, the gain from the revaluation is considered a permanent difference in the income tax computation and no deferred tax liability is recognized (Note 16).

The above investment property has not been used as collateral for a loan.

The fair value of the investment property is categorized as Level 3 as there is no active market for identical or similar properties. The inputs include price per square meter ranging from P329,852 to P415,286. There have been no changes in the valuation techniques used.

NOTE 14 - EXPLORATION AND EVALUATION ASSETS

This account as at December 31 consists of:

	Note	Acquisition of rights to explore	Geophysical studies	Total
Gross carrying value:				
January 1, 2023		7,863,667	25,784,565	33,648,232
Impairment loss	24	(3,931,833)	(12,892,283)	(16,824,116)
December 31, 2023		3,931,834	12,892,282	16,824,116
Impairment loss	24	(3,931,834)	(12,892,282)	(16,824,116)
As at December 31, 2024		-	-	-

On January 30, 2009, a MOA was made between the Parent Company and P.T. Asphalt Buton Nasional granting the Group the exclusive right of exploration, exploitation, development and operation of the subject MEC. Upon signing of the MOA, the amount deposited in September 2008 was recorded as part of exploration and evaluation asset.

In 2009, P.T. Asphalt Buton Nasional obtained the services of Jurusan Teknik Pertambangan, Fakultas Teknologi Mineral, Universitas Pembangunan Nasional "Veteran" Yogyakarta to conduct a geophysics and geophysical (Electric Resistivity) study of the Buton asphalt in Wakaokili and Waangu-angu, Pasarwajo, Kabupaten Buton. The geophysical interpretation data was necessary to determine the site for drilling exploration and the depth and thickness of asphalt-bearing rock. The cost of the survey amounting to US\$100,000 was included and capitalized as exploration and evaluation asset.

The scope of work done involved geologic survey, geophysical resistivity measurement and rock bearing asphalt interpretation, resource estimation with inferred classification and determination of drilling exploration area.

The preparation of work included licensing, collection of secondary data and literature, preparation of equipment and materials, establishment of teamwork and preliminary field survey. Reconnaissance in the areas was done to assess the geophysical, social, and cultural conditions. Geologic mapping of the existence of asphalt was done. Electric resistivity or electrical geophysics was used to measure the underground conditions which utilized differences in electric potential to identify sub-surface material.

The final report on the Electric Resistivity Survey showed the following:

1. Asphalt resources or reserves in Waangu-angu Block with inferred resources classification of 39,083,000 m³;
2. Asphalt resources or reserves in Wakaokili Block with inferred resources classification of 16,963,000 m³;
3. Recommendations:
 - a. To get exact resources or reserves the electric resistivity survey done should be followed by detailed drilling exploration
 - b. Drilling area recommended was the Western part of Waangu-angu Concession and Southern part of Wakaokili Concession with the limit equal to the bottom deep of the sandstone layer.

Additional geologic and geophysical surveys for the second phase of the Exploration Program entailed additional pouring of funds into the project during 2010 which were capitalized as exploration and evaluation asset.

In May 2011 and August 2011, the amount of US\$120,000 and US\$100,000, respectively, were remitted to Mr. Eddy Surohadi for the account of P.T. Aspal Buton Nasional and P.T. Indominas to fund the additional geological works/studies needed for the preparation of the project feasibility report and environmental impact report required pending conversion of P.T. Aspal Buton Nasional Exploration permit to development and exploitation permit.

In February 2012, US\$60,000 and another US\$60,000 in September were both remitted to Mr. Eddy Surohadi for the account of P.T. Aspal Buton Nasional and P.T. Indominas to cover the budget required for additional geological works/studies needed for the preparation of the project feasibility report and environmental impact report for the mining concession area in Buton Island.

In 2013, the Group remitted another US\$100,000 and US\$20,000 in April and November, respectively, to secure an extension on the lease of the MEC in Buton Island.

In 2014, the Group remitted the amount of US\$102,000 to Mr. Eddy Surohadi for obtaining informal approval for the exploitation concession of the 1,722 hectares Waangu-Angu areas including the cost of the preparation of the required technical report on post-production program to restore most of the mined-over areas to usable condition.

In 2015, the Group remitted US\$99,250 to Mr. Eddy Surohadi for the account of P.T. Aspal Buton and P.T. Indominas to cover the budget required for various technical and tax expenses on the CNC (Clean and Clear Certificate) IUP Production Program for the coverage area of 1,722 hectares. No remittances were made for the years ended December 31, 2024 and 2023.

The BOD, in its special meeting on April 6, 2019, has approved the plan of the Group on the encouraging prospects of its, local and offshore, mining exploration in view of its economic import and despite rigorous government regulations.

The Group is still in the exploration and evaluation stages of mineral resources. The Group's management assessed that its exploration and evaluation assets are partially impaired as they foresaw the uncertainty of the renewal of their Operating License Agreement Mining Exploration Permit pending the definitive response from their Claim owners or their counterpart in Indonesia and no budget had been planned or made for the continuity of its exploration and as manifested by the Group through its Board Resolution dated April 13, 2023.

As discussed in note 2, the Parent Company is considering to defer its mining exploration with P.T. Aspal Buton and P.T. Indominas, in Buton Island and Waangu-Angu, Wakaokili, Sulawesi, Indonesia, owing to:

- (i) countervailing duties or tariff taxes imposed by foreign States on crude gas and oil;
- (ii) precipitous fall in the price of crude gas and oil;
- (iii) risk management about the peace and order in the prospective mining areas/sites;
- (iv) variability and precariousness in the conduct and development of geologic and geophysical (Electric Resistivity) surveys for commercial gas and oil exploration, drillings and discovery;
- (v) eventual expiration of the mining exploration concession/permit;
- (vi) restrictive and/or prohibited environmental impact mitigating measures and requirements;
- (vii) suspension of budgetary activities during the production operation stage due to the deteriorating physical condition of the former President, Mr. Oliverio G. Laperal, Sr., after a stroke and eventual demise on August 26, 2018;
- (viii) pending probate court proceedings for the administration, management, distribution and partition of the Eighty-Three point Seven One Four percent (83.714%) of the total shares of the capital outstanding of Imperial Resources Incorporated issued in the name of Oliverio G. Laperal, Sr.;
- (ix) pending project assessment and financial report of Mr. Eddy Surohadi with documentary proofs in support of the various disbursements/expenses for the mining project as well as the status of the Production Operations Mining Agreement issued by the Indonesian government to P.T. Aspal Buton; and
- (x) ominous tensions among several foreign States as well as the rippling effect of the wars between the States of Russia and Ukraine, Israel and Palestine.

