

# 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  
Jun 30, 2024
2. SEC Identification Number  
AS93008127
3. BIR Tax Identification No.  
002-834-075-000
4. Exact name of issuer as specified in its charter  
APC GROUP, INC.
5. Province, country or other jurisdiction of incorporation or organization  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
G/F MyTown New York Bldg. General E. Jacinto St. cor. Capas St., Brgy. Guadalupe  
Nuevo, Makati City  
Postal Code  
1212
8. Issuer's telephone number, including area code  
(632) 8662-8888
9. Former name or former address, and former fiscal year, if changed since last report  
NA
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	7,504,203,997

11. Are any or all of registrant's securities listed on a Stock Exchange?

☒ Yes ☐ No

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

Philippine Stock Exchange, Inc. / Common Stock

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 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

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



## APC Group, Inc. APC

### PSE Disclosure Form 17-2 - Quarterly Report References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Jun 30, 2024
Currency (indicate units, if applicable)	Philippine Peso

#### Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Jun 30, 2024	Dec 31, 2023
Current Assets	26,766,426	27,467,939
Total Assets	264,354,909	268,989,856
Current Liabilities	107,571,549	111,662,144
Total Liabilities	111,519,890	115,610,486
Retained Earnings/(Deficit)	-15,510,674	-18,128,405
Stockholders' Equity	152,835,019	153,379,371
Stockholders' Equity - Parent	159,880,182	160,420,620
Book Value per Share	0.02	0.02

#### Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	0	0	0	0
Gross Expense	0	0	0	0

<b>Non-Operating Income</b>	4,779,058	319,382	4,962,285	741,904
<b>Non-Operating Expense</b>	1,135,792	1,258,172	2,347,386	2,377,463
<b>Income/(Loss) Before Tax</b>	3,643,267	-938,790	2,614,900	-1,635,559
<b>Income Tax Expense</b>	785	1,825	1,082	1,825
<b>Net Income/(Loss) After Tax</b>	3,642,482	-940,615	2,613,817	-1,637,384
<b>Net Income Attributable to Parent Equity Holder</b>	3,642,475	-939,775	2,617,732	-1,631,811
<b>Earnings/(Loss) Per Share (Basic)</b>	0	0	0	0
<b>Earnings/(Loss) Per Share (Diluted)</b>	0	0	0	0

	<b>Current Year (Trailing 12 months)</b>	<b>Previous Year (Trailing 12 months)</b>
<b>Earnings/(Loss) Per Share (Basic)</b>	0	0
<b>Earnings/(Loss) Per Share (Diluted)</b>	0	0

<b>Other Relevant Information</b>
None.

**Filed on behalf by:**

<b>Name</b>	Ian Jason Aguirre
<b>Designation</b>	President and CEO

**SEC Number** AS93008127  
**File Number** \_\_\_\_\_

**APC GROUP, INC.**  
(Company's Full Name)

**G/F MyTown New York Bldg.  
General E. Jacinto St. cor. Capas St.  
Brgy. Guadalupe Nuevo, Makati City**  
(Company's Address)

**(632) 8662-8888**  
(Telephone Numbers)

**30 June 2024**  
(Quarter Ending)

**SEC FORM 17-Q**  
(Form Type)

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 three months ended **30 June 2024**
2. SEC identification number: **AS93008127**
3. BIR Tax Identification No. **002-834-075-000**
4. Exact name of registrant as specified in its charter: **APC Group Inc.**
5. Province, country or other jurisdiction of incorporation or organization: **Philippines**
6. Industry Classification Code:  (SEC Use Only)
7. Address of registrant's principal office:  
**G/F MyTown New York Bldg. General E. Jacinto St. cor. Capas St.,  
Brgy. Guadalupe Nuevo, Makati City, 1212**
8. Registrant's telephone number, including area code: **(632) 8662-8888**
9. Former name, former address and former fiscal year, if changed since last report:  
**n/a**
10. Securities registered pursuant to Sections in Securities Regulation Code

<u>Title of each class</u>	<u>Number of shares outstanding</u>
<b>Common Stock, ₱0.01 par value</b>	<b>7,504,203,997</b>

