

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: JUNE 30, 2023
2. Commission identification number: 11341 3. BIR Tax Identification No.: 000-051-037-000

BENGUET CORPORATION

4. Exact name of issuer as specified in its charter

PHILIPPINES

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

6. Industry Classification Code: (SEC Use Only)

7. 7F UNIVERSAL RE-BUILDING, 106 PASEO DE ROXAS, MAKATI CITY 1226
Address of issuer's principal office Postal Code

8. (632) 8812-1380
Issuer's telephone number, including area code

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.

	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Convertible Preferred Class A	217,061 shares
Common Class A Stock	375,120,008 shares*
Common Class B Stock	248,064,121 shares*

*Net of Treasury Shares

Total consolidated outstanding principal loans payable as of June 30, 2023 - ₱ 85.06 Million

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:

The Issuer's Convertible Preferred Class A share, Common Class A share and Common Class B share are listed in the Philippine Stock Exchange (PSE).

Indicate by check mark 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 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 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.

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein.

PLEASE REFER TO ANNEX “A” on pages 19 to 43 which are incorporated and form part of this report (SEC Form 17-Q), as follows:

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

A. FINANCIAL PERFORMANCE

2023 SECOND QUARTER VS. 2022 SECOND QUARTER

Lower nickel prices on the back of oversupply from Indonesia coupled with subdued demand from China reduced the company's revenues resulting to a decline in net income in the second quarter of this year.

CONSOLIDATED RESULTS OF OPERATIONS

Consolidated net income for the second quarter and first semester of 2023 amounted to ₱30.0 million and ₱438.6 million, respectively, a decline of 94% and 55% from the net income of ₱553.4 million and ₱974.1 million for the same respective periods in 2022. The increase/decrease in net income was the net effect of the following:

Revenues

Consolidated revenues declined from ₱1.5 billion in the second quarter of 2022 and ₱2.7 billion in the first half of 2022 to ₱344.0 million and ₱1.6 billion for the same respective periods in 2023. The decrease in revenue both for the second quarter and first half of 2023 was attributed to the lower volume of nickel ore sold due to lower nickel ore prices and lower gold production. BRMC sold 2 boatloads of nickel ore with an aggregate volume of 109,080 tons valued at ₱188.1 million in the second quarter and 11 boatloads of nickel ore with aggregate volume of 586,294 tons valued at ₱1.2 billion in the first semester of 2023 compared to 8 boatloads of nickel ore with aggregate volume of 427,193 tons valued at ₱1.2 billion and 16 boatloads with aggregate volume of 851,208 tons valued at ₱2.1 billion for the same respective periods in the previous year. To-date June, nickel ore was sold at an average price of US\$38.31/ton versus US\$47.80/ton for the same period last year.

Operating and Other Expenses

Cost and operating expenses in the second quarter this year amounted to ₱352.2 million, lower compared to ₱748.4 million for the same quarter in 2022. For the first semester this year, cost and operating expenses dropped by 27% against ₱1,448.8 million for the same period last year. The increase/decrease was the net effect of the following:

Cost of mine products sold reduced by 59% during the quarter. The decrease was mainly due to the decline in volume of nickel ore exported and lower gold production.

Cost of services and other sales decreased from ₱22.4 million to ₱17.8 million. The decrease is due to lower shipments of nickel ore handled by the logistics subsidiaries of the Company.

Selling and general expenses decreased during the quarter on account of lower sales of nickel laterite ore.

Decrease in excise taxes and royalty fees is due to lower nickel ore and gold sales during the quarter.

Other income for the second quarter and first semester this year amounted to ₱41.3 million and ₱28.6 million, respectively. On the other hand, other income for the second quarter and first semester of 2022 amounted to ₱16.7 million and ₱21.6 million, respectively. Other income for the second quarter came mainly from fair value gain of financial assets at FVPL and foreign exchange gain on the Company's export of nickel ore.

Provision for income tax of ₱138.6 million for the first semester this year pertains to the regular corporate income tax of Benguet Corporation, Benguetcorp Resources Management Corporation (BRMC), Arrow Freight and Construction Corporation (AFCC), Keystone Port Logistics and Management Services Corporation (KPLMSC) and BMC Forestry Corporation (BFC).

FINANCIAL CONDITION

2023 FIRST SEMESTER VS YEAR ENDED 31 DECEMBER 2022

Assets

The Company ended the second quarter of 2023 with consolidated total assets of ₱10.1 billion, higher than the ₱9.6 billion assets in 2022. The increase is the net effect of the following:

Cash and cash equivalent decreased by 2% or ₱24.9 million primarily from investments made in capital assets, exploration and financial asset at FVPL.

Trade and other receivables decreased from ₱782.5 million in 2022 to ₱729.0 million in 2023, mainly due to collection of receivables from nickel customers.

Increase in Financial Assets at Fair Value through Profit and Loss (FVPL) pertains to additional placement for UITF and increase in the Net Asset Value per unit by the group's existing investments.

Increase in inventories pertain to the nickel ore production in the on-going mining operation of nickel project in Sta. Cruz, Zambales.

Other current assets increased to ₱387.4 million from ₱352.4 million mainly due to additional input tax from various purchases of goods and services.

Increase in deferred mine exploration expenses pertain to drilling expenses incurred in the Pantingan gold prospect in Bataan.

Increase in other noncurrent assets is attributed to the additional Mine Rehabilitation Fund in compliance with the DENR/MGB requirements and advances to contractors.

Liabilities

Total consolidated liabilities as of June 30, 2023, decreased to ₱1.9 billion from ₱2.1 billion as of December 31, 2022. The decrease was due to the following:

Trade and other payables decreased by 15% to ₱470.4 million from ₱555.7 million in 2022 due to payment of various payables to suppliers and contractors.

Decline in income tax payable is attributed to payment of 2022 and first quarter of 2023 income tax liability of ₱236.3 million.

Decrease in current and noncurrent portion of lease liability is due to payment of various rentals/leases.

Other noncurrent liabilities decreased by 22% to ₱185.1 million from ₱237.8 million in 2022 mainly due to payment of nickel ore advances from nickel off-taker.

Equity

Retained earnings increased by 8% mainly from the net income generated this semester.

Equity increased from ₱7.8 billion in 2022 to ₱8.2 billion mainly from the net income generated during the first semester of this year amounting to ₱438.6 million.

Consolidated Cash Flows

The net cash used for the second quarter amounted to ₱277.5 million, while the net cash provided by operating activities for the first semester this year amounted to ₱224.7 million. On the other hand, the net cash provided by operating activities amounted to ₱239.4 million and ₱935.5 million for the same periods in 2022. The decline was mainly from the payments of trade payables and income tax liabilities.

For the first semester this year, the Company invested ₱25.0 million in property, plant, and equipment, spent ₱22.9 million in exploration activities and ₱21.9 million for Final Mine Rehabilitation Fund of the Acupan Gold Operation and other assets. The Company placed ₱126.5 million in UITF for the first half this year.

Net cash used in financing activities amounted to ₱13.0 million in the second quarter and ₱53.3 million for the first semester this year. Cash was used to pay outstanding liabilities with nickel off-taker.

OPERATIONAL REVIEW

Mining

Acupan Gold Project (AGP)

AGP generated revenue of ₱119.8 million for the second quarter and ₱288.4 million for the first half this year, lower against ₱246.5 million and ₱496.1 million for the same periods in 2022. The decrease in revenue is mainly due to lower gold output, lower ore milled and lower mill grade as development and rehabilitation of the underground mine progressed. Gold sold during the quarter reduced by 57% from 2,493.16 ounces in second quarter of 2022 to 1,074.08 ounces. For the first half of the year, gold sold decreased by 47% to 2,691.39 ounces from 5,099.82 ounces for the same period in 2022.

AGP milled 6,700 DMT and 14,841 DMT for the second quarter and six months period this year as against 13,219 DMT and 26,403 DMT for the same periods in 2022. Average mill grade for the second quarter and first semester of 2023 was at 5.91 grams per ton and 6.59 grams per ton, respectively. In comparison, average mill grade for the second quarter and first half of 2022 was at 7.06 grams per ton and 7.34 grams per ton for the same periods in 2022. The decline in ore milled is attributed to the new areas initially developed but failed to produce the expected ore grades.

This resulted to a pre-tax loss of ₱18.6 million for the second quarter and ₱4.9 million for the first semester this year. In contrast, pre-tax income for the second quarter of 2022 and six months period last year amounted to ₱10.8 million and ₱41.4 million, respectively.

Management is implementing cost savings and control measure and studying scaledown of operation while looking for a new area to develop that will yield higher grade and volume of gold.

Sta. Cruz Nickel Project (SCNP)

SCNP under its wholly owned subsidiary Benguetcorp Resources Mineral Corporation (BRMC), reported lower revenue in the second quarter and first semester of 2023 compared to the same periods in 2022. Revenue for the second quarter amounted to ₱188.1 million versus ₱1.2 billion for the same period in 2022. For the first half this year, revenue decreased by 43% to ₱1.2 billion from ₱2.2 billion for the same period in 2022. The decrease was due to lower volume of nickel ore shipped coupled with decline in nickel market prices. The decline in nickel ore prices coupled with lower demand of nickel ore during the quarter was due to growth in supply of nickel from Indonesia and sluggish demand from China. During the second quarter, BRMC sold 2 boatloads of nickel ore to China aggregating 109,080 tons ranging from 1.2% to 1.3% as against 8 boatloads or 427,193 tons ranging from 1.2% to 1.4% for the same quarter last year. For the first semester this year, 11 boatloads aggregating 586,294 tons were sold at an average price of US\$38.31/ton. Last year, BRMC sold 16 boatloads aggregating 851,208 tons at an average price of US\$47.80. This resulted to net income of ₱19.8 million in the second quarter and ₱316.4 million for the first semester of 2023, lower compared to the ₱459.9 million and ₱770.6 million for the same periods in 2022.