Management decisions to provide impairment loss on exploration and evaluation assets

The management decisions to provide allowance on impairment losses on exploration and evaluation assets, in relation to paragraph 20 of the PFRS 6, for the following reasons:

- i) the management is still awaiting the technical, financial, and developmental reports from its Indonesian partners, especially on the current status of Production Operations Mining Agreement issued by the Indonesian government on April 28, 2014.
- ii) While the mining agreement has term of 20 years, management is not certain whether it has expired for unknown reasons or if it can be renewed under government-prescribed conditions of Indonesia;
- iii) That management cannot prepare a definite budget or developmental plan for it to continue its exploration activities until it receives the requested reports.

The management was able to establish communication with Mr. Eddy Surohadi of P.T. Aspal Buton and P. T. Indominas. In the letter, management requested Mr. Surohadi to submit the pertinent financial reports with corresponding documentary proofs in support of the various disbursements/expenses incurred for the mining project and the status of the Production Operations Mining Agreement issued by the Indonesian government to P.T. Aspal Buton Nasional. Also, management requested Mr. Surohadi to make his project assessment report including his suggestions or available options for the Group under the present economic conditions both in Indonesia and in the Philippines in order to recover the entire exploration expense.

The status report of Mr. Surohadi regarding the Production Mining Agreement issued by the Indonesian government shall guide management to determine whether the Exploration and Evaluation assets will be assessed or classified for impairment.

While the Mining Permit term granted by the Indonesian government is for 20 years, the suspension of the funding of and other budgetary activities during the production operation stage due to the deteriorating physical condition of the former President, Mr. Oliverio G. Laperal, Sr., after a stroke and subsequent demise, and by the incident of the COVID-19 pandemic, there might have been governmental policies, laws, rules and regulations imposed by the Indonesian government affecting said mining permit.

The management received a reply from Mr. Surohadi wherein he stated that he will respond to the letter as soon as possible. Management is hopeful that with the data or information to be disclosed by Mr. Surohadi, it can study extensively the financial aspects, evaluate and analyze the technical feasibility and commercial viability of the mining project, considering the very promising results of the Resistivity Geophysics Study.

Since the communications with Mr. Eddy Surohadi has been established, management is hopeful for more discussions, meetings and fruitful collaboration with him before it can come up with a decision as to what courses of action to take regarding the mining project.

Management submitted to the BOD during the special board meeting held on April 13, 2023 for their consideration, ratification and approval of the plan of the Group to consider the impairment of its mining exploration in Buton Island and Waangu-Angu, Sulawesi, Indonesia, to be impaired over the period of three years based on the following:

- (i) precipitous fall in the price of crude gas and oil;
- (ii) risk management about the peace and order in the prospective mining areas/sites;
- (iii) variability and precariousness in the conduct and development of geologic and geophysical (Electric Resistivity) surveys for commercial gas and oil exploration, drillings and discovery;
- (iv) eventual expiration of the mining exploration concession/permit;
- (v) restrictive and/or prohibitive environmental impact mitigating measures and requirements;
- (vi) suspension of budgetary activities during the production operation stage due to the deteriorating physical condition of the former President, Mr. Oliverio G. Laperal, Sr., after a stroke and subsequent demise on August 26, 2018;
- (vii) pending probate court administration and management of the 83.71% of the capital stock issued by the Parent Company in the Estate of Oliverio G. Laperal, Sr.;
- (viii) health, security, social, political, and economic impact of the COVID-19 pandemic; and,
- (ix) ominous rippling effect of the war between the States of Russia and Ukraine; and was ratified and approved.

The management's decision of three years impairment on the exploration and evaluation assets because of the following factors namely:

- i) management believes that within the period of three years it shall have received all technical, financial and developmental reports from its Indonesian partners;
- ii) management shall have evaluated, studied, analyzed and collaborated with its Indonesian partners;
- iii) management shall have determined whether the project is commercially viable or nor;
- iv) if it is a viable, it shall have come up with plans to finance the project including preliminary talks for possible joint venture
- v) management shall have undertaken the courses of actions decided upon; and
- vi) the Indonesian government as announced by its top government official in 2022, shall have started to aggressively develop Buton Island's asphalt deposit as a measure to stop importation asphalt by 2024.

NOTE 15 - REFUNDABLE DEPOSIT

This account as at December 31 consists of:

	2024	2023
Refundable gas cylinder	-	45,000
Less: Allowance for impairment loss	-	45,000
	-	-

NOTE 16 - INCOME TAXES

The components of income tax benefit reported in the consolidated statements of comprehensive income are as follows:

	2024	2023
Current	117	-
Deferred	(70,551)	(62,811)
	(70,434)	(62,811)

The reconciliation of income tax benefit on accounting income computed at the statutory income tax rate to the income tax benefit - deferred as reflected in the consolidated statements of comprehensive income for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Income tax benefit on profit from operations at the statutory income tax rate of 25%	19,790,685	4,717,330
Adjustments for:		
Gain from investment property revaluation - unrealized	(25,750,000)	(10,750,000)
Interest income subjected to final tax	(364)	(1,196)
Non-deductible penalties and surcharges	-	381
Unrecognized DTA on impairment loss on exploration and evaluation asset	4,206,029	4,206,029
Unrecognized DTA on unrealized (gain) loss on foreign exchange	(27,819)	67,023
Unrecognized DTA on NOLCO	1,710,918	1,697,622
Unrecognized DTA on MCIT	117	-
	(70,434)	(62,811)

The income tax payable of the Group as at December 31, 2024 and 2023 amounted to P117 and nil, respectively.

