

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

Please take notice that the annual meeting of the stockholders of TKC Metals Corporation (the "Corporation") shall be held on 24 June 2024 at 11:00 in the morning. The meeting can be virtually accessed at the link which will be provided to stockholders after successful registration. The agenda for the meeting shall be as follows:

AGENDA

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Notice and Quorum
4. Approval of the Minutes of the Previous Stockholders' Meeting
5. Approval of 2023 Operations and Results
6. Ratification of all Acts of the Board of Directors and Officers
7. Election of Directors
8. Re-Ratification of Amendment of Articles of Incorporation for Decrease of Number of Directors (from 11 to 7)
9. Delegation to the Board of Directors the Appointment of External Auditor
10. Other Matters
11. Adjournment

The Corporation has, in accordance with the By-Laws, fixed the close of business on 28 May 2024 as the record date for the determination of the stockholders entitled to notice of, and to vote, at the meeting and any adjournment thereof.

The annual stockholders' meeting will be held virtually, through a videoconferencing platform, to allow the stockholders to attend by remote communication. Stockholders may attend the meeting and/or cast their vote in absentia by registering through the ASM Registration tab on the website: <https://www.tkcmetals.ph> on or before 11:59 p.m. on 19 June 2024. Upon verification of their registration credentials, an e-mail from the Corporation will be sent containing instructions on how the registered online participants may access and watch the live stream of the annual stockholders' meeting and/or cast their votes on matters to be taken up during the meeting using the e-voting platform to be set up for the purpose. The e-voting platform will likewise contain a field wherein stockholders may send their comments/questions. It will be accessible until 09:00 am of 24 June 2024. A section for stockholder comments/questions or a "chatbox" shall also be provided in the livestreaming platform.

The stockholders are likewise encouraged to participate in the meeting by submitting duly accomplished electronically through the ASM online registration portal, on or before 09:00 a.m. on 24 June 2024. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

Validation of proxies is set at 10:00 a.m. on 24 June 2024. The votes already cast using the e-voting platform by that time will also be tallied on said date.

Quezon City, Metro Manila, 16 May 2024.


EDSON T. EUFEMIO
Corporate Secretary

RATIONALE FOR AGENDA ITEMS

Agenda Item No. 4. Approval of the Minutes of the Previous Meeting of Stockholders

Copies of the Minutes of the 29 December 2022 Annual Stockholders' Meeting is posted in the Company's website and can be viewed anytime. Stockholders will be asked to approve the Minutes of the 2022 Annual Stockholders' Meeting. The minutes, containing the details as required under Section 49 of the Revised Corporation Code, will be circulated together with this Information.

Agenda Item No. 5. Approval of 2023 Operations and Results

A report on the highlights of the performance of the Corporation for the year ended 31 December 2023 will be presented to the stockholders. The same was reviewed by the Board of Directors, and have been audited by the external auditors who rendered an unqualified opinion on the Audited Financial Statements (AFS). A summary of the 2023 AFS shall also be presented to the stockholders. Stockholders will be given an opportunity to raise questions regarding the report on the operations and results of the Corporation.

Agenda Item No. 6. Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting to the date of this meeting

All actions, proceedings and contracts entered into, as well as resolutions made and adopted by the Board of Directors and of Management from the date of the last Stockholders' Meeting held to the date of this meeting shall be presented for confirmation, approval, and ratification.

Agenda Item No. 7. Election of Directors

Mr. Yenke and Mr. Khoe (independent) are nominated for re-election. Mr. Tiu, Mr. Huang, Ms. Codinera, Ms. Dejan, and Ms. Dagasdas, on the other hand, are new nominees. The profiles of the candidates for directors are further detailed in the Company's Information Statement. If elected, they shall serve as such from 24 June 2024 until their successors shall have been duly elected and qualified.

Agenda Item No. 8. Re-Ratification of Amendment of Articles of Incorporation for Decrease of Number of Directors (from 11 to 7)

The proposal to amend the Articles of Incorporation for decrease in the number of directors from eleven (11) to seven (7) will be submitted for re-ratification of stockholders. The same amendment was approved by the stockholders in the meeting held December 2022 but Management decided to put said amendment on hold. To enable the Corporation to pursue the planned decrease in the number of directors, the same amendment is being submitted for re-ratification by the stockholders.

Agenda Item No. 9 Delegation to the Board of Directors the Appointment of External Auditor

Management is proposing to delegate to the Board of Directors the appointment of external auditor for year 2024.