Irisan Lime Project (ILP)

The Company's ILP revenue for the second quarter this year amounted to ₱22.9 million, lower than the ₱26.5 million revenue for the same period last year. For the six-month period, revenue slightly increased to ₱47.9 million from ₱44.5 million for the same period in 2022. Increase in revenue is attributable to higher lime price from ₱13,391 per metric ton in 2022 to ₱15,747 per metric ton this year. This resulted to a pre-tax income of ₱6.3 million and ₱12.8 million for the second quarter and first semester respectively, this year versus pre-tax income of ₱2.9 million and ₱6.0 million for the same respective periods in 2022.

Benguet Antamok Gold Operation (BAGO)

The Antamok Final Mine Rehabilitation and Decommissioning Plan (FMRDP) underwent review and evaluation of the MGB-CAR and the Contingent Liability and Rehabilitation Fund Steering Committee (CLRFSC). The document was subsequently revised and updated as per recommendation of the CLRFSC. The implementation of Phase 1 activities are ongoing under the Annual Care and Maintenance Programs wherein ₱0.2 million was already spent for this quarter. Of the total FMRDP allocated amount of ₱43 million, BAGO already spent an approximate ₱13 million on the implementation of various rehabilitation measures i.e., Liang Emergency Spillway Channel, Reforestation activities, water quality monitoring and other environment related activities indicated on the submitted FMRDP. The FMRDP provides the Decommissioning and Rehabilitation Plans and established the funds that will be utilized for the implementation of measures to prevent and mitigate any identified risks and impacts brought by project operations and result in the development of sustainable final land use of said mine areas.

EXPLORATION, RESEARCH AND DEVELOPMENT

Pantingan Project

The Pantingan property remains to be a viable prospect for epithermal gold mineralization and aggregates. On the gold prospect, continuation of Phase 2 drilling program is being undertaken. Six (6) more drill holes were completed during this period to further verify the significant mineralized structures that were previously mapped and identified in the southern-half section of the mineral concession. The latest accomplishments bring now to a total of twenty-two (22) boreholes since the drilling program was started. Other works performed are the creation of more access roads and drill pads, hole-to-hole transfer and mobilization of the drill-rigs, coring operation, manual hauling of core-boxes, quick structural logging of cores, cutting of cores into halves and sampling.

On the aggregate prospect, the Company continues to apply for permits including road-right-of-way in the 40-hectares Quarry Permit Area (QPA) outside the MPSA. The large-scale quarry in PAB-1 & 2 still needs drilling for Declaration of Mining Project Feasibility (DMPF). The MGB has issued area clearance in the QPA and the Company is working on LGU consent, tree inventory, NCIP Certification and ECC process.

Zamboanga Gold Prospect

The Company's Exploration Permit Application (EPA) is under evaluation by the Mines and Geosciences Bureau – Region IX after having submitted the additional documentary requirements. Once the EPA is approved, the Company will start exploration activities including drilling in San Fernandino vein. Following execution of the Memorandum of Agreement (MOA) with the Indigenous People, the National Commission on Indigenous People (NCIP) En Banc has reviewed the MOA and favorably endorsed the issuance of Certificate of Precondition (FPIC). The Company has an operating agreement with Orelina Mining Corporation to explore and operate the property situated about 150 kilometers from Zamboanga City.

Surigao Coal Project

The Company's application for a new Coal Operating Contract (COC) is under evaluation by the Department of Energy (DOE). The property consists of 12-coal blocks measuring total area of 12,000 hectares. Six-(6) coal blocks were extensively explored by way of mapping, trenching, drilling, electrical logging and topographic surveying. The ground evaluation works of the Company resulted in the delineation of seven-(7) coal seams of lignitic to sub-bituminous coal quality (steam grade). Market prospects for local coal with low BTU remains to be a concern, as well as DoE's preference for clean energy and global shift to net-zero emissions.

SUBSIDIARIES AND AFFILIATES

Logistics

Arrow Freight Corporation (AFC)

AFC, the logistics provider of the Company generated revenue of ₱17.2 million for the second quarter and ₱62.1 million for the first half this year, compared to the revenues of ₱23.5 million and ₱57.4 million for the same periods in 2022. The revenue this quarter was sourced from the management fee earned in providing and supervising needed earthmoving equipment and dump trucks for BRMC's various mining activities, as well as ore hauling using its own dump trucks and ore loading using its own backhoes. Net income for the second quarter and first semester this year amounted to ₱5.9 million and ₱28.9 million, respectively both lower versus net income of ₱14.1 million and ₱33.9 million for the same respective periods in 2022 due to lower volume of nickel ores hauled to port this year.

AFC has current operational hauling fleet of 10 units dump truck, 2 backhoes, oil tanker and water truck. AFC plans to acquire more earth moving equipment, dump trucks and 10-wheeler trucks to expand its logistics services and engage in construction business.

Keystone Port Logistics Management and Services Corporation (KPLMSC)

KPLMSC, the port and barging services provider of the Company reported revenue of ₱8.1 million for the second quarter and ₱43.5 million for the first half this year, lower as compared to the revenue of ₱23.9 million and ₱52.5 million for the same respective periods last year. The decrease is on account of the lower tonnage of nickel ore exports handled from 851,208 tons in the first semester of 2022 to 586,294 tons for the same period in 2023. Net income for the second quarter and first semester of 2023 amounted to ₱0.9 million and ₱20.2 million, respectively, lower compared to the net income of ₱16.4 million and ₱32.1 million for the same respective periods in 2022.

Port repair is almost done and expected to be completed before the end of the third quarter this year.

Real Estate

BMC Forestry Corporation (BFC)

BFC the real estate arm of the Company continues to develop and sell subdivision lots in its various real estate project in Rosario, La Union, the Woodspark Subdivision. BFC reported a pre-tax income of ₱0.4 million for the second quarter and ₱2.7 million for the first half of this year, compared to pre-tax income of ₱2.1 million and ₱2.5 million for the same periods in 2022.

BFC will continue to manage the lime kiln operation of Irisan Lime Project and sell its remaining 3 lots with an aggregate area of 1,043 square meters valued at ₱5.29 million. BFC plans to acquire new property in La Union and nearby areas of Pangasinan for Phase 2 development of Woodspark Subdivision.

Kelly Ecozone Project (KEP)

Social preparation (collaboration and coordination) with the LGU's and the project-affected-people (PAP) is continuing work in progress. Trial planting of fruit trees such as durian, coffee and mangosteen in KEP area as a component for agroforestry was implemented during the period.

Healthcare

Benguetcorp Laboratories, Inc. (BCLI)

BCLI posted revenue of ₱12.8 million for the second quarter and ₱26.6 million for the first half of this year, lower than the ₱14.8 million and ₱27.6 million for the same periods last year. BCLI recorded a net income of ₱1.8 million for the second quarter this year, lower against ₱5.2 million net income for the same quarter last year. Net income for the first half of 2023 amounted to ₱3.2 million, lower compared to net income of ₱6.6 million for the same period of 2022, due to the expiration of contract with Texas Instruments for their Baguio and Pampanga branches.

BCLI two -year contract with MOOG to provide full clinic management which ended this April 30, 2023 was automatically renewed for another two years or until April 30, 2025. BCLI continues to serve its core customers, HMO (Health Maintenance Organization), corporate clients in Baguio City, and government agencies and will implement more aggressive marketing approach for increased visibility and market share, using billboard advertisements in strategic areas, digital ads, as well as using radio and social media.

Benguetcorp International Limited

In 1988, the Company acquired BenguetCorp International Limited (BIL), a Hongkong-based and wholly owned subsidiary for international operations, which remains largely inactive. BIL's subsidiary, BenguetCorp USA Limited's (BUS) renewed its claims over 217 hectares of mineral prospects for gold/silver in Royston Hills, Nevada, USA. The Company engaged the services of Burgex, Inc. to provide and perform services as needed to identify and evaluate mineral interests and opportunities necessary for the project.

B. 2022 SECOND QUARTER Vs. 2021 SECOND QUARTER

The Company continued to render strong operating performance in the second quarter of 2022 brought about by high metal prices, increased export volume owing to good weather condition, and favorable foreign exchange. All operating units posted profits; notable of which are the nickel operation in Sta. Cruz, Zambales, gold operation in Itogon, Benguet, and lime operation in Irisan.

CONSOLIDATED RESULTS OF OPERATIONS

Consolidated net income for the second quarter of 2022 climbed 83% to ₱553.4 million from the ₱303.1 million net income for the same period in 2021. For the first semester of 2022, net income amounted to ₱974.1 million, 19% higher than the ₱821.7 million net income for the same period in 2021. The increase in net income was the net effect of the following:

Revenues

Consolidated revenues rose significantly to ₱1.5 billion for the second quarter of 2022 and ₱2.7 billion for the first half of 2022 from ₱999.6 million and ₱2.3 billion reported for the same respective periods in 2021. The increase in revenue both for the second quarter and first half of 2022 was mainly from higher number of nickel ore shipments made and higher metal prices. BRMC sold 8 boatloads of nickel with an aggregate volume of 427,193 tons valued at ₱1.2 billion in the second quarter and 16 boatloads of nickel ore with an aggregate volume of 851,208 tons valued at ₱2.1 billion for the first semester of 2022 compared to 7 boatloads with an aggregate volume of 363,293 tons valued at ₱726.5 million and 15 boatloads with an aggregate volume of 798,768 tons valued at ₱1.8 billion for the same respective periods in previous year. As of June 2022, nickel ore was sold at an average price of US\$47.90/ton versus US\$45.40/ton for the same period in 2021.