11. Are any or all of the Securities listed on the Philippine Stock Exchange? **Yes**
12. Indicate whether the registrant:
  - a) Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the SRC and SRC Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports).  
**Yes**
  - b) Has been subject to such filing requirements for the past 90 days.  
**Yes**

**APC GROUP, INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**FOR THE SIX MONTHS ENDED**

**30 June 2024**

## PART I FINANCIAL INFORMATION

### Item 1. Financial Statements

#### APC GROUP INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	P 25,962,580	P 26,147,184
Trade and other receivables - net	741,767	1,262,857
Other current assets	62,079	57,898
Total Current Assets	26,766,426	27,467,939
<b>Noncurrent Assets</b>		
Investment property	9,156,000	9,156,000
Financial assets at fair value through other comprehensive income	-	4,006,170
Deferred exploration costs and other noncurrent assets	228,432,483	228,359,747
Total Noncurrent Assets	237,588,483	241,521,917
	P 264,354,909	P 268,989,856
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	P 27,592,918	P 31,683,513
Advances from a related party	79,978,631	79,978,631
Total Current Liabilities	107,571,549	111,662,144
<b>Noncurrent Liabilities</b>		
Accrued retirement costs	3,948,342	3,948,342
Total Noncurrent Liabilities	3,948,342	3,948,342
Total Liabilities	111,519,890	115,610,486
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital stock	63,880,788	63,880,788
Additional paid-in capital	144,295,958	144,295,958
Unrealized gain on financial assets at fair value through other comprehensive income	-	3,158,169
Remeasurement loss on defined benefit obligation	(210,435)	(210,435)
Equity reserves	(3,140,235)	(3,140,235)
Deficit	(15,510,674)	(18,128,405)
Treasury shares - 7,606,000 shares	(29,435,220)	(29,435,220)
Total Equity Attributable to Equity Holders of the Parent Company	159,880,182	160,420,620
<b>Equity Attributable to Non-controlling Interests</b>	<b>(7,045,163)</b>	<b>(7,041,249)</b>
Total Equity	152,835,019	153,379,371
	P 264,354,909	P 268,989,856

**APC GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	2024		2023	
	2nd Quarter (April to June)	Year-to-date (January to June)	2nd Quarter (April to June)	Year-to-date (January to June)
<b>INCOME</b>				
Interest income	P 182,657	P 351,024	P 136,866	P 239,912
Dividend income	-	-	-	319,476
Other income	39,252	54,113	182,516	182,516
	<b>221,909</b>	<b>405,136</b>	<b>319,382</b>	<b>741,904</b>
<b>EXPENSES</b>				
General and administrative expenses	(1,135,792)	(2,347,386)	(1,258,172)	(2,377,463)
<b>OTHER GAIN (LOSS)</b>				
Gain on sale of financial assets	4,557,149	4,557,149	-	-
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>	<b>3,643,267</b>	<b>2,614,900</b>	<b>(938,790)</b>	<b>(1,635,559)</b>
<b>Provision for income tax</b>	<b>(785)</b>	<b>(1,082)</b>	<b>(1,825)</b>	<b>(1,825)</b>
<b>NET INCOME (LOSS) AFTER INCOME TAX</b>	<b>3,642,482</b>	<b>2,613,817</b>	<b>(940,615)</b>	<b>(1,637,384)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(4,429,969)	(3,158,169)	508,720	540,515
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>P (787,488)</b>	<b>(544,352)</b>	<b>P (431,895)</b>	<b>(1,096,869)</b>
<b>Net Income (Loss) Attributable to:</b>				
Equity holders of the Parent Company	3,642,475	2,617,732	(939,775)	(1,631,811)
Non-controlling interests	7	(3,914)	(840)	(5,573)
	<b>3,642,482</b>	<b>P 2,613,817</b>	<b>(940,615)</b>	<b>P (1,637,384)</b>
<b>Total Comprehensive Income (Loss) Attributable to:</b>				
Equity holders of the Parent Company	(787,495)	(540,438)	(431,055)	(1,091,296)
Non-controlling interests	7	(3,914)	(840)	(5,573)
	<b>(787,488)</b>	<b>P (544,352)</b>	<b>(431,895)</b>	<b>P (1,096,869)</b>
<b>Basic/Diluted Income (Loss) Per Common Share</b>				
(P2,617,732/7,504,203,997) June 30, 2024	P	0.000349		
(P-1,631,811/7,504,203,997) June 30, 2023			P	(0.000217)
<b>Weighted average number of common shares:</b>				
Total common shares		7,511,809,997		7,511,809,997
Less: Treasury shares		7,606,000		7,606,000
<b>Weighted average common shares</b>		<b>7,504,203,997</b>		<b>7,504,203,997</b>