TKC METALS CORPORATION
2024 ANNUAL STOCKHOLDERS' MEETING

Guidelines for Participating via Remote Communication and Voting in Absentia

The 2024 Annual Stockholders' Meeting (ASM) of TKC Metals Corporation (the "Corporation") will be held on 24 June 2024 at 11:00 A.M. The close of business on 28 May 2024 has been fixed as the record date for the determination of the stockholders entitled to notice of, and vote at, said meeting and any adjournment thereof. The Board of Directors of the Corporation has approved and authorized stockholders to participate in the ASM via remote communication and to exercise their right to vote in absentia or by proxy.

REGISTRATION

The conduct of the meeting will be streamed live, and stockholders may attend the meeting by registering until 19 June 2024, 11:59 p.m. via the ASM Registration tab on the website (<https://www.tkcmetals.ph/>) and by submitting the following requirements and documents, subject to verification and validation:

For individual stockholders

1. Full name of Stockholder
2. Scanned copy of a Valid Government ID
3. E-mail Address
4. Mobile Number
5. Whether or not a proxy will be appointed for the meeting a. If Yes, kindly provide the following:
 - i. Proxy Form
 - ii. Proxy Valid ID
 - iii. Proxy Contact number
 - iv. Proxy E-mail Address
6. Total Number of Shares
7. Stock Certificate Number/s (if certificated shares); Certification from broker (for uncertificated shares)

For corporate stockholders

1. Scanned copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the corporation
2. Scanned copy of a Valid Government ID of the authorized representative
3. E-mail address of the authorized representative
4. Mobile No. of the authorized representative
5. Total Number of Shares
6. Stock Certificate Number/s (if certificated shares); Certification from broker (for uncertificated shares)

PCD Participants/Brokers

1. Scanned copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the PCD Participant/Broker
2. Scanned/Digital copy of the certificate of shareholdings issued by the PCD/Broker
3. Scanned copy of a Valid Government ID of the authorized representative
4. E-mail address of the authorized representative
5. Mobile No. of the authorized representative

Notes

1. *Please refrain from sending duplicate and inconsistent information/documents as these can result in failed registration. All documents/information shall be subject to verification and validation by the Corporation.*

2. *Please be informed that by providing us with the above documents, you consent to the Company's processing of your personal data in accordance with the Data Privacy Act for the purpose of validating your credentials and registration to participate and vote at the Company's annual stockholders' meeting.*

Should the stockholder wish to assign a proxy, the stockholder shall submit the proxy form upon registration.

ONLINE VOTING

1. Log-in to the e-voting platform by clicking the link, and using the log-in credentials, sent to the email address of the shareholder to the Corporation.
2. Upon accessing the e-voting platform, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval is appended to the Notice of Meeting
 - a. A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval
 - b. For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only.

Note: A stockholder may vote such number of his/her shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected (7 directors) multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder. For the upcoming meeting, however, there are only six candidates for election to the Board.

3. The e-voting platform will likewise contain a field wherein stockholders may send their comments/questions.
4. Once the stockholder has finalized his vote and questions, he/she can proceed to submit the form by clicking the "Submit" button. The stockholder may no longer modify his/her vote thereafter.

ASM LIVESTREAM

The ASM will be broadcasted live and stockholders who have successfully registered will be provided access to participate via remote communication. Instructions on how to access the livestream will be sent to their e-mail addresses upon registration.

OPEN FORUM

During the virtual meeting, after all items in the agenda have been discussed, the Corporation will have the Question and Answer Portion, during which, the meeting's moderator will read and where representatives of the Corporation shall answer questions and comments received from stockholders, as time will allow.

Stockholders may send their questions in advance through the e-voting platform on or before 09:00 AM on 24 June 2024. A section for stockholder comments/questions or a "chatbox" shall also be provided in the livestreaming platform.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Corporation via e-mail.

For complete information on the annual meeting, please visit <https://www.tkcmetals.ph/>.

PROXY FORM

The undersigned stockholder of TKC Metals Corporation (the "Company") hereby appoints _____ or in his/her absence, the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on 24 June 2024 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors.