Operating and Other Expenses

Cost and operating expenses in the second quarter of 2022 correspondingly increased to ₱748.4 million from ₱574.3 million for the same quarter in 2021 mainly due to the increase in cost of mine products sold, selling and general expenses and taxes on revenue. For the same reason, costs and operating expenses for the first semester of 2022 went up by 26% to ₱1,448.8 million from ₱1,145.4 million for the same period of 2021.

Cost of mine products sold refers to the production costs of the Company's mineral products such as gold, silver, lime and nickel. Cost of mine products for the second quarter increased to ₱333.1 million in 2022 from ₱324.8 million in 2021 due to increasing labor cost, material and supplies and other services in relation to production. While there was an increase during the second quarter, the cost of mine products sold decreased to ₱600.7 million in the first semester of 2022 from ₱611.5 million in the same period in 2021. The decrease was the result of the continuous cost-saving measures that the Company is implementing.

Cost of merchandise sold and services in the second quarter of 2022 increased to ₱22.4 million from ₱13.0 million for the same quarter in 2021. Likewise, during the first semester of 2022, the costs of merchandise sold and services increased to ₱41.9 million from ₱26.5 million for the same period in 2021. This was due to increase in laboratory services sold by the Company's healthcare services.

Selling and general expenses include necessary expenses to sell and operate the Company's business. In the second quarter of 2022, selling and general expenses increased to ₱277.6 million from ₱162.5 million while in the first semester of 2022, the selling and general expenses rose from ₱331.6 million to ₱594.8 million for the same period in 2021. This was mainly due to the higher sales of nickel laterite ore.

Taxes on revenue increased to ₱115.2 million for the second quarter of 2022 and ₱211.3 million for the first half of 2022 from ₱73.9 million and ₱175.8 million for the same periods in 2021. Increase is

attributable to higher revenues from the sale of nickel laterite ores. These revenues were subject to royalty fees and excise taxes of 5% and 4%, respectively.

Interest expenses consist of banking and finance charges incurred on transactions related to the export of the Company's nickel laterite ore. For the second quarter of 2022, interest expenses decreased to ₱0.4 million from ₱1.2 million while for the first semester, interest expenses decreased to ₱1.4 million from ₱1.8 million from the same period in 2021. The decrease was mainly attributable to the lower transaction charges being handled by the bank in relation to the export of the Company's sale of nickel ores.

Other income for the second quarter and first semester of 2022 amounted to ₱16.7 million and ₱21.6 million, respectively. In contrast, other expenses for the second quarter and first semester of 2021 amounted to ₱17.3 million and ₱35.6 million, respectively. Complete turn-around of other income from 2021 came from the higher US dollar-peso exchange rate from the Company's export of nickel laterite ore.

Provision for income tax of ₱182.8 million and ₱322.2 million for the second quarter and first semester of 2022 pertains to the regular corporate income tax of Benguet Corporation, Benguetcorp Resources Management Corporation (BRMC), Arrow Freight Corporation (AFC), Keystone Port Logistics and Management Services Corporation (Keystone) and BMC Forestry Corporation (BFC).

FINANCIAL CONDITION

2022 FIRST SEMESTER VS YEAR ENDED 31 DECEMBER 2021

Assets

The Company ended the second quarter of 2022 with consolidated total assets of ₱9.56 billion, ₱810.8 million higher than the ₱8.75 billion consolidated assets in 2021. The growth was the net effect of the following:

Cash and cash equivalent increased by ₱446.2 million to ₱1,049.4 million primarily from cash provided by operations net of investments in UITF and payment of various liabilities.

Trade and other receivables decreased to ₱478.8 million from ₱515.0 million in 2021, mainly due to efficient collection of receivable from nickel customers.

Increased in Financial Assets at Fair Value through Profit and Loss (FVPL) pertains to additional placement in UITF.

Increase in other current assets to ₱502.7 million from ₱481.7 million in 2021 was mainly due to additional input taxes from the purchase of goods and services.

Decrease in property, plant and equipment refers to the depreciation partially offsetted by additions during the first semester.

Increase in deferred exploration costs refers to exploration to the Company's Pantingan Project.

Decrease in other noncurrent assets to ₱319.3 million from ₱402.0 million was mainly due to the collection of nontrade receivables.

Liabilities

Total consolidated liabilities as of June 30, 2022, decreased to ₱2.2 billion from ₱2.3 billion as of December 31, 2021. The decrease was due to the following:

Trade and other payables decreased by 23% to ₱513.0 million from ₱669.4 million in 2021 due to payment of various trade payables to suppliers and contractors to ensure uninterrupted operations.

Decline in current portion of lease liability is due to regular payments of various rentals/leases.

Income tax payable amounted to ₱190.5 million, 38% higher than last year of ₱137.8 million. The income tax liability pertains to the regular income tax liability of Benguet Corporation, BRMC, AFC and Keystone.

Pension liability was reduced to ₱68.4 million from ₱73.4 million due to the additional funding in the Company's pension fund.

Increase in deferred tax liability pertains to increase in the foreign currency translation difference.

Other noncurrent liabilities reduced by 19% to ₱235.9 million from ₱291.8 million mainly on account of the payments for nickel off-take advances to Bright Mining and LS Networks Co., Ltd.

Equity

Retained earnings for the first half of 2022 rose to ₱4,995.9 million, 24% higher than ₱4,021.8 million in 2021. The increase was due to favorable result of operation.

Stockholders Equity for the first half of 2022 amounted to ₱7,387.0 million, higher than ₱6,409.5 million in 2021. The increase is due to the net income generated during the first semester of 2022 amounting to ₱974.1 million.

Increase in other components of equity only refers to the foreign currency translation difference.

Consolidated Cash Flows

The net cash provided by operating activities for the second quarter and first semester of 2022 amounted to ₱239.4 million and ₱935.5 million, respectively lower compared to ₱331.7 million and ₱959.9 million for the same periods in 2021.

The Company invested ₱14.4 million and ₱23.6 million in property, plant and equipment for the second quarter and first semester of 2022. ₱6.9 million and ₱13.7 million were spent for exploration activities and Final Mine Rehabilitation Fund of the Acupan Gold Operation for the second quarter and first semester of 2022, respectively. The Company placed ₱80.2 million and ₱470.6 million in UITF for the second quarter and first half of 2022.

Net cash used in financing activities amounted to ₱42.8 million in the second quarter and ₱64.1 million for the first semester of 2022. Cash was used to pay outstanding liabilities with LS Networks Co. Ltd. and Bright Mining, funding the pension fund and payment of lease liabilities.

OPERATIONAL REVIEW

Mining

Acupan Gold Project (AGP)

Gold operations for the second quarter of 2022 continued to show good results. Revenue slightly increased to ₱246.5 million from ₱243.4 million for the same quarter of 2021. For the first half of 2022, revenue went up by 10% to ₱496.1 million from ₱450.4 million from the same period in 2021. The positive variance is mainly due to higher gold price. Average price of gold rose to US\$1,879.41 per ounce for the first half of 2022 against US\$1,807.61 per ounce for the same period in 2021. Total gold sales in the second quarter of 2022 reached 2,493.16 ounces, lower than 2,789.58 ounces sold for the same quarter of 2021. For the first half of 2022, gold sold reached 5,099.82 ounces versus 5,176.60 ounces for the same period in 2021.

AGP milled 13,218.99 tons with average grade of 5.87 grams per ton gold for the second quarter and 26,402.78 tons with average grade of 6.01 grams per ton for the first semester of 2022, compared to 13,908.02 tons with average grade of 6.24 grams per ton and 28,511.40 tons with average grade of 5.65 grams per ton for the same respective periods in 2021. Average milling rate for to-date Jun 2022 of 150 TPD is lower than the 162 TPD for the same period in 2021.

The improvement in revenue, however, was partly offset by higher operating cost due to higher power and fuel prices resulting to lower pre-tax income of ₱10.8 million for the second quarter and ₱41.4 million for the first half of 2022 versus ₱39.0 million and ₱69.1 million for the same respective periods in 2021.

AGP shall implement an increased milling charge to its contractors by August 1, 2022 to mitigate the increasing cost of fuel, power and other materials and supplies. The completed Tailings Storage Facility 2 (TSF2) dam embankment is regularly monitored for its stability and soundness. Study on use of TSF 3 as alternate tailings disposal facility is ongoing. AGP remains positive that it can improve and attain its production and financial goals for 2022 despite the challenges, while it take advantage of higher gold price and favorable foreign exchange.

Sta. Cruz Nickel Project (SCNP)

Nickel operations under Benguetcorp Resources Management Corporation (BRMC) (formerly Benguetcorp Nickel Mines, Inc.) sustained its strong performance in the first half of 2022. In the second quarter of 2022, BRMC revenue grew by 59% at ₱1.2 billion versus ₱726.5 million for the same period in 2021. For the first half of 2022, revenue increased by 20% to ₱2.1 billion from ₱1.8 billion for the same period in 2021. The growth was driven by the increase in volume shipped and better nickel prices coupled with dollar appreciation. BRMC completed 16 shipments aggregating 851,208 tons for the first half of 2022. The nickel ore exported ranging from 1.2% to 1.4% grade was sold at an average price of US\$47.90/ton in 2022. For the same period in 2021, BRMC sold 15 boatloads aggregating 798,768 tons ranging from 1.2% to 1.4% nickel at an average price of US\$45.40/ton. The Year 2022 performance resulted to net income of ₱459.9 million in the second quarter and ₱770.6 million for the first semester, higher compared to ₱244.8 million and ₱677.4 million for the same periods in 2021.

During the MGBR3 Mining Summit in April 2022, BRMC received the following Awards and Recognition such as: (a) attaining the Highest Average Tenement, Safety and Health, Environment and Social Development (TSHES) Score for the Metallic Category in Region 3; (b) Best Recorded Improvement on its Mine Operations and Rehabilitation; and (c) Safety Award for Attaining 2 Million Man Hours Worked Without Any Lost Time Accident Up until the End of CY 2021.