The Group's deferred tax asset as at December 31, 2024 and 2023 consist of:

	Note	2024		2023	
		Tax base	DTA	Tax base	DTA
<i>Temporary differences:</i>					
Retirement benefits obligation	18	4,235,626	1,058,906	4,197,372	1,049,343

Realization of future tax benefit related to deferred tax asset is dependent on the Group's ability to generate future taxable income during the periods in which these are expected to be recovered. The Group has considered these factors in reaching a conclusion as to the amount of deferred tax asset recognized as at December 31, 2024 and 2023. Further, the Group regularly reviews the recoverability of the deferred tax asset recognized. The deferred tax asset related to impairment loss on exploration and evaluation asset, unrealized loss on foreign exchange, MCIT and NOLCO are not recognized since management believes that there is absence of virtual certainty that the deferred tax asset can be realized against future tax liabilities.

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was enacted into law as RA No. 11534 by virtue of the approval of the President of the Philippines with nine vetoed provisions. Below are the relevant salient features of the Act:

- a. RCIT rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5,000,000 and with total assets not exceeding P100,000,000. All other domestic corporations and resident foreign corporations will be subject to 25% income tax rate. Said reductions are effective July 1, 2020,
- b. MCIT rate is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023. Starting July 1, 2023, the Group uses MCIT rate of 2%.
- c. Imposition of improperly accumulated earnings tax (IAET) is repealed.

The measure is set to take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation which is on April 11, 2021.

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) no. 69-2023, reverting rate of 2% of gross income effective July 1, 2023 pursuant to CREATE Act.

The movements in DTA for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Balance at beginning of the year	1,049,343	1,037,712
DTA on retirement benefit obligation credited (charged to):		
Profit for the year	70,551	62,811
Other comprehensive income for the year	(60,988)	(51,179)
Balance at the end of the year	1,058,906	1,049,343

The balances of NOLCO with their corresponding years of expiration are as follows:

Incurred for the year ended December 31	Available until December 31	NOLCO
2024	2027	6,843,672
2023	2026	6,790,486
2022	2025	6,007,469
2021	2026	6,409,441
2020	2025	6,952,630
		33,003,698

The balance of NOLCO as at December 31, 2024 may be used by the Group as additional deductions against their respective future taxable income.

Pursuant to the Revenue Regulations (RR) No. 25-2020 entitled "Rules and Regulations Implementing Section 4 (bbbb) of the Republic Act (RA) No. 11494, otherwise known as the "Bayanihan to Recover as One Act" Relative to Net Operating Loss Carry-Over (NOLCO) Under Section 34 (D) (3) of the National Internal Revenue Code (NIRC), As Amended", the net operating loss for the taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from gross income for the next five consecutive years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as a deduction ever after the expiration of RA No. 11494 provided the same are claimed within the next five years consecutive taxable years immediately following the year of such loss.

NOTE 17 - ACCRUALS AND OTHER PAYABLES

This account as at December 31 consists of:

	2024	2023
Accruals	2,876,984	2,669,836
Withholding taxes payable	20,579	24,859
SSS, Philhealth, HMF contributions and loan payables	10,531	14,269
Documentary stamp tax payable	5,175	8,850
Advances payable	-	1,572
	2,913,269	2,719,386

The accruals as at December 31 are composed of the following:

	2024	2023
Taxes and licenses	2,475,000	1,980,000
Professional fees	396,369	618,401
Communication	4,995	15,895
Dues & subscription	620	620
Miscellaneous	-	54,920
	2,876,984	2,669,836

Miscellaneous pertains to the out-of-pocket expenses incurred along with the availed professional services.

NOTE 18 - RETIREMENT BENEFITS PAYABLE

The Group does not have an established retirement plan and only conforms to the minimum regulatory benefit under the RA 7641 Retirement Pay Law which is of the defined benefit type and provides a retirement benefit equal to 22.5 days pay for every year of credited service. The regulatory benefit is paid in a lump sum upon retirement.

The discount rate methodology was used to estimate the present value of the Group's defined benefits obligation. The discount rate was determined in accordance with the FSRSC approved Q&A 2008-01(Revised) document, which mandates that discount rates reflect (a) benefit cash flows and (b) use of zero coupon rates, even though theoretically derived.

The valuation results are based on the employee data as of the valuation date as provided by the Group. The discount rate assumption is based on the Bankers Association of the Philippines (BAP) PHP Bloomberg BVAL Reference Rates (BVAL) benchmark reference curve for the government securities market (previously the PDEX (PDST-R2) market yields on benchmark government bonds as of the valuation date and considering the average years of remaining working life of the employees as the estimated term of the benefit obligation.

The following information are based on the latest actuarial valuation report with December 31, 2024 and 2023 as the valuation date by an independent actuarial firm.

The movements in the present value of the retirement benefits payable recognized in the books are as follows:

	2024	2023
Balance at the beginning of the year	4,197,372	4,150,847
Interest cost	246,386	216,259
Current service cost	35,818	34,983
Remeasurements of retirement benefits payable	(243,950)	(204,717)
	4,235,626	4,197,372

The amounts of retirement benefits expense for the years ended December 31, 2024 and 2023 recognized in the consolidated statements of comprehensive income are as follows:

	Notes	2024	2023
Interest cost		246,386	216,259
Current service cost		35,818	34,983
	21, 24	282,204	251,242

The amounts of remeasurements of retirement benefits payable presented in other comprehensive income in the consolidated statements of comprehensive income are computed as follows:

	Note	2024	2023
Actuarial gain on:			
experience		241,449	198,434
changes in financial assumptions		2,501	6,283
Total		243,950	204,717
Less: Deferred tax liability	16	(60,988)	(51,179)
		182,962	153,538

The movement of remeasurement on retirement benefits payable recognized in the other comprehensive income is as follows:

	2024	2023
Beginning balance	150,209	(3,329)
Remeasurement of retirement benefits payable, net of tax	182,962	153,538
	333,171	150,209

In determining the amount on retirement benefits payable, the following actuarial assumptions were used:

	2024	2023
Economic assumptions:		
Discount rate	6.16%	5.87%
Salary increase rate	4.00%	4.00%
Employee data:		
No. of employees	6.0	6.0
Average age in years	63.7	62.7
Average remaining working life	1.0	1.0
Average years of past service	28.4	27.9
Annual covered payroll	2,186,532	2,186,532

Below is the quantitative information about the sensitivity of the retirement liability to a reasonably possible change in actuarial assumptions:

	2024	2023
Increase in discount rate	0.20%	0.20%
Decrease in present value of retirement benefits liability	8,706	9,571
Decrease in discount rate	0.20%	0.20%
Increase in present value of retirement benefits liability	(8,475)	(9,268)
Decrease in salary increase rate assumption	0.20%	0.20%
Decrease in present value of retirement benefits liability	(8,732)	(9,523)
Increase in salary increase rate assumption	0.20%	0.20%
Increase in present value of retirement benefits liability	8,804	9,651

The Group does not have any plan assets as at December 31, 2024 and 2023 and does not currently employ any asset-liability matching.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

	2024	2023
More than 1 year to 5 years	4,354,603	4,341,218
More than 5 years to 10 years	-	-
	4,354,603	4,341,218

As at December 31, 2024 and 2023, the average duration of the defined benefits obligation is 0.2 year.

NOTE 19 – RELATED PARTY TRANSACTIONS

The Group's relationship with related parties is described below:

	Relationship
Estate of Oliverio G. Laperal, Sr.	Major shareholder
LTC Real Estate Corporation	Shareholder
Filipinas Golf & Country Club, Inc.	With common directors
Imperial Development Corporation	With common directors

The significant transactions of the Group in the normal course of business with related parties are described below.

A. OTHER RELATED PARTY – SHAREHOLDER

The Group obtains non-interest bearing advances from its major shareholders. These advances are intended for the Group’s operations.

	Amount of transaction	Outstanding balance	Terms and conditions
Year 2024			
Advances from shareholders			
LTC Real Estate Corporation	6,340,000	61,683,625	a. Payable in cash b. Have no specific repayment dates. c. The subsidiary may pay when it is able, d. Non-interest bearing, and e. Can be converted to equity upon compliance with regulatory requirements
Estate of Oliverio G. Laperal, Sr.	-	12,911,215	a. Payable in cash b. Have no specific repayment dates, c. The subsidiary may pay when it is able. d. Non-interest bearing, and e. Can be converted to equity upon compliance with regulatory requirements
	6,340,000	74,594,840	

	Amount of transaction	Outstanding balance	Terms and conditions
Year 2023			
Advances from shareholders			
LTC Real Estate Corporation	6,200,000	55,343,625	a. Payable in cash b. Have no specific repayment dates. c. The subsidiary may pay when it is able, d. Non-interest bearing, and e. Can be converted to equity upon compliance with regulatory requirements
Estate of Oliverio G. Laperal, Sr.	-	12,911,215	a. Payable in cash b. Have no specific repayment dates, c. The subsidiary may pay when it is able, d. Non-interest bearing, and e. Can be converted to equity upon compliance with regulatory requirements
	6,200,000	68,254,840	

The advances from shareholders are non-interest-bearing and have no fixed maturity. These serve as the Parent Company’s principal source of working capital and were measured at fair value upon initial recognition. The resulting difference between face value and fair value has been recognized within equity as a shareholder contribution. While management is exploring the potential for conversion to equity, no board resolution or SEC filing has been completed as at December 31, 2024 and 2023.

In March 2016, LTC Real Estate Corporation and the Parent Company entered into a memorandum of agreement for the prospective subscription on the shares of stocks of the Parent Company at the prevailing par value in the amount of P10,000,000 on or before December 31, 2016. The said amount shall be considered as a deposit and shall be subject to disposition, transfer and recovery by the investor.

As at December 31, 2024 and 2023, the Parent Company has not met all the required conditions to account for the deposit as deposit for future stock subscription. Thus, the deposit is recognized as advances from shareholders under non-current liabilities in the consolidated statements of financial position.

B. OTHER RELATED PARTY – COMMON DIRECTOR

	Amount of transaction	Outstanding balance	Terms	Conditions
Year 2024				
Rent				
Imperial Development Corporation	635,712	-	(1) Payable on or before 5th day of each corresponding month. (2) Lease for a period of one year from January 1, 2024 to December 31, 2024. (3) Renewable upon mutual agreement before expiration of the lease term.	(1) In case of default in payment, the amount of rental due shall bear interest and penalty at the rate of 6% and 3% per month, respectively.
Filipinas Golf & Country Club, Inc.	216,726	-	(1) Payable every 1st day of the month. (2) Sub-lease for a period of one year from April 1, 2023 until March 31, 2024 and from April 1, 2024 to March 31, 2025. (3) Renewable upon mutual agreement before expiration of the lease term.	(1) In case of failure to pay, lease shall be considered terminated and the Company shall vacate the premises.
	852,438	-		

	Amount of transaction	Outstanding balance	Terms	Conditions
Year 2023				
Rent				
Imperial Development Corporation	635,712	-	(1) Payable on or before 5th day of each corresponding month. (2) Lease for a period of one year from January 1, 2023 to December 31, 2023. (3) Renewable upon mutual agreement before expiration of the lease term.	(1) In case of default in payment, the amount of rental due shall bear interest and penalty at the rate of 6% and 3% per month, respectively.
Filipinas Golf & Country Club, Inc.	216,726	-	(1) Payable every 1st day of the month. (2) Sub-lease for a period of one year from April 1, 2022 until March 31, 2023 and from April 1, 2023 to March 31, 2024. (3) Renewable upon mutual agreement before expiration of the lease term.	(1) In case of failure to pay, lease shall be considered terminated and the Company shall vacate the premise.
	852,438	-		

C. KEY MANAGEMENT PERSONNEL

	Amount of transactions	Outstanding balance
Year 2024		
Short-term employee benefits	1,741,115	-
Post-employment benefits	2,655,036	-
Year 2023		
Short-term employee benefits	1,744,977	-
Post-employment benefits	2,614,218	-

There were no termination, other long-term benefits and share-based payments granted to the key management personnel for the years ended December 31, 2024 and 2023. The gross compensation of President/Chief Executive Officer, Vice-President/Treasurer (Chief Financial Officer) and Parent Company Controller amounted to P794,854 and P848,432 for the years ended December 31, 2024 and 2023, respectively. The members of the BOD received only per diem per attendance in the regular and special meetings of the BOD and Annual/Special Stockholders Meeting. The total amount of per diem paid in 2024 and 2023 amounted to P225,000 and P315,000, respectively (Note 24).