_____ 1.1. Vote for all nominees listed below:

- 1.1.1. Charles A.D. Tiu
- 1.1.2. Ignatius F. Yenke
- 1.1.3. Mary Jean Codiñera
- 1.1.4. Kevin G. Khoe (Independent Director)
- 1.1.5. Philip Huang (Independent Director)
- 1.1.6. Ma. Consolacion Dejan
- 1.1.7. Maria Cristina Dagasdass

_____ 1.2. Withhold authority for all nominees listed above

_____ 1.3. Withhold authority to vote for the nominees listed below:

2. Approval of minutes of previous Annual Stockholders' Meeting.

___ Yes ___ No ___ Abstain

3. Approval of 2023 Annual Report.

___ Yes ___ No ___ Abstain

4. Ratification of all acts and resolutions of the Board of Directors and Management from date of last Stockholders' Meeting to 29 December 2022.

___ Yes ___ No ___ Abstain

5. Re-Ratification of Amendment of Articles of Incorporation for Decrease of Number of Directors (from 11 to 7)

___ Yes ___ No ___ Abstain

6. Delegation to the Board of Directors the Appointment of External Auditor

___ Yes ___ No ___ Abstain

7. At their discretion, the proxies named above are authorized to vote upon such other matters as may be properly come before the meeting.

___ Yes ___ No ___ Abstain

Printed Name of Stockholder

Signature of Stockholder /Authorized Signatory

Date

THIS PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY BEFORE THE DATE SET FOR THE ANNUAL MEETING, AS PROVIDED IN THE BY-LAWS.

WE ARE NOT SOLICITING PROXIES. YOU ARE NOT REQUESTED TO SEND A PROXY.

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

**Information Statement Pursuant to Section 20
of The Securities Regulation Code**

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter
TKC Metals Corporation
3. Province, country or other jurisdiction of incorporation or organization
Metro Manila, Philippines
4. SEC Identification Number: **A1996-10620**
5. BIR Tax Identification Code: **005-038-162-000**
6. Address of Principal Office
W Tower Condominium, 39th St., North Bonifacio Triangle, Bonifacio Global City, Taguig City, Philippines
7. Registrant's telephone number, including area code: **(632) 8864-0736 / 840-4335**
8. Date, time and place of the meeting of security holders:
Date: 24 June 2024
Time: 11:00 a.m.
Place: Virtually via videoconferencing
9. Approximate date on which the Information Statement is first to be sent or given to security holders:
30 May 2024
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants)

Title of Each Class	Number of Shares of Common Stock Outstanding (as of 13 May 2024)
Common shares	1,690,000,000 shares

11. Are any or all of registrant's securities listed in a Stock Exchange? Yes No

If so disclose name of the Exchange : The Philippine Stock Exchange, Inc.
Class of securities listed : Common Shares

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

GENERAL INFORMATION

Item 1. **Date, time and place of meeting of security holders:**

Date: 24 June 2024

Time: 11:00 a.m.

Place: Via Videoconferencing

The complete mailing address of the Corporation is W Tower Condominium, 39th St., North Bonifacio Triangle, Bonifacio Global City, Taguig City, Philippines.

The approximate date on which the information statement is first to be sent or given to security holders is **30 May 2024**.

Item 2. **Dissenters' Right of Appraisal**

The Revised Corporation Code of the Philippines, specifically Sections 41 and 80 thereof, gives to a dissenting stockholder who votes against certain corporate actions specified by law, the right to demand payment of the fair market value of the shares, commonly referred to as Appraisal Right.

The following are the instances provided by law when dissenting stockholders can exercise their Appraisal Rights:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
3. In case the Corporation decides to invest its funds in another corporation or business outside of its primary purpose; and
4. In case of merger or consolidation.

Under Section 81 of the Revised Corporation Code, the appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the Corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. However, failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the Corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Corporation within thirty (3) days after such award is made, provided that no payment shall be made to any dissenting stockholder unless the Corporation has unrestricted retained earnings in its books to cover such payment, and that upon payment by the Corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Corporation.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- a. No current director or officer of the Corporation, or nominee for election as directors of the Corporation or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than the election of directors.
- b. No director or security holders have informed the Corporation, in any form, that he intends to oppose any action to be taken by the Corporation at the meeting.

CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- A. The Corporation has 1,690,000,000 outstanding common shares as of 13 May 2024. Each common share shall be entitled to one vote with respect to all matters to be taken up during the annual stockholders' meeting.
- B. The record date for determining stockholders entitled to notice of and to vote during the annual stockholders' meeting is on 28 May 2024.
- C. In the forthcoming annual stockholders' meeting, stockholders shall be entitled to elect seven (7) members to the Board of Directors. Each stockholder may vote such number of shares for as many as seven (7) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by seven (7) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by seven (7). For the upcoming meeting of stockholders on 24 June 2024, there are seven (7) nominees for election to the Board.
- D. Security Ownership of Certain Record and Beneficial Owners

(1) Security Ownership of Certain Record and Beneficial Owners

The following table shows the record and beneficial owners owning more than five percent (5%) of the outstanding capital stock as of 13 May 2024:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage of Holdings
Common	JTKC Equities, Inc.* Beckel Road, Barangay Beckel, La Trinidad Benguet	Direct	Filipino	750,000,000	44.38%
Common	Star Equities, Inc.** 2/F JTKC Center 2155 Chino Roces Avenue, Makati City	Direct	Filipino	667,000,598	39.47%
Common	PCD Nominee Corporation*** 37F Tower 1, The Enterprise Center 6766 Ayala Avenue corner Paseo de Roxas, Makati City	See note	Filipino	268,175,021	15.87%

*JTKC Equities, Inc. is an investment and holding company incorporated under the laws of the Philippines. Its present Board of Directors is composed of Ruben C. Tiu, John Y. Tiu, Jr., Evelyn T. Lim, Rosalinda T. Yap, and Jerry C. Tiu. The shares held by JTKC Equities, Inc. shall be voted or disposed of by the persons who shall be duly authorized by the corporation for the purpose. The natural person/s that has/have the power to vote on the shares of the Corporation shall be determined upon the submission of its proxy form to the Company.

** Star Equities, Inc. is an investment and holding company incorporated under the laws of the Philippines. Its present Board of Directors is composed of Messrs. Ruben C. Tiu, Dexter Y. Tiu, John Y. Tiu, Jr., Alexander Y. Tiu and Ms. Evelyn T. Lim. The shares held by Star Equities, Inc. shall be voted or disposed of by the persons who shall be duly authorized by the corporation for the purpose. The natural person/s that has/have the power to vote on the shares of the Corporation shall be determined upon the submission of its proxy form to the Company.

*** PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). As stated above, the beneficial owners of such shares registered under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares are to be voted. There is no party known to the Corporation which holds any voting trust or any similar agreement for 5% or more of the Company's voting securities under the PCDNC.

(2) Security Ownership of Directors and Management as of 13 May 2024:

Title of Class	Name of Record/ Beneficial Owner	Amount and Nature of Record/ Beneficial Ownership		Percentage
		Amount	Nature	
Common	Tiu, Ben C.	1	Direct	--
Common	Yenko, Ignatius F.	1	Direct	--
Common	Somera, Jr., Prudencio C.	1	Direct	--
Common	De Villa, Vicente V.	1	Direct	--
Common	Khoe, Kevin G.	1	Indirect	--

(3) Voting Trust Holders of 5% or more

There is no party known to the Corporation which holds any voting trust or any similar agreement for 5% or more of the Corporation's voting securities.

(4) Changes in Control

The Corporation is not aware of any arrangement which may result in a change in control of the Corporation.

(5) Equity ownership of foreign shareholders is 4,737,001 shares or 0.28% as of 13 May 2024.

Item 5. Directors and Executive Officers

The Corporation's Board of Directors is responsible for the overall management of the business and properties of the Corporation. The incumbent members of the Board of Directors elected during the last stockholders' meeting are the following:

Name	Position	Age	Citizenship	Period Served
Ben C. Tiu	Chairman	70	Filipino	February 2007 - present
Ignatius F. Yenke	Vice-Chairman	70	Filipino	June 2007 - present
Prudencio C. Somera, Jr.	Director	78	Filipino	April 2007 - present
Vicente De Villa, Jr.	Independent Director	89	Filipino	April 2007 - present
Kevin G. Khoe	Independent Director	51	Filipino	January 2021 - present

The following are the nominees for election as members of the Board of Directors during the stockholders' meeting to be held on 24 June 2024, with their professional and business affiliations for the past five (5) years:

Ignatius F. Yenke, Filipino, is the **Vice-Chairman** of the Corporation. He is likewise a Director of Sterling Bank of Asia and member of the Executive, Information Technology and Bids & Awards Committees, and is the Chairman of the Loan Committee of the bank. He was Management Consultant for Cyan Management Corporation from July 2003 to December 2007. He was previously First Vice-President of Philippine Long Distance Telephone Company until his resignation in July 2003. Mr. Yenke was formerly a Vice President at The Chase Manhattan Bank, N.A. where he worked for almost 11 years. He graduated with honors from the Ateneo de Manila University with a Bachelor of Arts degree in Economics. He holds a Master in Business Management degree from the Asian Institute of Management and was a recipient of the Claude M. Wilson National Scholarship Grant.