Irisan Lime Project

The Company's ILP posted 33% growth in revenue at ₱26.5 million for the second quarter of 2022 versus ₱20.0 million for the same period in 2021. For the six-month period, revenue generated amounted to ₱47.9 million, 29% higher than ₱37.1 million for the same period in 2021. Increase in revenue is attributed to higher lime price from ₱10,211 per metric ton in 2021 to ₱13,351 per metric ton in 2022. This resulted to a pre-tax income of ₱6.0 million and ₱9.4 million for the second quarter and first semester respectively in 2022, versus pre-tax income of ₱4.8 million and ₱11.7 million for the same respective periods in 2021.

Benguet Antamok Gold Operation (BAGO)

The revised Antamok Final Mine Rehabilitation and Decommissioning Plan (FMRDP) was endorsed by the MGB-CAR to the Contingent Liability and Rehabilitation Fund Steering Committee (CLRFSC) for approval based on new development, particularly on the actual rehabilitation needs considering the current physical status and condition of the area. The total cost to be incurred over a 4-year period of rehabilitation was reduced from ₱43 million to ₱30 million. The aim of the FMRDP is

principally to mitigate environmental risks and provide a sustainable final land use over the area. It includes long-term programs including Minahang Bayan. The Company implemented various activities such as continuous propagation of various seedlings in nurseries and maintenance of its established reforestation areas. For this quarter, the Company spent a total of ₱110,900 for BAGO-Care and Maintenance Program (CMP).

EXPLORATION, RESEARCH AND DEVELOPMENT

Pantingan Project

The Pantingan property remains to be a viable prospect for epithermal gold mineralization and aggregates. On the gold prospect, continuing core processing is being undertaken following completion of Phase 1 and Phase 2 drilling, such as but not limited to core-photography, geotechnical logging, core-logging, sample marking and tagging, core-cutting and sampling of half-cores from completed drillholes. One hundred and eleven (111) altered and mineralized samples and another five (5) samples for evaluation were dispatched and submitted for chemical analyses.

On the aggregate prospect, the Company continues to apply for permits including road-right-of-way in the 40-hectares Quarry Permit Area (QPA) outside the MPSA. The large-scale quarry in PAB-1 & 2 still needs drilling for Declaration of Mining Project Feasibility (DMPF). The MGB has issued area clearance in the QPA and the Company is working on LGU consent, tree inventory, NCIP Certification and ECC process.

Zamboanga Gold Prospect

The Company is completing the requirements for conversion of its APSA to Exploration Permit Application, including securing Free, Prior and Informed Consent (FPIC) from the Indigenous People (IP) in compliance with DENR Administrative Order No. 2021-25.

Surigao Coal Project

The Company is still completing all the documentary requirements for the application of a new Coal Operating Contract (COC) with the Department of Energy (DOE) such as local government unit (LGU) clearances. Fuel price increases have shifted on alternative energy sources which could present market opportunity for local coal.

SUBSIDIARIES AND AFFILIATES

Logistics

Arrow Freight Corporation (AFC)

AFC, the logistics provider of the Company generated revenue ₱23.5 million for the second quarter and ₱57.4 million for the first half this year, compared to the revenues of ₱25.3 million and ₱54.6 million for the same periods in 2021. Net income for the second quarter this year amounted to ₱14.1 million higher versus net loss of ₱3.0 million for the same quarter last year. For the first semester this year, net income amounted to ₱33.9 million, higher than ₱18.5 million for the same period in 2021.

AFC has current hauling fleet of 9 units dump truck. AFC plans to acquire earth moving equipment, additional dump trucks and 10-wheeler trucks to expand its logistics services and engage in construction business.

Keystone Port Logistics Management and Services Corporation (KPLMSC)

KPLMSC, the port and barging services provider of the Company reported revenue of ₱30.6 million for the second quarter and ₱60.3 million in the first half of 2022, compared to the revenue of ₱23.9 million and ₱52.5 million in the same respective periods in 2021. The variance is on account of the higher tonnage of nickel ore exports handled during the first semester of 2022 of 851,208 tons from 798,768 tons for the same period in 2021. Net income for the second quarter and first semester of 2022 amounted to ₱16.4 million and ₱32.1 million, respectively, higher compared to the net income of ₱12.3 million and ₱26.9 million in the same respective periods in 2021.

Portion of the port is undergoing repair which is expected to be completed before the end of the year. To maximize usage of the port, Keystone plans to acquire/rent land near the port for additional stockpile area.

Real Estate

BMC Forestry Corporation (BFC)

BFC, the real estate arm of the Company continues to develop and sell subdivision lots in its real estate project in Rosario, La Union, Woodspark Subdivision. BFC also manages the lime kiln operation of Irian Lime Project. BFC reported a pre-tax income of ₱2.1 million for the second quarter and ₱2.5 million for the first half of 2022, against pre-tax losses of ₱31 thousand and ₱159 thousand for the same periods in 2021.

It is selling its remaining 4 lots in Woodspark Subdivision with an aggregate area of 1,403 square meters valued at ₱7.09 million. BFC plans to acquire new property in La Union and nearby areas of Pangasinan for development of new housing project.

Kelly Ecozone Project (KEP)

On KEP, consultation with the project-affected-people is on-going. Coordination with the Baguio City Economic Zone (BCEZ) and collaboration with the newly elected Itogon LGU for the phased development and project social acceptability are being undertaken.

A satellite nursery for the propagation of agroforestry species as initial site development activity and as source of planting materials for the enhancement of disturbed areas during site development is being established.

Healthcare

Benguetcorp Laboratories, Inc. (BCLI)

BCLI reported revenue of ₱14.81 million for the second quarter and ₱27.55 million for the first half of 2022, higher than the ₱11.2 million and ₱21.9 million for the same periods in 2021. Increase in revenues resulted to a net income of ₱5.21 million for the second quarter, more than three times against the ₱1.45 million net income for the same quarter in 2021. For the same reason, net income for the first half of 2022 amounted to ₱6.6 million, almost three times the net income of ₱2.3 million in the same period in 2021. The positive variance was mainly due to the increase in walk-in patients due to easement of quarantine status and the Annual Physical Examination services to Texas Instruments and MOOG

BCLI is now on its final year of its clinic management and medical services contracts with Texas Instrument for Baguio City and Clark, Pampanga hubs. It continues to focus on its collaboration with Health Management Organizations (HMO) catering to corporate and institutional clients, both from the private and government sectors. On the other hand, it is in the second year of its two-year contract to provide full clinic management to MOOG. BCLI continues to serve its core customers, corporate clients in Baguio City, and government agencies and will implement more aggressive marketing approach for increased visibility and market share, using billboard advertisements in strategic areas, digital ads, as well as using radio and social media.

Benguetcorp International Limited

The Company's Hongkong-based and 100% owned subsidiary for international operations, remains largely inactive. BIL's wholly owned subsidiary, BenguetCorp USA Limited's (BUSA) is pursuing the re-application of its claims over 217 hectares of mineral property for gold/silver at Royston Hills, Nevada, USA.

C. ENVIRONMENTAL PROTECTION AND COMMUNITY RELATIONS

Environmental protection remains a cornerstone of the Company's operations, evident in the various programs and projects it implements under Annual Environmental Protection and Enhancement Programs (AEPEP) and Social Development and Management Programs (SDMP).

For the quarter in review, the Company spent a total of ₱12.3 million which represents a significant proportion of the allocated budget. The Company is also proactive in raising awareness and promoting environmental management practices within its concerned communities. These include Progressive Rehabilitation, Reforestation within and outside the tenement, River Rehabilitation, Biodiversity Enhancement and Conservation, Mining Forest Program, National Greening Program outside the tenement, Temporary Revegetation Program, Bamboo plantation, improvement of canals, settling pond outlets, tunnels – inlets and outlets, desilting of settling ponds, silt traps, adjacent water bodies among others.

On the other hand, the Company ensures to perform and deliver noble works through strengthening its SDMP with the support of the stakeholders in the host communities. Such programs include educational support by sponsoring students, providing school materials and supplies, assistance to Child Development Center, provide assistance in different livelihood associations, medicines and medical equipment, various infrastructure programs and support for various activities concerning Information Education Communication Programs and Development of Mining Technology and Geosciences. Total expenditures to implement these activities stood at ₱5.6 million.

D. KEY PERFORMANCE INDICATORS

The Company's management intends to analyze future results of operations through the following

- 1. Working Capital**
Working capital (current assets less current liabilities) and current ratio (current assets over current liabilities) measures the liquidity or debt paying ability of the Company. As of June 30, 2023, the Company's current ratio is 4.32:1 versus 3.16:1 for the same period in 2022.
- 2. Metal Price**
The Company's revenue is largely dependent on the world market prices for gold and nickel. Favorable metal prices will also have a favorable impact on the Company's revenues. The market price of gold used by the Bangko Sentral ng Pilipinas is based on world spot market prices provided by the London Metal Exchange. The price of gold is the key indicator in determining the Company's revenue level. The average market prices for gold sold were at US\$1,998.89 per ounce this quarter, as compared to average price of US\$1,888.30 per ounce for the same period in 2022. Nickel ores were sold at average price of US\$29.48/ton this quarter against US\$52.01/ton for the same period in 2022.
- 3. Tons Mill and Ore Grade**
Tons milled and ore grade are key determinant of gold sales volume. The higher tons milled and ore grade are directly proportional to revenue level. For this quarter, tons milled were 6,700 tons of ore with average grade of 5.91 grams per ton gold, as compared to 13,219 tons of ore with average grade of 5.87 grams per ton gold for the same period in 2022. Gold sold were 1,074.08 ounces this quarter versus 2,493.16 ounces for the same period in 2022. Nickel ores produced depend on customer specification or market demand which price is also dependent on the nickel content classified as high grade and low grade nickel ore. Nickel ore sold this quarter were 109,080 tons compared to 427,193 tons in the same period in 2022.
- 4. Foreign Exchange Rate**
The Company's sales proceeds are denominated mainly in U.S. dollars. A higher Philippine peso to U.S. dollar exchange rate means higher peso sales but would also reflect a foreign exchange loss on the restatement of the Company's dollar obligations. Conversely, a lower exchange rate

reduces the Company's revenue in pesos but brings foreign exchange income on the loans. As of June 30, 2022, the peso to dollar exchange rate was at ₱55.20, as compared to ₱54.975 for the same period in 2022. The volatility of the foreign currency exchange rates will continue to affect the Company's operations in the foreseeable future.