Mr. Desiderio L. Laperal and Mr. Oliverio L. Laperal Jr., the current President and Vice-President of the Parent Company, waived their rights to avail any retirement benefits being granted by the Parent Company as their way of financially helping the Group.

NOTE 20 - SHARE CAPITAL

The Parent Company share capital as at December 31 consists of:

	2024	2023
Common shares - P1 par value per share		
Authorized shares, 1,800,000,000	1,800,000,000	1,800,000,000
Subscribed share capital	652,500,000	652,500,000
Less: Subscription receivable	15,936,454	15,936,454
Paid-up capital	636,563,546	636,563,546

The change of par value from P5.00 to P1.00 and the declassification of shares from common Class "A" and Class "B" shares to common stock voting shares were approved by SEC on February 10, 2017 and implemented by PSE on February 22, 2017.

Subscription receivable collected for the year ended December 31, 2018 amounted to P150,000. There was no collection of subscription receivable as at December 31, 2024 and 2023.

Both common class "A" and "B" shares have P5.00 par value with the same rights and privileges, except that Common Class "A" shares shall be issued and/or sold only to citizens of the Philippines or to Corporation, at 60% of the capital stock for/of which is owned by citizens of the Philippines, while Common Class "B" shares shall be issued and/or sold to any person or corporation irrespective of citizenship; provided that a stockholder who is Filipino citizen holding Common Class "B" shares shall be entitled at any time to convert his Common Class "B" shares to Common Class "A" shares.

In 2018, the late major shareholder of the Parent Company, Mr. Oliverio G. Laperal Sr. passed away due to multi-organ failure. His shares of stocks in the Parent Company are amongst those reported and included in the inventory of the estate settlement proceedings before the Regional Trial Court, Branch 148, Makati City, Metro Manila in the proceedings entitled "Petition for the Probate of the Will of Oliverio G. Laperal, Sr." where Mr. Desiderio Christopher L. Laperal is the petitioner. The petition was docketed as R-MKT-18-04136-SP.

The late majority shareholder holds 83.76% of the total issued and outstanding shares of the Parent Company.

As at December 31, 2021, Mr. Desiderio L. Laperal was the appointed executor of the estate of Mr. Oliverio G. Laperal Sr. The judicial settlement of the estate is still in process.

Probate Proceedings Re. Estate of Oliverio G. Laperal, Sr

On December 2, 2021, Mr. Desiderio L. Laperal, the designated Administrator/Executor of the Estate of Mr. Oliverio G. Laperal, Sr. filed with the Regional Trial Court, Capital Judicial Region, Branch 148, Makati City, Ad Cautelam Preliminary Inventory, of the real and personal estate of the deceased as of October 31, 2021.

That the Executor/Administrator, Mr. Desiderio L. Laperal, filed the Executor's Accounting dated October 25, 2022 informing the Court at all the banks wherein decedent Oliverio G. Laperal, Sr. had accounts submitted the summary of Bank Balances as of March 2022.

That the Executor/Administrator, Mr. Desiderio L. Laperal has continued to coordinate with the banks where decedent Oliverio G. Laperal Sr. has accounts and prepared an updated Summary of Bank balances as of January 2023.

That the Executor/Administrator, Mr. Desiderio L. Laperal has filed an Urgent Omnibus Motion to set case for hearing on the (1) Expenses of administration, (2) For authority to withdraw from bank accounts for payments of Expenses of administration and (3) For authority to open a bank account for the Estate of Oliverio G. Laperal, Sr. and he is ordered to appear the probate court on May 8, 2023.

That the Executor/Administrator, Desiderio L. Laperal was able to make partial withdrawal from the bank deposits under the name of Oliverio G. Laperal, Sr.

That the Executor/Administrator in 2024, Mr. Desiderio L. Laperal discussed and coordinated with the lawyers regarding the procedures and requirements necessary to sell/dispose of some of the properties of the Estate to fully pay its obligations.

NOTE 21 - EMPLOYEE COSTS

This account for the year ended December 31 consists of:

	Notes	2024	2023
Salaries and wages	24	2,653,205	2,764,477
Retirement benefits expense	18, 24	282,204	251,242
SSS, Philhealth and IIDMF contributions	24	81,140	97,552
		3,016,549	3,113,271

NOTE 22 - FOREIGN CURRENCY-DENOMINATED ASSETS

Dollar denominated assets as at December 31 are as follows:

	2024	2023
Assets:		
Cash and cash equivalents	45,513	45,489
Year-end exchange rate	58.0140	55.5670
Peso equivalent	2,640,398	2,527,663

Unrealized gain (loss) on foreign exchange credited (charged) to operations for the years ended December 31, 2024 and 2023 amounted to P111,276 and (P25,144), respectively (Note 8).