**APC GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<b>For the Six Months Ended June 30,</b>			
	<b>2024</b>		<b>2023</b>	
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
Authorized:				
Preferred stock - P0.01 par value	<b>6,000,000,000 shares</b>		6,000,000,000 shares	
Common stock - P0.01 par value	<b>14,000,000,000 shares</b>		14,000,000,000 shares	
Issued	P	59,981,491	P	59,981,491
Subscribed (net of subscription receivable)		3,899,297		3,899,297
<b>Capital stock</b>		<b>63,880,787</b>		<b>63,880,787</b>
<b>Additional paid-in capital</b>		<b>144,295,958</b>		<b>144,295,958</b>
<b>Unrealized gain/loss on financial assets at fair value through other comprehensive income</b>				
Balance at the beginning of period		3,158,169		2,172,524
Other comprehensive income		(3,158,169)		540,515
Balance at the end of period		-		2,713,039
<b>Remeasurement loss on defined benefit obligation</b>		<b>(210,435)</b>		<b>(251,723)</b>
<b>Equity Reserves</b>		<b>(3,140,235)</b>		<b>(3,140,235)</b>
<b>Deficit</b>				
Balance at the beginning of period		(18,128,405)		(23,189,328)
Net loss		2,617,732		(1,631,811)
Balance at the end of period		<b>(15,510,674)</b>		<b>(24,821,139)</b>
<b>Treasury shares - 7,606,000 shares</b>		<b>(29,435,220)</b>		<b>(29,435,220)</b>
<b>Minority interest</b>		<b>(7,045,163)</b>		<b>(7,020,115)</b>
	<b>P</b>	<b>152,835,019</b>	<b>P</b>	<b>146,221,353</b>

**APC GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss after income tax	<b>P 2,613,817</b>	<b>P (1,637,384)</b>
Adjustments for:		
Interest income	<b>(351,024)</b>	<b>(239,912)</b>
Dividend income	<b>-</b>	<b>(319,476)</b>
Gain on sale of financial assets	<b>(4,557,149)</b>	<b>-</b>
Operating loss before working capital changes	<b>(2,294,356)</b>	<b>(2,196,773)</b>
Decrease (increase) in:		
Trade and other receivables	<b>521,090</b>	<b>(425,375)</b>
Other current assets	<b>(4,181)</b>	<b>(19,664)</b>
Decrease in:		
Trade and other payables	<b>(4,090,595)</b>	<b>(1,130,324)</b>
Cash used in operations	<b>(5,868,042)</b>	<b>(3,772,136)</b>
Interest received	<b>351,024</b>	<b>239,912</b>
Dividends received	<b>-</b>	<b>319,476</b>
<b>Net cash used in operating activities</b>	<b>(5,517,018)</b>	<b>(3,212,748)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in deferred exploration costs and noncurrent assets	<b>(72,736)</b>	<b>(76,317)</b>
Sale/Disposal of financial assets	<b>5,405,150</b>	<b>-</b>
<b>Net cash used in investing activities</b>	<b>5,332,414</b>	<b>(76,317)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(184,603)</b>	<b>(3,289,065)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>26,147,184</b>	<b>17,969,392</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>P 25,962,580</b>	<b>P 14,680,327</b>

## Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

### Consolidated Statements of Financial Position

	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	2024 %	2023 %
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	P 25,962,580	P 26,147,184	(184,603)	-1%	10%	10%
Trade and other receivables - net	741,767	1,262,857	(521,090)	-41%	0%	0%
Other current assets	62,079	57,898	4,181	7%	0%	0%
Total Current Assets	26,766,426	27,467,939	(701,513)	-3%	10%	10%
<b>Noncurrent Assets</b>						
Investment property	9,156,000	9,156,000	-	0%	3%	3%
Financial assets at fair value through other comprehensive income	-	4,006,170	(4,006,170)	-100%	0%	1%
Deferred exploration costs and other noncurrent assets	228,432,483	228,359,747	72,736	0%	86%	85%
Total Noncurrent Assets	237,588,483	241,521,917	(3,933,434)	-2%	90%	90%
	P 264,354,909	P 268,989,856	(4,634,947)	-2%	100%	100%
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade and other payables	P 27,592,918	P 31,683,513	(4,090,595)	-13%	10%	12%
Advances from a related party	79,978,631	79,978,631	-	0%	30%	30%
Total Current Liabilities	107,571,549	111,662,144	(4,090,595)	-4%	41%	42%
<b>Noncurrent Liabilities</b>						
Accrued retirement costs	3,948,342	3,948,342	-	0%	1%	1%
Total Noncurrent Liabilities	3,948,342	3,948,342	-	0%	1%	1%
Total Liabilities	111,519,890	115,610,486	(4,090,595)	-4%	42%	43%
<b>Equity Attributable to Equity Holders of the Parent Company</b>						
Capital stock	63,880,788	63,880,788	-	0%	24%	24%
Additional paid-in capital	144,295,958	144,295,958	-	0%	55%	54%
Unrealized gain on financial assets at fair value through other comprehensive income	-	3,158,169	(3,158,169)	-100%	0%	1%
Remeasurement loss on defined benefit obligation	(210,435)	(210,435)	-	0%	0%	0%
Equity reserves	(3,140,235)	(3,140,235)	-	0%	-1%	-1%
Deficit	(15,510,674)	(18,128,405)	2,617,732	14%	-6%	-7%
Treasury shares - 7,606,000 shares	(29,435,220)	(29,435,220)	-	0%	-11%	-11%
Total Equity Attributable to Equity Holders of the Parent Company	159,880,182	160,420,620	(540,438)	0%	60%	60%
<b>Equity Attributable to Non-controlling Interests</b>	<b>(7,045,163)</b>	<b>(7,041,249)</b>	<b>(3,914)</b>	<b>0%</b>	<b>-3%</b>	<b>-3%</b>
Total Equity	152,835,019	153,379,371	(544,352)	0%	58%	57%
	P 264,354,909	P 268,989,856	(4,634,947)	-2%	100%	100%

As at June 30, 2024, consolidated assets of APC Group, Inc. and its subsidiaries (the Group) amounted to ₱264.4M million, ₱4.6 million (2%) lower compared to the December 31, 2023 balance of ₱269.0 million.

- Cash decreased due to the payment of legal fees amounting to ₱3.2 million which is a percentage of the proceeds from the settlement of a long-outstanding claim against GSIS last year, payment for 2023 financial audit amounting to ₱0.6 million, payment to PSE for this year's annual listing maintenance fee amounting to ₱0.3 million, payment of taxes amounting to ₱0.3 million and payment of various G&A expenses amounting to ₱1.4 million. These payments were offset by the proceeds received amounting to ₱5.4 million from the sale of PLC shares and income collected amounting to ₱0.4 million.

The Group's consolidated liabilities amounted to ₱111.5 million. The movement in this account pertains to the payment of the accrued and other payables.

Total equity as at June 30, 2024 and December 31, 2023 amounted to ₱152.8 million and ₱153.4 million, respectively. The decrease, amounting to ₱0.5 million, is attributable to the reversal of unrealized gain on AFS offset by net income obtained during the period.

There were no off-balance sheet transactions.