5. Earnings Per Share

The Company's earnings per share ultimately reflects the Company's financial and operational growth as a result of its performance, cost management, productivity and will provide investors comparable benchmarks relative to similar companies. The reported Company earnings per share this first half is ₱0.70 as compared to ₱1.56 earnings per share in the same period in 2022.

6. The key performance indicator used for the Company's subsidiaries is Net Income, which are discussed in the Subsidiaries and Affiliate portion of the Operational Review of this report.

E. KNOWN TRENDS, EVENTS OR UNCERTAINTIES

The Company does not foresee any cash flow or liquidity problems over the next twelve (12) months. BRMC continues to market saleable nickel ores inventory from old and newly mined stockpile areas, ILP continues to have steady market for quicklime products, while AGP is expected to improve gold production due to coordinated effort between departments in the enhancement of milling processes, methods and equipment. The Company and its subsidiaries continue to claim available tax refunds from the Bureau of Internal Revenue.

Within the next twelve months, the Company anticipates no change in the number of employees for the Pantingan project, BRMC, AFC and Keystone.

The known trends, demands, commitments, events or uncertainties that may have a material impact on net sales or revenues or income from continuing operations of the Company are the prices of nickel and gold in the world market, the dollar to peso exchange rate, changes in the DENR's rules and regulations at midstream, the present economic condition affected by the global health issues, war and military conflicts.

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation that have not been booked although, the Company could be contingently liable for lawsuits and claims arising from ordinary course of business which are not presently determinable. Accordingly, efforts to reduce debt levels are continuing. The Parent Company's outstanding principal debt subject to the 1992 Restructuring Agreement was reduced to ₱85.06 million. The Company remains committed to a final and comprehensive settlement of all old debt or to arrange a suitable restructuring of the remaining obligations.

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

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

- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company.

PART II--OTHER INFORMATION

The Company has no other information that needs to be disclosed during this interim period which was not previously reported under SEC Form 17-C.

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, in the City of Makati on August 18, 2023.

Issuer.....BENGUET CORPORATION.....

By:



Signature and Title: LINA G. FERNANDEZ
President

Date: August 18, 2023



Signature and Title: MAX D. ARCEÑO
Senior Vice President –
Finance and Treasurer

Date: August 18, 2023

BENGUET CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND DECEMBER 31, 2022
(Amounts in Thousands)

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P977,810	P1,002,750
Trade and other receivables	728,962	782,505
Inventories	230,562	180,572
Financial assets at fair value through profit or loss (FVPL)	1,271,305	1,114,611
Other current assets	387,430	352,430
Total Current Assets	3,596,069	3,432,868
Noncurrent Assets		
Property, plant and equipment	2,503,644	2,509,905
Deferred mine exploration costs	515,394	492,505
Investment property	2,991,984	2,991,984
Deferred tax assets - net	9,918	9,918
Other noncurrent assets	493,755	471,896
Total Noncurrent Assets	6,514,695	6,476,208
TOTAL ASSETS	P10,110,764	P9,909,076
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	P337,035	P337,035
Trade and other payables	470,416	555,712
Current portion of liability for mine rehabilitation	10,488	10,488
Current portion of lease liability	6,110	6,309
Income tax payable	8,180	105,859
Total Current Liabilities	832,229	1,015,403
Noncurrent Liabilities		
Deferred income tax liabilities - net	769,050	769,212
Liability for mine rehabilitation	48,568	48,568
Pension liability	56,015	56,015
Noncurrent portion of lease liability	5,151	5,798
Other noncurrent liabilities	185,070	237,814
Total Noncurrent Liabilities	1,063,854	1,117,407
Total Liabilities	1,896,083	2,132,810
Equity		
Capital stock	624,211	624,015
Capital surplus	415,189	415,110
Cost of share-based payment	6,275	6,275
Other components of equity	1,384,969	1,385,454
Retained earnings	5,792,053	5,353,428
	8,222,697	7,784,282
Cost of 116,023 shares held in treasury, P69 per share	(8,016)	(8,016)
Total Equity	8,214,681	7,776,266
TOTAL LIABILITIES AND EQUITY	P10,110,764	P9,909,076

BENGUET CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(With Comparative Figures for the six months ended June 30, 2022)
(Amounts in Thousands)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	2023	2022	2023	2022
REVENUES	₱344,031	₱1,468,308	₱1,603,158	₱2,724,795
COSTS AND OPERATING EXPENSES				
Costs of mine products sold	135,527	333,120	342,424	600,719
Costs of merchandise sold and services	17,826	22,452	45,187	41,933
Selling and general	177,203	277,642	544,289	594,759
Taxes on revenue	21,669	115,217	122,332	211,349
	352,225	748,431	1,054,232	1,448,760
INCOME (LOSS) FROM OPERATIONS	(8,194)	719,877	548,819	1,276,035
INTEREST EXPENSE	4	406	293	1,368
OTHER INCOME (EXPENSE)				
Interest income	1,168	466	1,901	840
Foreign exchange gain	17,461	17,276	3,449	19,859
Miscellaneous – net	22,713	(1,011)	23,246	950
	41,342	16,731	28,596	21,649
INCOME BEFORE INCOME TAX	33,144	736,202	577,229	1,296,316
PROVISION FOR INCOME TAX	3,121	182,773	138,604	322,210
NET INCOME	₱30,023	₱553,429	₱438,625	₱974,106
BASIC EARNINGS PER SHARE	₱0.05	₱0.89	₱0.70	₱1.56
DILUTED EARNINGS PER SHARE	₱0.05	₱0.88	₱0.70	₱1.55

BENGUET CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(With Comparative Figures for the six months ended June 30, 2022)
(Amounts in Thousands)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	2023	2022	2023	2022
NET INCOME (LOSS)	₱30,023	₱553,429	₱438,625	₱974,106
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Items to be reclassified to profit or loss in subsequent periods:</i>				
Translation adjustment on foreign subsidiaries	725	2,945	(486)	3,376
OTHER COMPREHENSIVE INCOME (LOSS)	725	2,945	(486)	3,376
TOTAL COMPREHENSIVE INCOME (LOSS)	₱30,748	₱556,374	₱438,139	₱977,482

BENGUET CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2023
(With Comparative Figures for the six months ended June 30, 2022)
(Amounts in Thousands)

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	December 31, 2022 (Audited)
CAPITAL STOCK	₱624,211	₱624,015	₱624,015
CAPITAL SURPLUS	415,189	409,929	415,110
REVALUATION INCREMENT	1,325,985	1,305,820	1,325,985
CUMULATIVE TRANSLATION ADJUSTMENT			
Balance at beginning of period	41,400	36,208	36,208
Translation adjustment	(486)	3,376	5,192
Balance at end of period	40,914	39,584	41,400
COST OF SHARE-BASED PAYMENT			
Balance at beginning of period	6,275	9,198	9,198
Stock options vested	–	–	2,258
Cancellation of stock options	–	–	(5,181)
Balance at end of period	6,275	9,198	6,275
UNREALIZED GAIN ON FINANCIAL ASSETS AT FVOCI			
Balance at beginning of period	328	(275)	(275)
Other comprehensive income (loss)	–	–	603
Balance at end of period	328	(275)	328
REMEASUREMENT LOSS ON PENSION LIABILITY	17,633	10,673	17,633
UNREALIZED GAIN ON INTANGIBLE ASSET	108	135	108
RETAINED EARNINGS			
Balance at beginning of period	5,353,428	4,021,846	4,021,846
Transfer of revaluation increment to retained earnings from the sale of land	–	–	535
Net income for the period	438,625	974,106	1,331,047
Balance at end of period	5,792,053	4,995,952	5,353,428
TREASURY SHARES	(8,016)	(8,016)	(8,016)
TOTAL EQUITY	₱8,214,681	₱7,387,015	₱7,776,266

BENGUET CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(With Comparative Figures for the six months ended June 30, 2022)
(Amounts in Thousands)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	₱33,144	₱736,202	₱577,229	₱1,296,316
Adjustments for:				
Depreciation, depletion and amortization	9,712	17,878	31,262	50,378
Unrealized foreign exchange loss (gain)	966	1,908	(647)	4,501
Fair value gain on financial assets at FVPL	(30,157)	–	(30,157)	–
Decrease (increase) in:				
Trade and other receivables	18,652	(55,751)	53,543	36,150
Inventories	(51,280)	72,333	(49,990)	(4,911)
Prepaid expenses and other current assets	45,961	(276,239)	(35,000)	(290,496)
Decrease in trade and other payables	(68,219)	(256,942)	(85,296)	(156,420)
Payment of income tax	(236,283)	–	(236,283)	–
Net cash from (used in) operating activities	(277,504)	239,389	224,661	935,518
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in:				
Property, plant and equipment	(12,724)	(14,391)	(25,001)	(23,557)
Deferred exploration costs	(20,470)	(6,918)	(22,889)	(13,735)
Other assets	(6,582)	87,603	(21,859)	82,745
Financial assets at FVPL	(114,892)	(80,216)	(126,537)	(470,649)
Net cash from (used in) investing activities	(154,668)	(13,922)	(196,286)	(425,196)
CASH FLOWS FROM FINANCING ACTIVITIES				
Exercise of stock options	–	–	275	–
Increase (decrease) in:				
Lease liabilities	621	(1,670)	(846)	(3,222)
Pension liability	–	–	–	(5,000)
Other noncurrent liabilities	(13,613)	(41,110)	(52,744)	(55,909)
Net cash used in financing activities	(12,992)	(42,780)	(53,315)	(64,131)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(445,164)	182,687	(24,940)	446,191
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,422,974	866,752	1,002,750	603,248
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱977,810	₱1,049,439	₱977,810	₱1,049,439