NOTE 23 - LEASE AGREEMENTS

The Group entered into operating lease agreements as follows:

- a. The Parent Company entered into an operating lease agreement with Imperial Development Corporation, a related party, for a lease of office space at 82-D and 82-J 4th Street, New Manila, Quezon City including an adjoining room consisting of 26.8 square meters for a period of one year from January 1, 2024 to December 31, 2024, renewable annually upon mutual agreement in writing by both parties, with a monthly rental of P52,976, inclusive of 12% VAT. The lease was renewed in 2024 and 2023 under the same terms, stipulations, and conditions.
- b. The Group entered into a sub-lease agreement with Filipinas Golf & Country Club, Inc., a related party, as a sub-lessee for an office space with an area of ten sqm at Unit 202 Villa Building, No. 78 Jupiter Street corner Makati Avenue, Barangay Bel-Air, Makati City for a period of one year with a monthly rate of P9,030 from April 1, 2023 to March 31, 2024 which includes parking and association dues. The sub-lease agreement was renewed for another year in 2024 from April 1, 2024 until March 31, 2025 with the same terms and conditions.
- c. The Subsidiary entered into a sub-lease agreement with Filipinas Golf & Country Club, Inc., a related party, as a sub-lessee for an office space with an area of ten sqm at Unit 202 Villa Building, No. 78 Jupiter Street corner Makati Avenue, Barangay Bel-Air, Makati City for a period of one year with a monthly rate of P9,030 from April 1, 2023 to March 31, 2024 which includes parking and association dues. The sub-lease agreement was renewed for another year in 2024 from April 1, 2024 until March 31, 2025 with the same terms and conditions.

Total rent expense charged to operations amounted to P852,438 for the years ended December 31, 2024 and 2023 (Notes 19 and 24).

The future minimum lease payments under non-cancellable operating lease are as follows:

	2024	2023
Not later than one year	54,182	54,182

NOTE 24 - ADMINISTRATIVE EXPENSES

This account for the years ended December 31 consist of:

	Notes	2024	2023
Impairment loss on exploration and evaluation asset	14	16,824,116	16,824,116
Salaries and wages	21	2,653,205	2,764,476
Rent	19, 23	852,438	852,438
Professional fees		850,680	805,600
Taxes and licenses		592,714	586,639
Utilities		522,802	501,368
Dues and subscription		321,202	331,679
Retirement benefits expense	18, 21	282,204	251,242
Director's fees	19	225,000	315,000
Repairs and maintenance		211,675	145,489
Security services		204,000	204,000
Transportation and travel		98,730	87,956
SSS, Philhealth and HDMF contributions	21	81,140	97,552
Supplies and other office expenses		41,848	36,889
Insurance		23,034	35,685
Depreciation	12	417	-
Penalties and surcharges		-	1,522
Miscellaneous expenses		170,627	268,667
		23,955,832	24,110,318

Miscellaneous pertains to attendance fees, bank charges and other expenses.

NOTE 25 - NCI

This account as at December 31 consists of:

	2024	2023
NCI net loss for the year	(2,992)	(2,869)
NCI in net assets	(249,854)	(246,985)
	(252,846)	(249,854)

The NCI represents 1% percent ownership interest of the Subsidiary.

NOTE 26 - BASIC AND DILUTED EARNINGS PER SHARE

The basic earnings per share is computed as follows:

	2024	2023
Income for the year	79,236,164	18,934,999
Divided by: Weighted average number of common shares	636,563,546	636,563,546
Basic earnings per share	0.12	0.03

The diluted earnings per share is computed as follows:

	2024	2023
Income for the year	79,236,164	18,934,999
Divided by: Weighted average number of common shares	636,563,546	636,563,546
Number of shares assumed to be purchased	15,936,454	15,936,454
Total	652,500,000	652,500,000
Diluted earnings per share	0.12	0.03

SUPPLEMENTAL WRITTEN STATEMENT OF EXTERNAL AUDITOR

The Board of Directors and Shareholders of
IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
82-J 4th Street, Barangay Mariana, New Manila
Quezon City

We have examined the financial statements of IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY (the 'Group') as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 12, 2025.

In compliance with SRC Rule 68, we are stating that the said Group has a total number of one thousand six hundred sixty-one (1,661) shareholders owning one hundred (100) or more shares.

VILLARUZ, VILLARUZ & CO., CPAs
000-889-941

By:



GEORGE V. VILLARUZ

CPA Certificate No. 36018

PRC ID no. 0036018 valid until August 26, 2026

PTR No. 6990554D issued on January 6, 2025 at Quezon City

BIR Accreditation No. (Individual) 07-100688-002-2023 issued on October 9, 2023 valid until October 8, 2026

BIR Accreditation No. (Firm) 07-000109-006-2023 issued on October 13, 2023 valid until October 12, 2026

SEC Accreditation No (Individual) as general auditors 36018-SEC (Group A) issued on November 10, 2022

SEC Accreditation No (Firm) as general auditors 0058-SEC (Group A) issued on November 10, 2022

T.I.N. 101-741-882

EOA-PRC Registration No. 0058/P-001 issued on June 27, 2024 valid until June 26, 2027

Quezon City, Philippines
April 12, 2025

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Shareholders of
IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
82-J 4th Street, Barangay Mariana, New Manila
Quezon City

We have audited the consolidated financial statements of IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY (the "Group") in accordance with the Philippine Standards on Auditing as at and for the year ended December 31, 2024 and have issued our report thereon dated April 12, 2025. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole.

The supplementary information included in the following accompanying additional components is the responsibility of the Group's management.

- i. Schedule of financial soundness indicators
- ii. Map of conglomerate or group companies within which the reporting entity belongs
- iii. Supplementary schedules as required under Annex 68-J
- iv. Reconciliation of Retained Earnings Available for Dividend Declaration

The supplementary information referred to above are presented for purposes of complying with Revised Securities Regulation Code (SRC) Rule 68 and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

VILLARUZ, VILLARUZ & CO., CPAs
000-889-941

By:



GEORGE Y. VILLARUZ

CPA Certificate No. 36018

PRC ID no. 0036018 valid until August 26, 2026

PTR No. 6990554D issued on January 6, 2025 at Quezon City

BIR Accreditation No. (Individual) 07-100688-002-2023 issued on October 9, 2023 valid until October 8, 2026

BIR Accreditation No. (Firm) 07-000109-006-2023 issued on October 13, 2023 valid until October 12, 2026

SEC Accreditation No (Individual) as general auditors 36018-SEC (Group A) issued on November 10, 2022

SEC Accreditation No (Firm) as general auditors 0058-SEC (Group A) issued on November 10, 2022

T.I.N. 101-741-882

BOA/PRC Registration No. 0058/P-001 issued on June 27, 2024 valid until June 26, 2027

Quezon City, Philippines
April 12, 2025

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
As at and for the years ended December 31, 2024 and 2023

Pursuant to Revised Securities Regulation Code (SRC) Rule 68 Part 1 General Financial Reporting Requirements No. 5 Other Documents To Be Filed With The Financial Statements.