Charles Justin Tiu is the Vice President of Kent Floors, a Director of Oh So Healthy!, and owner of Daily Dose Coffee. He is a consultant and assistant at the Office of the Chairman in Discovery World Corporation. He is also the Head Coach for the De La Salle-College of Saint Benilde. He was previously the assistant coach of Meralco Bolts, and was an anchor for CNN Philippines. He obtained his degree in Business Management from the Ateneo De Manila University.

Mary Jean D. Codiñera is concurrently the Vice President-Investor Relations Officer of Discovery World Corporation and a Director of Euro-Pacific Resorts, Inc., Palawan Cove Corporation, Cay Islands Corporation, Sonoran Corporation, Long Beach Property Holdings, Inc., Balay Holdings, Inc., Lucky Cloud 9 Resort, Inc., One Davao Townships Corporation, and Viper Holdings Corp. She is also the Vice President for Sales and Marketing of JTKC Land, Inc. She was previously the Vice President for Sales and Marketing for Tofino Corporation (2010 to 2011), Membership Head of Filinvest Alabang, Inc. (2009 to 2010), Sales Manager of Filinvest Land, Inc. (2006 to 2007), and President of the Corporate Circuit, Inc. (2001 to 2006). She is a graduate of the Assumption College, San Lorenzo and is a Certified Public Accountant.

Ma. Consolacion Dejan is the Executive Assistant in Euro Pacific Resorts Inc. She previously held several positions in the private sector, namely, JTKC Land Inc. (Administrative Assistant), Tofino Corporation (Administrative Assistant), Filinvest Alabang Inc. The Palms Country Club (Membership Coordinator), and Manulife Philippines (Administrative Assistant). She obtained her degree Hotel and Restaurant Management in the University of Sto. Tomas (Manila).

Maria Cristina Dagsdas is the Leasing Officer of Cay Islands Corporation. She previously held several positions in the private sector, namely, Rustans Supercenters Incorporation (Property Development & Support – Assistant), PSS Realty & Development Corporation (Administration & Leasing), Ikemada Resources, Inc. (Executive Assistant). She obtained her degree Office Administration in Systems Technology Institute (STI) Pasig.

Independent Directors

The Corporate Governance Committee endorsed the nominations in favor of Messrs. Khoe and Huang.

The nomination, pre-screening, and election of independent directors were made in compliance with the requirements of the Code of Corporate Governance and the Securities and Exchange Commission's Guidelines on the Nomination and Election of Independent Directors which have been adopted and made part of the Corporation's By-Laws.

Kevin G. Khoe, Filipino, is an Independent Director of the Corporation. He is the Founder and current President of Big Big Holdings. He served as an Independent Director of ATR - Kim Eng Equity Opportunity Fund from 2010-2016 and was the Chief Operating Officer of Yehey.com for five

(5) years from October 2000 to October 2005. He graduated from the University of Asia and the Pacific in 1994, with a Bachelor of Science Degree in Quantitative Economics

Philip S. Huang is the President of Upson Resources Corporation, and director in Unno Commercial Enterprises, Inc. and Unno Resource Corporation. He previously held several positions in the private sector, namely, Nieves Securities Corporation (President), HDI Securities, Inc. (President), Highland Securities Philippines, Inc. (Vice-President), Equitable Banking Corporation (Operations Manager), Equitable Computer Systems, Inc. (Executive Assistant). He obtained a degree in Commerce at De La Salle University and pursued his master's degree in Business Management at the Asian Institute of Management (Manila).

Executive Officers

Edson T. Eufemio, Filipino, is the Corporate Secretary of TKC Metals Corporation. He is a lawyer by profession and practices corporate and commercial law through his office, E.T. Eufemio Law Office. He is a legal and business consultant of small, medium and large enterprises in various industries. He is a graduate of Xavier School and U.P. Diliman, where he has obtained degrees in Psychology, Law and Masters in Business Administration. He sits on the board of directors and also acts as Corporate Secretary for many other private companies.

A. Independent Directors

Messrs. Kevin G. Khoe and Philip S. Huang qualify as independent directors of the Corporation pursuant to Rule 38 of the Implementing Rules of the Securities Regulation Code.

In compliance with the requirements of the Securities and Exchange Commission's Guidelines on the Nomination and Election of Independent Directors which have been adopted and made part of the Corporation's By-Laws, the Corporate Governance Committee endorsed the respective nominations given in favor of Messrs. Khoe and Huang. The Committee has determined that these nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in Rule 38 of the Implementing Rules of the Securities Regulation Code. Mr. Yenke nominated Mr. Khoe, while Mr. Tiu nominated Mr. Huang.