## Consolidated Statements of Comprehensive Income

	2024		2023		Horizontal Analysis		Vertical Analysis	
	2nd Quarter (April to June)	Year-to-date (January to June)	2nd Quarter (April to June)	Year-to-date (January to June)	Increase (Decrease) Amount	%	2024 %	2023 %
<b>INCOME</b>								
Interest income	P 182,657	P 351,024	P 136,866	P 239,912	111,112	46%	87%	32%
Dividend income	-	-	-	319,476	(319,476)	-100%	0%	43%
Other income	39,252	54,113	182,516	182,516	(128,403)	-70%	13%	25%
	221,909	405,136	319,382	741,904	(336,768)	-45%	100%	100%
<b>EXPENSES</b>								
General and administrative expenses	(1,135,792)	(2,347,386)	(1,258,172)	(2,377,463)	30,077	1%	-579%	-320%
<b>OTHER GAIN (LOSS)</b>								
Gain on sale of financial assets	4,557,149	4,557,149	-	-	4,557,149	100%	1125%	0%
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>	<b>3,643,267</b>	<b>2,614,900</b>	<b>(938,790)</b>	<b>(1,635,559)</b>	<b>4,250,459</b>	<b>260%</b>	<b>645%</b>	<b>-220%</b>
Provision for income tax	(785)	(1,082)	(1,825)	(1,825)	743	41%	0%	0%
<b>NET INCOME (LOSS) AFTER INCOME TAX</b>	<b>3,642,482</b>	<b>2,613,817</b>	<b>(940,615)</b>	<b>(1,637,384)</b>	<b>4,251,202</b>	<b>260%</b>	<b>645%</b>	<b>-221%</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>								
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(4,429,969)	(3,158,169)	508,720	540,515	(3,698,684)	-684%	-780%	73%
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>P (787,488)</b>	<b>(544,352)</b>	<b>P (431,895)</b>	<b>(1,096,869)</b>	<b>552,517</b>	<b>50%</b>	<b>-134%</b>	<b>-148%</b>

The Group ended the 2nd quarter of 2024 with total net income of ₱2.6 million. The higher net income versus the net loss incurred in the same period in 2023 is attributable to the gain from the sale of PLC shares.

The gain on the sale of PLC shares decreased the Group's total comprehensive loss to ₱0.5 million as at June 30, 2024.

As at June 30, 2024, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Group's short-term or long-term liquidity;
- 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;
- Significant elements of income or loss that did not arise from the Group's continuing operations;
- Seasonal aspects that had a material impact on the Group's results of operations; and
- Material changes in the financial statements of the Group for the periods ended June 30, 2024 and June 30, 2023, except those mentioned above.

## KEY PERFORMANCE INDICATORS

Management uses the following key performance indicators to evaluate the performance of the Group. Except for Net Income, these key performance indicators are not measurements in accordance with Philippine Financial Reporting Standards (PFRS) and should not be considered as an alternative to net income or any other measure of performance which are in accordance with PFRS.

1. **Return on Assets Ratio (ROA).** Return on Assets is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings and is calculated by dividing the Group's annual earnings by its total assets.
2. **Return on Equity Ratio (ROE).** Return on Equity measures how much profit is generated with the money shareholders have invested in the Company. It is expressed as a percentage and calculated by dividing net income by total Stockholders' Equity.
3. **Current Ratio.** Current ratio is computed by dividing current assets by current liabilities. This indicates the liquidity of the Group in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.
4. **Debt-to-Equity Ratio (DER).** DER gives an indication of the Group's leverage position and is computed by dividing total liabilities with total stockholders' equity.
5. **Asset-to-Equity Ratio (AER).** Asset-to-Equity Ratio is computed using total assets divided by the total stockholders' equity. This ratio shows the relationship of the total assets of the firm owned by shareholders and an indicator of the leverage used to finance the Group.

The table below shows the comparative figures of the key performance indicators for the period in review.