- A. Per Subsection C. "Regulated Entities Enumerated in Section 3 (b) (i) of Part 1 of This Rule" requirement of a schedule, showing financial soundness indicators in three comparative periods as follows: (i) current/liquidity ratios; (ii) solvency ratios, debt-to-equity ratios; (iii) asset-to-equity ratios; (iv) interest rate coverage ratios; (v) profitability ratios; (vi) other relevant ratios as the Commission may consider necessary.

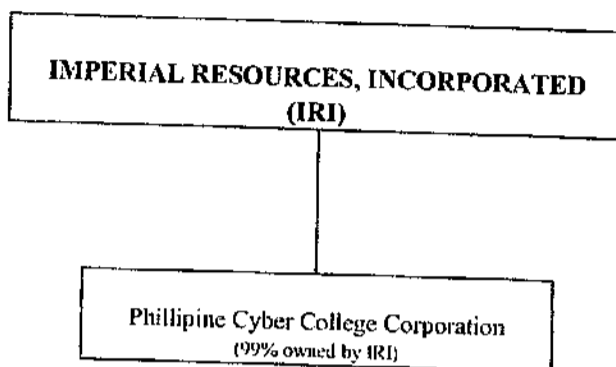
	2024	2023
(i) Current/liquidity ratios:		
<u>Current assets</u>	3,032,343	3,231,485
<u>Current liabilities</u>	2,913,386 = 1.04 : 1	2,719,386 = 1.19 : 1
(ii) Debt-to-equity ratios:		
<u>Total liabilities</u>	81,743,852	75,171,598
<u>Equity</u>	957,429,480 = 0.09 : 1	878,013,346 = 0.09 : 1
(iii) Solvency ratios:		
<u>Total liabilities</u>	81,743,852	75,171,598
<u>Total assets</u>	1,039,173,332 = 0.08 : 1	953,184,944 = 0.08 : 1
(iv) Asset-to-equity ratios:		
<u>Total assets</u>	1,039,173,332	953,184,944
<u>Equity</u>	957,429,480 = 1.09 : 1	878,013,346 = 1.09 : 1

(v) Interest rate coverage ratios (Earnings before interest and taxes/Interest expense):
This ratio is not applicable since the Parent Entity and Subsidiary has no interest expense.

(vi) Profitability ratios (Net profit after taxes/Revenues before cost of services):
This ratio is not applicable since the Parent Entity and Subsidiary has no revenues.

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
As at and for the year ended December 31, 2024

**MAP OF THE CONGLOMERATE OR GROUP OF COMPANIES
WITHIN WHICH THE REPORTING ENTITY BELONGS**



IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
As at and for the year ended December 31, 2024

SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

This Annex prescribes the disclosure requirements including the form and content of the schedules required by section 6, Part II of Revised Securities Regulation Code (SRC) Rule 68.

Schedule A. Financial Assets

This schedule is not applicable to the Parent Entity and Subsidiary since there is no Fair Value through Profit or Loss as at December 31, 2024.

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

This schedule is not applicable to the Parent Entity and Subsidiary since there are no amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties) from whom an aggregate indebtedness of more than One Million Pesos (P1 Million) or one per cent (1%) of total assets, whichever is less, is owed at December 31, 2024.

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

This schedule consists of:

Name and Designation of Debtor	Balance at Beginning Period	Additions	Amounts Collected	Amounts Written Off	Ending balance		Balance at End of Period
					Current	Non-current	
Philippine Cyber College Corporation (Subsidiary)							
<i>Due from Subsidiary</i>	P 25,019,934	P 275,000	P -	P -	P -	P 25,294,934	P 25,294,934
<i>Allowance for impairment loss</i>	(25,019,934)	(275,000)	-	-	-	(25,294,934)	(25,294,934)
	P -	P -	P -	P -	P -	P -	P -

Schedule D. Long-Term Debt

This schedule is not applicable to the Parent Entity and Subsidiary since there is no long-term debt as at December 31, 2024.

Schedule E. Indebtedness to Related Parties

This schedule consists of advances from shareholders for continuous support to the Parent Entity's operations as at December 31, 2024:

Name of related party	Balance at beginning of the period	Additions (Payments)	Balance at end of period
Oliverio G. Laperal, Sr.	12,911,215	-	12,911,215
LTC Real Estate Corporation	55,343,625	6,340,000	61,683,625
	68,254,840	6,340,000	74,594,840

Schedule F. Guarantees of Securities of Other Issuers

This schedule is not applicable to the Parent Entity and Subsidiary since there is no guarantees of securities of other issuing entities by the issuer for which the statement is filed as at December 31, 2024.

Schedule G. Capital Stock

This schedule consists of:

Title of Issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common Stock	1,800,000,000	636,563,546	-	22,952,375	3,250,000	610,361,171

Reconciliation of Retained Earnings Available for Dividend Declaration
 For the reporting period ended December 31, 2024

IMPERIAL RESOURCES, INCORPORATED
 Unit 202 Villa Building, No. 78 Jupiter Street
 Corner Makati Avenue, Barangay Bel-Air, Makati City

Unappropriated Retained Earnings, beginning of reporting period		(284,664,470)
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	-	
Effect of restatements of prior-period adjustments	-	
Others	-	
	<hr/>	
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Application for increase in capital stock	-	
Retained Earnings appropriated during the reporting period	-	
Effects of restatements or prior-period adjustments	-	
Others	-	
	<hr/>	
Unappropriated Retained Earnings, as adjusted		
Add/Less: Net Income (loss) for the current year	79,257,331	(284,664,470)
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of Investment Property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	(103,000,000)	
Sub total	-	
	<hr/>	(23,742,669)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub total	-	
	<hr/>	
Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of a certain transactions accounted for under the PFRS, previously recorded	-	
Sub total	-	
Adjusted Net Income/Loss		(23,742,669)