The nominated independent directors are in no way related to the stockholders who nominated them.

B. Significant Employees

Although the Corporation has and will likely continue to rely significantly on the continued individual and collective contributions of its senior management team, the Corporation is not dependent on the services of any particular employee. It does not have any special arrangements to ensure that any employee will remain with the Corporation and will not compete upon termination.

C. Family Relationships

There are no family relationships among directors and executive officers.

D. Involvement in Certain Legal Proceedings

As of the date of this report, to the best of the Company's knowledge, other than as disclosed above, there has been no occurrence of any of the following events that are material to an evaluation of the ability or integrity of any Director, any nominee for election as director or executive officer of the Company:

- any bankruptcy petition filed by or against any business of which the incumbent directors or senior management of the Company was a general partner or executive officer, either at the time of the bankruptcy or within five years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or senior management of the Company;
- any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or senior management of the Company in any type of business, securities, commodities or banking activities; and
- any finding by domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization, that any of the incumbent Directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.
- At present, the Corporation is not a party to any pending material litigation, arbitration or other legal proceedings, and no litigation or claim of material importance is known by Management to have been filed against the Corporation.

E. Certain Relationships and Related Transactions/List of Parents of Corporation

The Group has transactions with its related parties in the ordinary course of business as follows:

Trade Receivables

Trade receivables are from sale of inventories and are unsecured, noninterest-bearing, collectible in cash and on demand (see Note 5). Provision for ECL on trade receivables from related parties amounting ₱39.4 million was recognized in 2022. No provision for ECL on trade receivables was recognized in 2023 and 2021.

Transactions and outstanding balances arising from sale of inventories are as follows:

	Amount of Transactions		Outstanding Balance	
	2023	2022	2023	2022
Entities under common control	₱-	₱-	₱43,572,598	₱43,572,598
Allowance for ECL	-	(39,417,224)	(43,572,598)	(43,572,598)
			₱-	₱-

Trade Payables

Trade payables are from inventory purchases and availment of manufacturing services. These are unsecured, noninterest-bearing and payable in cash and on demand (see Note 11). These are summarized as follows:

	Amount of Transactions		Outstanding Balance	
	2023	2022	2023	2022
Entities under common control	₱-	₱-	₱5,926,702	₱5,926,702

Due from Related Parties

Due from related parties pertain to unsecured, noninterest-bearing advances for working capital requirements. These are normally collectible in cash and on demand. Provision for ECL on due from related parties amounting to ₱38.7 million was recognized in 2022 (see Note 18). No provision for ECL on due from related parties was recognized in 2023 and 2021.

Summarized below are the outstanding accounts arising from these transactions.

	Amount of Transactions		Outstanding Balance	
	2023	2022	2023	2022
Stockholder	₱–	₱–	₱11,838,673	₱11,838,673
Entities under common control	6,416,077	330,711,200	346,425,692	358,839,663
			358,264,365	370,678,336
Allowance for ECL	–	(38,716,276)	(39,967,136)	(39,967,136)
			₱318,297,229	₱330,711,200

Due to Related Parties

Due to related parties are unsecured and noninterest-bearing advances for working capital requirements. These are payable in cash and on demand.

Summarized below are the outstanding accounts arising from these transactions.

	Amount of Transactions		Outstanding Balance	
	2023	2022	2023	2022
Stockholders	₱–	₱–	₱1,191,301,795	₱1,191,301,795
Ultimate Parent	–	71,620,938	509,312,300	509,312,300
Entities under common control	37,046,139	26,502,158	1,135,437,094	1,098,390,955
			₱2,836,051,189	₱2,799,005,050

Treasure has been receiving continuous financial support from related parties to meet its maturing obligations and to finance its working capital. On September 14, 2018, a stockholder assigned portion of his advances to Treasure amounting to P1,500.0 million to foreign investors. These investors re-assigned the advances to the Parent Company and applied the advances against their subscription to the increase in authorized capital stock of the Parent Company. As disclosed in Note 1, on May 31, 2022, the Parent Company received cash amounting to P1,500.0 million from JEI to pay for its subscription in substitution of the subscription of the foreign investors when the SEC considered the debt-to-equity conversion not an acceptable payment for the issuance of the shares of stock. On December 5, 2023, the SEC approved the application for the increase in authorized capital stock of the Parent Company.