BENGUET CORPORATION AND SUBSIDIARIES**EARNINGS PER SHARE COMPUTATION****FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022****(Amounts in Thousands, Except for the Number of Shares)**

	June 30	
	2023	2022
Net income	₱438,625	₱974,106

Number of shares for computation of:

	June 30	
	2023	2022
<u>Basic earnings per share</u>		
Weighted average common shares issued	623,368,323	623,132,094
Less treasury stock	348,069	348,069
Weighted average common shares outstanding	623,020,254	622,784,025
<u>Diluted earnings per share</u>		
Weighted average common shares issued	623,368,323	623,132,094
Less treasury stock	348,069	348,069
	623,020,254	622,784,025
Conversion of preferred stock	2,059,366	2,059,366
Stock options	2,637,086	3,137,502
	627,716,706	627,980,893
Basic earnings per share	₱0.70	₱1.56
Diluted earnings per share	₱0.70	₱1.55

BENGUET CORPORATION AND SUBSIDIARIES**FINANCIAL SOUNDNESS INDICATORS****FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2021**

	June 30	
	2023	2022
Profitability Ratio		
Return on asset	0.04:1	0.11:1
Return on equity	0.05:1	0.13:1
Gross profit margin	0.76:1	0.76:1
Operating profit margin	0.34:1	0.47:1
Net profit margin	0.27:1	0.36:1
Liquidity and Solvency Ratio		
Current ratio	4.32:1	3.16:1
Quick ratio	2.05:1	1.45:1
Solvency ratio	5.33:1	4.40:1
Financial Leverage Ratio		
Asset to equity ratio	1.23:1	1.29:1
Debt ratio	0.19:1	0.23:1
Debt to equity ratio	0.23:1	0.29:1
Interest coverage ratio	1,969.06:1	-948.60:1

BENGUET CORPORATION AND SUBSIDIARIES**AGING OF RECEIVABLES**

AS OF JUNE 30, 2023

(Amounts in Thousands)

TYPE OF RECEIVABLES	LESS THAN 30 DAYS	30 TO 60 DAYS	LESS THAN ONE YEAR	ONE TO TWO YEARS	THREE TO FIVE YEARS	MORE THAN FIVE YEARS	TOTAL
Trade receivables	₱17,812	₱6,204	₱10,296	₱2,479	₱5,498	₱30,665	₱72,954
Allowance for doubtful accounts	–	–	–	–	(1,360)	(30,665)	(32,025)
Trade receivables – net	17,812	6,204	10,296	2,479	4,138	–	40,929
Nontrade receivables:							
Officers and employees	3,220	1,528	1,770	14,195	62,230	104,521	187,464
Others	19,254	44,761	261,087	7,659	3,677	289,304	625,742
Total	22,474	46,289	262,857	21,854	65,907	393,825	813,206
Allowance for doubtful accounts	–	–	–	–	–	(125,173)	(125,173)
Nontrade receivables - net	22,474	46,289	262,857	21,854	65,907	268,652	688,033
Trade and other receivables - net	₱40,286	₱52,493	₱273,153	₱24,333	₱70,045	₱268,652	₱728,962

BENGUET CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2023 AND 2022

1. Corporate Information

Benguet Corporation (the Ultimate Parent Company) was incorporated on August 12, 1903 was listed in the Philippine Stock Exchange (PSE) on January 4, 1950. On June 18, 1956 and June 19, 2006, the Philippines Securities and Exchange Commission (SEC) approved the extension of the Parent Company's corporate life for another 50 years.

The Parent Company is currently engaged in gold, nickel, and other metallic and nonmetallic mineral production, exploration, research and development and natural resource projects. The nature of business of the Parent Company's subsidiaries are summarized in Note 2 to the consolidated financial statements.

The Parent Company's registered office address is 7th Floor Universal Re Building, 106 Paseo de Roxas, 1226 Makati City.

2. Summary of Significant Accounting Policies

Basis of Preparation

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for land and artworks classified as property, plant and equipment, which have been measured at revalued amounts, financial assets at fair value through other comprehensive income (FVOCI), financial assets at fair value through profit or loss (FVPL), intangible asset under "other noncurrent assets" and investment properties, which have been measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, the Company's functional currency under Philippine Financial Reporting Standards (PFRS) and as adopted by the Philippine SEC. All amounts are rounded to the nearest thousands (₱000), except when otherwise indicated.

Statement of Compliance

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited interim condensed consolidated financial statements of Benguet Corporation (the Company) and its subsidiaries (the Group) do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2022.

Changes in Accounting Standards and Interpretation

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

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.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payment of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

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

The Group's financial assets at amortized cost include cash and cash equivalents, trade receivables, receivables from lessees of bunkhouses, advances to contractors under "other current assets" and loans receivable under "other noncurrent assets", respectively.

- *Financial assets at FVPL*

This 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 SPPI 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 FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income.

The Group's financial assets at FVPL includes its investments in unit investment trust fund.

- *Financial assets designated at FVOCI (equity instruments)*

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.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of 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 the consolidated statement of comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its quoted shares under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

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 EIR. 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 (a 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 (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses publicly available ratings from (i.e. Standard and Poor's (S&P), Moody's and Fitch) to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables, advances to contractors and deposits, the Group calculates ECLs at initial recognition by considering the consequences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECLs.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Group from the time of origination.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, 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.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables and accrued expenses under "trade and other payables", loans payable, lease liabilities, and equity of claim owners on contract operations under "other noncurrent liabilities".

Subsequent Measurement - Financial liabilities at amortised cost (loans and borrowings)

After initial measurement, interest-bearing loans, non-interest-bearing liabilities and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral part of the EIR. The EIR amortization is included as finance costs in the unaudited interim condensed consolidated statement of income.

This category generally applies to the Group's loans payable lease liabilities and non-interest bearing financial liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the asset and the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

3. Summary of Significant Accounting Judgments, Estimates and Assumptions

The preparation of the unaudited interim condensed consolidated financial statements in accordance with PFRS requires the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

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

Determining Functional Currency

The Parent Company, based on the relevant economic substance of the underlying circumstances, has determined the functional currency of each entity, except for foreign subsidiaries, under the Group to be the Philippine peso. It is the currency of the primary economic environment in which the Group primarily operates.

Assessing Provisions and Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Group's defense in these matters and is based upon an analysis of potential results. The Group assessed that these proceedings will not have a material adverse effect on its financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Distinction between Investment Property and Owner-Occupied Property

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property is not occupied substantially for use by, or in operations of the Group, not for sale in the ordinary course of business, but is held primarily to earn rental income or capital appreciation. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process.

Principal versus Agent Considerations

The Group enters into contracts with customers wherein the Group charges the customers for the services rendered. The Group determined that it does not control the goods or services before they are transferred to customers, and it does not have the ability to direct the use of the services or obtain benefits from the services. The following factors indicate that the Group does not control the services before they are being transferred to customers. Therefore, the Group determined that it is an agent in these contracts.

- The Group is not primarily responsible for fulfilling the promise to provide the professional services.
- The Group has no discretion in establishing the price for the services provided. The Group's consideration in these contracts is only based on the difference between the Group and the customer.

The Group determined that it is an agent with respect to the professional fees of its tenant doctors. Meanwhile, the Group concluded that it is the principal in all its other revenue streams.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the interim condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when these occur.

Provision for Expected Credit Losses on Trade and Other Receivables, Advances to Contractors under “Other Current Assets” and Loan Receivables under “Other Noncurrent Assets”

The Group uses the simplified approach in the assessment of the ECL for its trade receivables and general approach model for its other receivables, advances to contractors under “Other current assets” and loan receivables under “Other noncurrent assets”. An assessment of the ECL relating to these financial assets is undertaken upon initial recognition and each financial year and involves exercise of significant judgment. Key areas of judgment include defining default, determining assumptions to be used such as timing and amounts of expected net recoveries from defaulted accounts, determining debtor’s capacity to pay, and incorporating forward looking information.

The carrying amount of trade and other receivables, advances to contractors under "Other current assets" and loan receivables under “Other noncurrent assets” amounted to ₱728.96 million and ₱782.51 million as at June 30, 2023 and December 31, 2022, respectively.

Estimating Ore Reserves

Ore reserves estimates are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies. The Group estimates its ore reserves based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The Group also makes estimates and assumptions regarding a number of economic and technical factors affecting ore reserves estimates, such as production rates, grades, foreign exchange rates, production and transport costs, and commodity prices.

These geological, economic and technical estimates and assumptions may change in the future in ways, which can affect the quality and quantity of the ore reserves. The Group reviews and updates estimates as required to reflect actual production, new exploration data or developments and changes in other assumptions or parameters. These estimates will change from time to time to reflect mining activities, analyses of new engineering and geological data, changes in ore reserve and mineral resource holdings, modifications of mining plans or methods, changes in nickel or gold prices or production costs, and other factors.

Changes in the ore reserves estimates may impact the carrying values of mine and mining properties under “property, plant and equipment, liability for mine rehabilitation and decommissioning and depletion charges.

As at June 30, 2023 and December 31, 2022, carrying values of mine and mining properties amounted to ₱634.68 million and ₱646.06 million, respectively. As at June 30, 2023, and December 31, 2022, carrying values of liability for mine rehabilitation amounted to ₱59.06 million.