Reconciliation of Retained Earnings Available for Dividend Declaration
 For the reporting period ended December 31, 2024

IMPERIAL RESOURCES, INCORPORATED
 Unit 202 Villa Building, No. 78 Jupiter Street
 Corner Makati Avenue, Barangay Bel-Air, Makati City

Add: Category D: Non actual losses recognized in profit or loss during the reporting period (net of tax)	
Impairment of Exploration and Evaluation Assets	16,824,116
Amount of recognized DTA that decreased the amount of income tax expense	
Sub total	<u>70,551</u>
	<u>16,894,667</u>
Add/Less: Category E: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement of deferred tax and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others	-
Sub total	-
Total Retained Earnings, end of the reporting period available for dividend	<u>(291,512,472)</u>

FOOTNOTES:

- (1) The amount of retained earnings of a company should be based on its separate ("stand-alone") audited financial statements.
- (2) Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.
- (3) Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the Company and must be adjusted in the reconciliation to reflect the actual distributable amount.
- (4) This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of its distributable income should be in accordance with the REIT Act and its Implementing Rules and Regulations.

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
December 31, 2024 and 2023

	2024	2023
Total Audit Fees	593,600	548,800
Non-audit services fees:		
Tax services	-	-
All other services	-	-
Total Non-audit Fees	-	-
Total Audit and Non-audit Fees	593,600	548,800
Audit and Non-audit fees of other related entities		
Audit fees	50,400	39,200
Non-audit services fees:		
Tax services	-	-
All other services	-	-
Total Audit and Non-audit Fees of other related entities	50,400	39,200

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GENELITA G. MANANDIC**, Filipino, of legal age, and a resident of Maya-Maya Circle, corner Maya-Maya Drive, Victoria Valley Subdivision, Brgy. Dela Paz, Antipolo City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **IMPERIAL RESOURCES INCORPORATED** and have been its Independent Director since June 10, 2010;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations).

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Filipinas Golf & Country Club, Inc.	Director	2010 - present
Fruit and Veggie Friends Club, Inc.	Founder-Lecturer	2004- present
Thocaris One Corp.	Partners	1990-2018
Subic Bay Waterfront Dev. Corp.	Group Manager	1998-2000
COCOLIFE	Agency Manager	1992-1995
COCOLIFE	Life Underwriter	1991-1992
Everlasting Memorial Park	Marketing Manager	1996-1997

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **IMPERIAL RESOURCES INCORPORATED**, as provided for in Section 38 of the Securities Regulation Code its implementing Rules and Regulation and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDERS	COMPANY	NATURE OF RELATIONSHIP
	Not Applicable	

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be).

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
	Not Applicable	

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of IMPERIAL RESOURCES INCORPORATED of any changes in the above-mentioned information within five days from its occurrence.

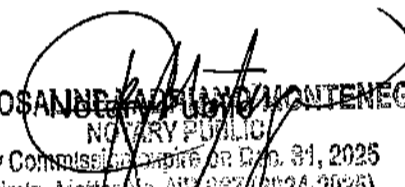
QUEZON CITY

Done this 03 JUN 2025, 2025 at _____.


GENELITA G. MANANDIC
 Affiant

SUBSCRIBED AND SWORN TO before me this 03 JUN 2025 day of _____, 2025, Affiant exhibited to me his competent proofs of identity and exhibited to me his Tax Identification No. 135-536-281-000 issued by the Bureau of Internal Revenue.

Doc. No. 07 ;
 Page No. 2 ;
 Book No. XLI ;
 Series of 2025.


ATTY. ROSANNE MONTENEGRO
 NOTARY PUBLIC
 My Commission Expires on Dec. 31, 2025
 Admin. Matter No. NR-007 (2024-2025)
 PRR No. 707043 (2020-2021-G.C.)
 REP. OR. No. 897265 (2008-2016-G.C.)
 I.C.A. No. 58435
 MCLB Compliance No. VII-0021072/2025
 Unit 312 Acre Bldg. 137 Malakas
 St. Diliman Brgy. Central, Quezon City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, MARCIANO G. DELSON, Filipino, of legal age, and a resident of Unit 14 A&B Condominium, Aurora Boulevard, Brgy. Ermitaño, San Juan City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of IMPERIAL RESOURCES INCORPORATED and have been its independent since July 14, 2022;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations).

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
San Beda University-Manila	Dean – College of Law	- present
San Beda College Alabang, Muntinlupa City	Professor – School of Law & Member of the Board Trustees	- present
The Firm of Sarmiento Delson & Resurrection	Senior Partner	-present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of IMPERIAL RESOURCES INCORPORATED, as provided for in Section 38 of the Securities Regulation Code its implementing Rules and Regulation and other issuances.
4. I am related to the following directors/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDERS	COMPANY	NATURE OF RELATIONSHIP
	Not Applicable	

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be).

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
	Not Applicable	

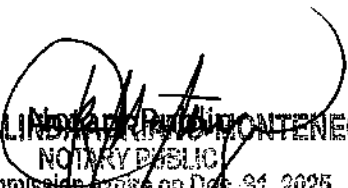
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of IMPERIAL RESOURCES INCORPORATED of any changes in the above-mentioned information within five days from its occurrence.

Done this 03 JUN 2025, 2025 at QUEZON CITY.


MARCIANO G. DELSON
Affiant

SUBSCRIBED AND SWORN TO before me this 03 JUN 2025, 2025, Affiant exhibited to me his competent proofs of identity and exhibited to me his Tax Identification No. 155-929-554-0000 issued by the Bureau of Internal Revenue.

Doc. No. 04 ;
Page No. 2 ;
Book No. XU ;
Series of 2025.


ATTY. ROSALINDA R. MONTENEGRO
NOTARY PUBLIC
My Commission expires on Dec. 31, 2025
Admin. Matter No. NP-067 (2024-2025)
PTR No. 7078313 01/06/2025-Q.C.
IBP OR No. 397266 01/06/2025-Q.C.
ROLL No. 69465
MCLB Compliance No. VII-0821672/2025
Unit 312 Ave Bldg. 137 Malakas
St. Julian Stgy. Central, Quezon City