Due to the capital deficiency position of Treasure resulting from continuing losses from operations, an allowance of P1,500.0 million was recognized by the Parent Company in its separate financial statements on the amounts due from Treasure, arising from the assignment. The intercompany advances and the recognized allowance for impairment in the books of the Parent Company and Treasure were eliminated in full in the consolidated financial statements (see Note 26).

F. Disagreement with Director

None of the directors have resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of security holders because of disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

Item 6. **Compensation of Directors and Executive Officers**

The Executive Officers and Directors' compensation for the years 2022, 2023, and 2024 (estimate) are presented below:

2022

Name and Principal Position	Salary (Annual)	Bonus	Other Annual Compensation
Ignatius F. Yenke Vice-Chairman			
Domingo S. Benitez Jr. President and Chief Operating Officer			
Wilfrido O. Gamboa Head of Corporate Services			
Efren A. Realeza Jr. Head of Accounting Services/ CFO/ Compliance Officer			
Aggregate Compensation of all Above-named Officers	4,395,167		
Aggregate Compensation of all Above-named Officers and All Directors	4,395,167		

2023

Name and Principal Position	Salary (Annual)	Bonus	Other Annual Compensation
Ignatius F. Yenke Vice-Chairman			
Domingo S. Benitez Jr. President and Chief Operating Officer			
Efren A. Realeza Jr. Head of Accounting Services/ CFO/ Compliance Officer			
Aggregate Compensation of all Above-named Officers	4,060,000		
Aggregate Compensation of all Above-named Officers and All Directors	4,060,000		

2024 (Estimated)

Name and Principal Position	Salary (Annual)	Bonus	Other Annual Compensation
Ignatius F. Yenke Vice-Chairman			

Aggregate Compensation of all Above-named Officers	2,340,000		
Aggregate Compensation of all Above-named Officers and All Directors	2,340,000		

Note: Members of the Board receive per diem per meeting only.

Standard Arrangements and other Arrangements

As of the date of this Information Statement, the Company has no existing arrangements with members of the Board of Directors, executive officers, and employees.

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

There are no existing employment contracts with executive officers. Furthermore, there are no special retirement plans for executive officers. There is also no arrangement for compensation to be received from the Company in the event of a change in control of the Company.

Warrants and Options Outstanding

The Company has never issued warrants nor options to directors and officers.

There are no other arrangements with the Directors and Officers regarding their employment with the Corporation, nor are there stock warrants or options made available to them.

Item 7. Independent Public Accountant

Representatives of the external auditor for 2023 (Reyes Tacandong & Co.), the Company's external auditors for the most recently completed fiscal year are expected to be present at the Annual Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

Details on the selected/recommended principal accountant and partner-in-charge for the ensuing year are as follows:

CAROLINA P. ANGELES
Partner
CPA Certificate No. 86981
Tax Identification No. 205-067-976-000
BOA Accreditation No. 4782/P-007; Valid until June 6, 2026
BIR Accreditation No. 08-005144-007-2022
Valid until October 16, 2025
PTR No. 10072409
Issued January 2, 2024, Makati City

Reyes Tacandong & Co. audited the Company's statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in stockholders' equity and statement of cash flows for the year ended 31 December 2023 and a summary of significant accounting policies and other explanatory notes. Their responsibility is to express an opinion on these financial statements based on their audit. The audits were conducted in accordance with Philippine Standards on Auditing.

Changes in and Disagreements with Accountants on Accounting or Financial Disclosure

Reyes Tacandong & Co. was appointed as external auditor for the years ended December 31, 2023, 2022 and 2021. For the years ended December 31, 2010 and prior years, the external audit of the annual financial statements was performed by SGV & Co.

There were no disagreements with the external auditors on any matter pertaining to accounting and financial disclosure.

G. Other Matters

Item 15. Action with Respect to Reports

The Corporation will seek the approval by the stockholders of the Minutes of the previous Stockholders' Meeting during which the following matters were taken up: (1) Call to Order, (2) Proof of Notice of Meeting and Certification of Quorum, (3) Approval of the Minutes of the Previous Meeting of Stockholders (4) Approval of 2021 Operations and Results, (5) Ratification of all Acts of the Board of Directors and Officers, (6) Approval of Amendments to Articles of incorporation; (7) Election of Directors, (8) Appointment of External Auditors, (9) Other Matters, and (10) Adjournment.

Management reports will be submitted for approval by the stockholders at the meeting. Approval of the reports will constitute approval and ratification of the acts of management for the past year.