Assessing Recoverability of Deferred Mine Exploration Costs

The Group reviews the recoverability of deferred mine exploration costs when events or changes in circumstances indicate that the carrying amount of deferred mine exploration costs may exceed its estimated recoverable amount. The Group considers the following factors, among others, in its assessment:

- Status of each mine exploration project and plans on exploration and evaluation activities
- Validity of the licenses, permits and correspondences related to each mine exploration project
- Plans to abandon existing mine areas and plans to discontinue exploration activities
- Availability of information suggesting that the recovery of expenditure is unlikely

As at June 30, 2023 and December 31, 2022, deferred mine exploration costs amounted to ₱515.39 million and ₱492.51 million, respectively.

Estimating Recoverability of Property, Plant and Equipment

The Group assesses impairment on property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results
- Significant changes in the manner of use of the acquired assets or the strategy for overall business, and
- Significant negative industry or economic trends

In determining the present value of estimated future cash flows expected to be generated from the continued use of the property, plant and equipment, the Group is required to make estimates and assumptions such as commodity prices, discount rates and foreign currency exchange rates, which can materially affect the consolidated financial statements. Commodity prices and foreign exchange rates are based on forecasts of various financial institutions while the discount rate is based on industry weighted average cost of capital.

An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable. For purposes of assessing impairment, property, plant and equipment are grouped at the lowest levels for which there are separately identifiable cash flows. An impairment loss is recognized and charged to earnings if the discounted expected future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the market rate for a term consistent with the period of expected cash flows.

As at June 30, 2023 and December 31, 2022, property, plant and equipment (at cost) amounted to ₱773.94 million and ₱780.20 million, respectively.

Estimating Allowance for Inventory Obsolescence

The Group maintains allowance for inventory losses at a level considered adequate to reflect the excess of cost of inventories over their NRV. NRV of inventories are assessed regularly based on prevailing estimated selling prices of inventories and the corresponding cost of disposal. Increase in the NRV of inventories will increase cost of inventories but only to the extent of their original acquisition costs. As at June 30, 2023 and December 31, 2022, the carrying value of inventories amounted to ₱230.56 million and ₱180.57 million, respectively.

Assessing Impairment of Input VAT under Other Current Assets and Advances to Contractors and Suppliers and Input VAT under Noncurrent Assets

The Group provides allowance for impairment losses on input VAT under other current assets and advances to contractors and supplies and input VAT under noncurrent assets when these can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in allowance for probable loss would increase recorded expenses and decrease other current and noncurrent assets.

The total carrying value of input VAT under other current assets and advances to contractors and suppliers and input VAT under noncurrent assets amounted to ₱682.46 million and ₱612.52 million as at June 30, 2023 and December 31, 2022, respectively.

Revaluation of Property, Plant and Equipment and Investment Properties

The Group carries its investment properties at fair value, with changes in fair value being recognized in the consolidated statement of income. In addition, it measures the land and artworks at revalued amounts, with changes in fair value being recognized in the consolidated statements of comprehensive income. The land, artworks and investment properties were valued using the sales comparison approach. The

determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions, such as sales and listing of comparable properties registered within the vicinity and adjustments to sales price based on internal and external factors.

As at June 30, 2023 and December 31, 2022, the appraised value of land and artworks, and investment properties amounted to ₱4,721.69 million.

Unit-of-production (UOP) depreciation

Estimated economically recoverable reserves are used in determining the depreciation and/or amortization of mine-specific assets. This results in a depreciation/amortization charge proportional to the depletion of the anticipated remaining life-of-mine production. The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortization could be impacted to the extent that actual production in the future is different from current forecast production based on economically recoverable reserves, or if future capital expenditure estimates change. Changes to economically recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on economically recoverable reserves of differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues

Changes in estimates are accounted for prospectively.

As at June 30, 2023 and December 31, 2022, the carrying amount of mine and mining properties amounted to ₱568.80 million and ₱580.18 million, respectively. Carrying amount of mine rehabilitation asset amounted to ₱41.96 million as at June 30, 2023 and December 31, 2022.

Estimating Liability for Mine Rehabilitation

The Group estimates the costs of mine rehabilitation based on previous experience in rehabilitating fully mined areas in sections of the mine site. These costs are adjusted for inflation factor based on the average annual inflation rate as of adoption date or re-evaluation of the asset dismantlement, removal or restoration costs. Such adjusted costs are then measured at present value using the market interest rate for a comparable instrument adjusted for the Group's credit standing. While management believes that its assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in the assumptions may materially affect the Group's liability for mine rehabilitation.

Liability for mine rehabilitation amounted to ₱59.06 million as at June 30, 2023 and December 31, 2022.

Estimating Cost of Share-Based Payment

The Parent Company's Nonqualified Stock Option Plan grants qualified participants the right to purchase common shares of the Parent Company at a grant price. The ESOIP recognizes the services received from the eligible employees and an equivalent adjustment to the equity account over the vesting period. The Parent Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-

based payment transactions are disclosed in the annual consolidated financial statements. While management believes that the estimates and assumptions used are reasonable and appropriate, significant differences in actual experience or significant changes in the estimates and assumptions may materially affect the stock compensation costs charged to operations. Cost of share-based payment amounted to ₱6.28 million as at June 30, 2023 and December 31, 2022.

Estimating Pension Benefits

The cost of defined benefit pension and other post-employment benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at the end of each reporting period.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the Philippines and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the Philippines.

Net pension liability of the Group amounted to ₱56.02 as at June 30, 2023 and December 31, 2022.

Assessing Realizability of Deferred Tax Assets

The Group reviews the carrying amounts of deferred tax assets at each end of the reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management believes that there is no assurance that the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

The Group recognized deferred tax assets amounting to ₱79.42 million as at June 30, 2023 and December 31, 2022.

4. Financial Risk Management Objectives and Policies

The Group's principal financial instruments pertain to unsecured bank loans. The main purpose of these financial instruments is to fund the Group's operations. The Group has other financial instruments such as cash and cash equivalents, trade receivables, receivable from lessees of bunkhouses, advances to contractors under "other current assets" and loan receivable under "other noncurrent assets", trade and accrued expenses under trade and other payables and lease liabilities, which arise directly from its operations. Other financial assets include financial assets at FVPL and FVOCI.

The significant risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk. The BOD reviews and agrees policies for managing each of these risks and these are summarized below.

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and availment of suppliers' credit. The long-term relationship of the Group to its suppliers gives it the advantage to negotiate the payment terms.

As part of its liquidity risk management, the Group has access to sufficient external funding and loans payable maturing within 12 months can be rolled over with existing lenders. It also continuously assesses conditions in the financial markets for opportunities to avail bank loans and capital market issues. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions. As at June 30, 2023 and December 31, 2022, cash and cash equivalents may be withdrawn anytime while quoted FVOCI may be converted to cash by selling them during the normal trading hours in any business day.

The tables below summarizes the maturity profile of the Group's financial liabilities as of June 30, 2023 and December 31, 2022, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Company's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

	June 30, 2023				Total
	On demand	0-90 days	91-365 days	More than one year	
<i>Financial assets</i>					
Cash and cash equivalents					
Cash on hand and in banks	P829,922	P-	P-	P-	P829,922
Short-term deposits	-	147,888	-	-	147,888
Trade and other receivables	40,286	52,493	273,153	363,030	728,962
FVPL	1,271,305	-	-	-	1,271,305
FVOCI	-	-	-	1,709	1,709
	2,141,513	200,381	273,153	364,739	2,979,786
<i>Financial liabilities</i>					
Loans payable					
	337,035	-	-	-	337,035
Trade and other payables					
Trade	25,421	43,241	220,398	-	289,060
Nontrade*	2,209	-	-	-	2,209
Accrued expenses	-	557	-	-	557
Lease liabilities	-	846	5,264	5,151	11,261
Other noncurrent liabilities					
Equity of claimowner incontract operations	-	-	-	49,136	49,136
	364,665	44,644	225,662	54,287	689,258
Net financial assets	P1,776,848	P155,737	P47,491	P310,452	P2,290,528

*Excluding statutory payables

	December 31, 2022				Total
	On demand	0-90 days	91-365 days	More than one year	
<i>Financial assets</i>					
Cash and cash equivalents					
Cash on hand and in banks	₱949,142	₱–	₱–	₱–	₱949,142
Short-term deposits	–	53,608	–	–	53,608
Trade and other receivables		521,418	261,087	–	782,505
FVPL	1,114,611	–	–	–	1,114,611
FVOCI	–	–	–	1,709	1,709
	<u>2,063,753</u>	<u>575,026</u>	<u>261,087</u>	<u>1,709</u>	<u>2,901,575</u>
<i>Financial liabilities</i>					
Loans payable	337,035	–	–	–	337,035
Trade and other payables					
Trade	–	332,612	–	–	332,612
Nontrade*	4,038	–	–	–	4,038
Accrued expenses	–	730	58,962	–	59,692
Lease liabilities	–	1,298	3,892	6,811	12,001
Other noncurrent liabilities					
Equity of claimowner incontract operations	–	–	–	49,136	49,136
	<u>341,073</u>	<u>334,640</u>	<u>62,854</u>	<u>55,947</u>	<u>794,514</u>
Net financial assets (liabilities)	₱1,722,680	(₱240,386)	₱198,233	(₱54,238)	₱2,107,061

*Excluding statutory payables

Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations as these falls due. It is inherent to the business that potential losses may arise due to the failure of its customers and counterparties to fulfill their obligations on maturity dates or due to adverse market conditions.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

With respect to credit risk arising from other financial assets of the Group, which comprise of cash and cash equivalents, trade receivables, receivables from lessees of bunkhouses and loans receivable under trade and other receivables and advances under other noncurrent assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognized third parties, there is no requirement for collateral.