	Current YTD	Previous Year	Previous YTD
	YTD	YTD	YTD
	June 30, 2024	December 31, 2023	June 30, 2023
Return on Assets Ratio	0.01	0.02	(0.01)
Return on Equity Ratio	0.02	0.03	(0.01)
Current Ratio	0.25	0.25	0.16
Debt to Equity Ratio	0.73	0.75	0.76
Asset to Equity Ratio	1.73	1.75	1.76

Discussion on the key performance indicators

**Return on Assets Ratio**

The Group's ROA as at June 30, 2024 is positive due to the reported net income in 2024 while ROA as at June 30, 2023 is negative due to the reported net loss in 2023.

**Return on Equity Ratio**

The Group's ROE as at June 30, 2024 is positive due to the reported net income in 2024 while ROE as at June 30, 2023 is negative due to the reported net loss in 2023.

**Current Ratio**

There is no significant movement in the current ratio which remained at 0.25 as at December 31, 2023 and as at June 30, 2024.

**Debt to Equity Ratio**

Debt to equity ratio decreased from 0.75 as at December 31, 2023 to 0.73 as at June 30, 2024 due to lower total liabilities this year.

**Assets to Equity Ratio**

Asset to equity ratio decreased from 1.75 as at December 31, 2023 to 1.73 as at June 30, 2024 due to lower total assets this year.

**PART II OTHER INFORMATION**

Other than what has been reported, no event has since occurred.

## ANNEX TO THE MD&A SECTION

### 1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries (collectively referred to as the “Group”):

Subsidiaries	Percentage of Ownership		
	Direct	Indirect	Total
Aragorn Power & Energy Corporation (APEC) <sup>(1)</sup>	97.6%	-	97.6%
PRC Magma Energy Resources Inc. (PRC-Magma) <sup>(2)</sup>	-	85.0%	85.0%
APC Cement Corporation (APC Cement) <sup>(2)</sup>	100.0%	-	100.0%
APC Energy Resources, Inc. (APC Energy) <sup>(2)</sup>	100.0%	-	100.0%
APC Mining Corporation (APC Mining) <sup>(2)</sup>	83.3%	-	83.3%

(1) Still in exploration stage

(2) Still in the pre-operating stage

### 2. RISK EXPOSURES

#### Financial Risk Management

The Group has risk management policies that systematically view the risks that could prevent the Group from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Group’s objectives are achieved. The Group’s risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. It is also established to identify and manage the Group’s exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies.

Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the established business objectives. The BOD has overall responsibility for the establishment and oversight of the Group’s risk management framework. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the activities of the Group.

The Group’s principal financial instruments comprise of cash and cash equivalents, receivables, security deposits, financial assets at FVOCI, trade and other payables (excluding statutory payables), and advances from a related party.

The main risks arising from the Group’s financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and approves policies for managing these risks. These are summarized below.

#### Credit Risk

Credit risk is the risk that the obligations of the Group will not be repaid on time and in full as contracted, resulting in a financial loss. It is inherent to the business as potential losses may arise due to the failure of its counter parties to fulfill their obligations on maturity dates or due to adverse market conditions.

Generally, the credit risk of the Group is attributable to financial assets at amortized cost. The Group maintains credit policies and continuously monitors defaults of customers and other counter parties, identified either individually or by group, and incorporate this information into its credit risk controls. Managing credit risk has both qualitative and quantitative aspects. Credit officers must evaluate the credit quality of the counterparties and assign internal credit ratings upon this evaluation.

The Group defines credit exposure as all transactions where losses might occur due to the fact that counterparties may not fulfill their contractual payment obligations based on original contractual terms. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets. Credit risk from cash in banks is mitigated by transacting only with reputable banks duly approved by management.

### Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Group's credit standing.

The Group seeks to manage its liquid funds through cash planning on a weekly basis. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities.

### Equity Price Risk

The Group's investments in equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's BOD reviews and approves all equity investment decisions.

There is no material change in the financial risk exposures of the Parent Company and its subsidiaries particularly on currency, interest, credit, market and liquidity risks on its June 30, 2024 interim financial statements compared to the December 31, 2023 audited consolidated financial statements of APC Group Inc. and subsidiaries.