The table below shows the maximum exposure to credit risk for the components of the consolidated statements of financial position. The maximum exposure is shown at each instrument's carrying amount, before the effect of mitigation through the use of master netting and collateral agreements.

	June 30, 2023	December 31, 2022
Cash and cash equivalents		
Cash in banks	₱827,701	₱946,854
Short-term deposits	147,888	53,608
Trade and other receivables	728,962	782,505
	₱1,704,551	₱1,782,967

Impairment of financial assets

The Group has financial assets consisting of cash and cash equivalents, trade receivables, receivables from lessees of bunkhouses, advances to contractors under “other current assets” and loans receivable under “other noncurrent assets” that are subjected to ECL model.

General Approach

Cash and cash equivalents

The ECL relating to the cash of the Group is minimal as these are deposited in reputable banks which have good credit rating, and are considered to have lower credit risk.

Other receivables, advances to contractors under “other current assets” and loan receivable under “other noncurrent assets”

The Group provided an allowance for ECLs for these financial assets amounted to ₱124.58 million in 2023 and 2022.

Simplified Approach

Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of trade receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group establishes credit limits at the level of the individual borrower, corporate relationship and industry sector. It also provides for credit terms with the consideration for possible application of intercompany accounts between affiliated companies. Also, the Group transacts only with related parties and recognized third parties, hence, there is no requirement for collateral.

Below is the information about the credit risk exposure on the Group’s trade receivables using a provision matrix:

June 30, 2023

	Current	Past due			Specific	Total
		30 days	60 days	>90 days	Identification	
Expected credit loss rate	2%	5%	9%	13%	100%	
Estimated total gross carrying amount at default	₱17,812	₱1,470	₱4,734	₱20,424	₱28,514	₱72,954
	₱356	₱74	₱426	₱2,655	₱28,514	₱32,025

December 31, 2022

	Current	Past due			Specific	Total
		30 days	60 days	>90 days	Identification	
Expected credit loss rate	2%	5%	9%	13%	100%	
Estimated total gross carrying amount at default	₱88,996	₱2,592	₱5,904	₱190,086	₱4,823	₱292,401
	₱1,780	₱130	₱531	₱24,626	₱4,823	₱31,890

Market Risks

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's long-term debt obligations with floating interest rates.

As at June 30, 2023 and December 31, 2022, the Group's exposure to the risk for changes in market interest rate relates primarily to its secured bank loans. The Group regularly monitors its interest due to exposure from interest rates movements.

The Group's unsecured loans payable are both payable on demand. Nominal interest rates vary from floating rate of 91-day Philippine Php T-bill rate for peso loans and 3-month LIBOR foreign loans, plus a margin of 2.5% for unsecured loans.

<u>June 30, 2023 and December 31, 2022</u>	<u>Change in interest rates (in basis points)</u>	<u>Sensitivity of pretax Income</u>
	+100	(P3,370)
	-100	3,370

Foreign Currency Risk

Foreign currency risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial performance and cash flows.

The Group has transactional currency exposures. Such exposure arises from the sale of gold and nickel ore and the purchase of certain goods and services denominated in US\$.

All sales of gold and nickel ore are denominated in US\$. Dollar conversion of metal sales to Philippine peso is based on the prevailing exchange rate at the time of sale.

The Group's policy is to maintain foreign currency exposure within acceptable limits. The Group believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for an institution engaged in the type of business in which the Group is involved. The Group did not seek to hedge the exposure on the change in foreign exchange rates between the US\$ and the Philippine peso. The Group believes that active currency hedging would not provide long-term benefits to stockholders.

The Group's foreign currency-denominated monetary assets and liabilities as at June 30, 2023 and December 31, 2022 follow:

	<u>June 30, 2023</u>		<u>December 31, 2022</u>	
	<u>US\$</u>	<u>Peso equivalent</u>	<u>US\$</u>	<u>Peso equivalent</u>
<u>Financial Assets</u>				
Cash in banks	10,353	P571,486	10,586	P590,858
Trade receivables under "trade and other receivables"	–	–	527	29,415
<u>Total monetary assets</u>	<u>10,353</u>	<u>P571,486</u>	<u>11,113</u>	<u>P620,273</u>

As at June 30, 2023 and December 31, 2022, the exchange rates of the Philippine peso to the US\$ based on the Bankers Association of the Philippines are ₱55.20 and ₱55.82, respectively.

The sensitivity to a reasonably possible change in the US\$ exchange rate, with all other variables held constant, of the Group's income before income tax as at June 30, 2023 and December 31, 2022 is as follows:

<u>June 30, 2023</u>	Change in foreign exchange rate	Income before income tax effect
	Strengthens by- 1.80%	₱10,287
	Weaken by -4.80%	(29,776)
<u>December 31, 2022</u>	Change in foreign exchange rate	Income before income tax effect
	Strengthens by- 1.80%	₱11,140
	Weaken by -4.80%	(29,775)

Equity Price Risk

Equity price risk is the risk to earnings or capital arising from changes in stock exchange indices relating to its quoted equity securities. The Group's exposure to equity price risk relates primarily to its quoted shares under financial assets at FVOCI.

The Group's policy is to maintain its risk to an acceptable level. Movement of share prices is monitored regularly to determine impact on the consolidated statement of financial position.

Management believes that its exposure to equity price risk is not material to the consolidated financial statements as a whole; thus, disclosure of equity price risk analysis was deemed unnecessary.

Capital Management

The Group maintains a capital base to cover risks inherent in the business. The primary objective of the Group's capital management is to optimize the use and earnings potential of the Group's resources, ensuring that the Group complies with externally imposed capital requirements, if any, and considering changes in economic conditions and the risk characteristics of the Group's activities.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may obtain additional advances from stockholders or issue new shares. No changes were made in the objectives, policies or processes in 2023 and 2022. The Group monitors capital using the parent company financial statements. As at June 30, 2023 and December 31, 2022, the Group has met its capital management objectives.

The following table summarizes the total capital considered by the Group:

	June 30, 2023	December 31, 2022
Capital stock	₱624,211	₱624,015
Capital surplus	415,189	415,110
Retained earnings	5,792,053	5,353,428
Cost of share-based payment	6,275	6,275
Other components of equity	1,384,969	1,385,454
Treasury shares	(8,016)	(8,016)
	₱8,214,681	₱7,776,266

Further, the Group monitors capital using debt to equity ratio, which is total liabilities divided by total equity. Debt to equity ratios of the Group as at June 30, 2023 and December 31, 2022 are as follows:

	June 30, 2023	December 31, 2022
Total liabilities (a)	₱1,896,083	₱2,132,810
Total equity (b)	8,214,681	7,776,266
Debt-to-equity ratio (a/b)	0.23:1	0.27:1

5. Seasonality and Cyclicity of Interim Operation

There are no significant seasonality or cyclicity in its business operation that would have material effect on the Groups' financial condition or results of operations.

6. Events After End of Reporting Period

There are no significant event after end of reporting period.

ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENTS OF THE COMPANY
(FOR THE SECOND QUARTER ENDED JUNE 30, 2023)

- i.) The disclosure on significant accounting principles, policies, and practices are substantially the same with the disclosure made in 2022 financial statements. Additional disclosures on the significant changes of accounts and subsequent events are presented in the Management Discussion and Analysis.
- ii.) During the Second Quarter of 2023, there were no seasonal or cyclical aspects that materially affect the operation of the Company, no substantial nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, and no unusual items that materially affect the Company's assets, liabilities, equity, net income or cash flows.
- iii.) Issuances, Repurchases, Repayments of Debt and Equity Securities – During the Second Quarter of 2023, there were no securities sold by the Company which were not registered under the Securities Regulation Code (SRC) including the sales of reacquired securities, new issues, securities issued in exchange of property, services or other securities and new securities resulting from the modification of outstanding securities.
- iv.) Dividends – Pursuant to the restrictions provided for in the Company's loan agreement with creditor banks, no cash dividends were declared during the Second Quarter 2023.
- v.) Segment Information - The Company is principally engaged in mining. Its operating revenues as of June 30, 2023 mainly consist of sales of gold to Bangko Sentral Ng Pilipinas amounting to 285.8 million and nickel ores amounting to 1.2 billion.
- vi.) Subsequent Material Events - There were no material events subsequent to the end of the quarter that have been reflected in the financial statements for the period.
- vii.) There were no changes in the composition of the Company, business combinations, acquisition or disposal of subsidiaries and long-term investments and no substantial changes in contingent liabilities and contingent assets from 2022.



BenguetCorp

CERTIFICATION

I, MAX D. ARCEÑO, Senior Vice President - Finance and Treasurer of BENGUET CORPORATION, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC Registration Number 11341 and with principal office at 7th Floor, Universal Re Building, 106 Paseo de Roxas, 1226 Makati City, Philippines, on oath state:

1. That I have caused this 2023 Second Quarter Report (SEC Form 17-Q) to be prepared;
2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
3. That BENGUET CORPORATION will comply with the requirement set forth in SEC Notice dated May 12, 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
4. That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5. That the e-mail account designed by the Company pursuant to SEC Memorandum Circular No. 28 s. 2020 shall be used by the Company in its online submissions to CGFD and ICTD.

AUG 18 2023

IN WITNESS WHEREOF, I have hereunto set my hand this _____ at Makati City.

MAX D. ARCEÑO
Senior Vice President - Finance
and Treasurer

SUBSCRIBED AND SWORN to before me this AUG 18 2023 at Makati City, Philippines, affiant exhibited to me his competent evidence of identity with details: UMID No. CRN-0003-8205668-8.

Doc. No. 347;
Page No. 31;
Book No. XIV;
Series of 2023.

MA. ESMERALDA R. CUNANAN
Notary Public
Until December 31, 2023
App. No. 002 (2022-2023) Attorney's Roll No. 34562
MCLE Compliance No. VII-0004035/7 19-2021
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