### Fair value of Financial Instruments

A comparison by category of the carrying values and estimated fair values of the Group's financial instruments that are carried in the consolidated financial statements as at June 30, 2024 and December 31, 2023 are as follows:

	<b>June 30, 2024</b>		<b>December 31, 2023</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>
Financial assets:				
Loans and receivables:				
Cash and cash equivalents*	25,912,580	25,912,580	26,097,184	26,097,184
Trade and other Receivables	741,767	741,767	1,262,857	1,262,857
Deposits**	23,821	23,821	23,821	23,821
AFS financial assets	0	0	4,006,170	4,006,170
<b>Total financial assets</b>	<b>26,678,169</b>	<b>26,678,169</b>	<b>31,390,032</b>	<b>31,390,032</b>
Financial liabilities -				
Other financial liabilities:				
Trade and other payables***	27,534,436	27,534,436	31,616,338	31,616,338
Advances from related parties	79,978,631	79,978,631	79,978,631	79,978,631
<b>Total current financial liabilities</b>	<b>107,513,066</b>	<b>107,513,066</b>	<b>111,594,969</b>	<b>111,594,969</b>

\*Excluding cash on hand amounting to ₱50,000 as at June 30, 2024 and ₱50,000 as at December 31, 2023

\*\* Included in "Other noncurrent assets" account

\*\*\*Excluding statutory liabilities.



Cash and Cash Equivalents, Trade and Other Receivables, Trade and Other Payables and Advances from Related Parties  
Due to the short-term nature of the transactions, the carrying values approximate the fair values at reporting dates.

Financial Assets at FVOCI

The fair values of quoted equity securities were determined by reference to market bid quotes as at reporting dates.

Deposits and Subscription Payable

Due to non-availability of definite payment terms, there is no reliable source of fair values as at reporting dates.

The following tables provide the fair value measurement hierarchy of the Group's assets and liabilities as at June 30, 2024 and December 31, 2023:

June 30, 2024					
	Total		Level 1		Level 3
Assets measured at fair value:					
Investment properties	P	9,156,000	P	–	P 9,156,000
Financial assets at FVOCI		0		0	–
Total financial assets	P	9,156,000	P	0	P 9,156,000

  

December 31, 2023					
	Total		Level 1		Level 3
Assets measured at fair value:					
Investment properties	P	9,156,000	P	–	P 9,156,000
Financial assets at FVOCI		4,006,170		4,006,170	–
Total financial assets	P	13,162,170	P	4,006,170	P 9,156,000

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements during the period ended June 30, 2024 and year ended December 31, 2023.

### 3. OTHER REQUIRED DISCLOSURES

- A.) The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial Statements for the period ended December 31, 2023.
- B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
- C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
- D.) Except as disclosed in the MD&A, there were no other issuance, repurchase and repayments of debt and equity securities.
- E.) There were no material events that occurred subsequent to June 30, 2024 and up to the date of this report that need disclosure herein.
- F.) There were no changes in the composition of the Group during the interim period such as business combinations, acquisition or disposals of subsidiaries and long-term investments, restructuring and discontinued operations.
- G.) There were no changes in contingent liabilities or contingent assets since December 31, 2023 and as at June 30, 2024.
- H.) There exist no material contingencies and other material events or transactions affecting the current interim period.



APC GROUP INC.

## SIGNATURES

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

Registrant: **APC Group, Inc.**

By:

**IAN JASON R. AGUIRRE**

President and Chief Executive Officer

Date: August 01, 2024

**MARIE JOY T. CO**

Treasurer and Financial Controller, Compliance Officer

Date: August 01, 2024

**APPENDIX 1**  
**APC GROUP INC. and SUBSIDIARIES**  
**Aging of Accounts Receivables**  
**As of June 30, 2024**

Trade and Other Receivables	Total	1 Month	2 - 3 Months	4 - 6 Months	7 Months to 1 Year	More than 1 year
Trade receivables	669,716	269,010	208,180	175,576	-	16,950
Other receivables	72,051	-	33,333	-	-	38,718
<b>TOTAL</b>	<b>741,767</b>	<b>269,010</b>	<b>241,513</b>	<b>175,576</b>	<b>-</b>	<b>55,668</b>