Management also seeks to have the re-approval of the stockholders of the amendment of articles of incorporation to decrease the number of directors from eleven (11) to seven (7).

Item 17. Amendment of Charter, Bylaws or other Documents

The Corporation seeks re-ratification of the proposal to amend the Corporation's Articles of Incorporation to decrease the number of directors from eleven (11) to seven (7). The same proposed amendment was approved by the stockholders in the meeting held last December 2022 but the plan was put on hold. Management now seeks to pursue the proposed amendment, hence re-submission to the stockholders for approval.

Item 18. Other Proposed Action

The following are to be proposed for approval during the stockholders' meeting:

1. 2023 Operations and Results;
2. Ratification of all Acts of the Board of Directors and Officers;
3. Election of Directors
4. Re-Ratification of Amendment of Articles of Incorporation for Decrease of Number of Directors (from 11 to 7)
5. Delegation to the Board of Directors the Appointment of External Auditor; and
6. Other Matters.

The items covered with respect to the ratification of the acts of the Board of Directors and officers from the date of the last stockholders' meeting up to the date of this meeting are those items entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures such as:

1. Membership in the relevant board committees;
2. Appointment of principal officers;
3. Approval of Financial Reports.

Management reports which summarize the acts of management for the year 2023 are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement and shall be submitted for approval by the stockholders at the meeting. Accordingly, approval of the Annual Report will constitute approval and ratification of the acts of Management stated in the Management Report during the period covered thereby.

Voting Procedures

- (a) Actions to be taken at the Annual Stockholders' Meeting shall require the vote of the stockholders representing at least a majority of the Company's outstanding capital stock, except the ratification of amendment of articles of incorporation, which requires two-thirds vote of holders of outstanding shares.
- (b) Two inspectors, who are officers or employees of the Corporation, shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which an election of directors shall take place. If no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend, then the appointment shall be made by the presiding officer of the meeting. For purposes of the Annual Stockholders' Meeting on 24 June 2024, the Corporate Secretary and/or his representative together with the Compliance Officer, have been designated as inspectors who have been tasked to oversee the counting of votes.
- (c) Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the corporation; provided, however, that in the election of directors, each stockholder shall be entitled to cumulate his votes in the manner provided for by law. For the purpose of this year's annual stockholders' meeting, which will be held only in a virtual format, the stockholders may only vote through proxies or by remote communication (in absentia). The stockholders are encouraged to participate in the meeting by registering your votes on the matters to be taken up during the meeting through the e-voting platform set up for the purpose, the link for which will be sent to the stockholders after successful registration. Voting will be open until **11:00 in the morning of 24 June 2024**. Proxies may also be submitted via the online ASM registration platform. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory. The method of counting votes shall be in accordance with the general provisions of the Revised Corporation Code. The counting shall be done by the inspectors abovementioned.

Omitted Items

Items 8, 9, 10, 11, 13, and 14, 16, are not responded to in this report, the Corporation having no intention to take any action with respect to the information required therein.

SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, I hereby certify that the information set forth in this report is true, complete and correct.

This report is signed on 16 May 2024.

TKC METALS CORPORATION
(Registrant)

By:


EDSON T. EUFEMIO
Corporate Secretary

TKC METALS CORPORATION

PART I - BUSINESS AND GENERAL INFORMATION

Business Development

TKC Metals Corporation, formerly TKC Steel Corporation (the Parent Company or TKC) was organized and registered with the Securities and Exchange Commission (SEC) on November 28, 1996. TKC's shares of stock were listed for trading in the Philippine Stock Exchange (PSE) July 20, 2001. The Parent Company is primarily a holding company and is also engaged in marketing and selling of purlins and galvanized iron (GI) sheets.

On January 19, 2007, Star Equities, Inc. (SEI) entered into a Memorandum of Agreement (MOA) with the then major shareholders of SQL*Wizard, Inc, intending the latter to be its backdoor listing vehicle for its investment in the steel business. In line with its plan to shift its business direction to new areas, both foreign and domestic, SQL and its shareholders decided to take advantage of the new investment opportunities that would be brought about by the entry of SEI as an investor in SQL. On this basis, SEI agreed to become a shareholder of SQL by initially subscribing to 240,000,000 new common shares following the increase of the latter's capital stock. Thereafter, with the change of its primary business, SQL was renamed TKC Steel Corporation, as approved by the SEC on February 28, 2007. Likewise, on July 25, 2007, the PSE approved the reclassification of TKC's listing status from the SME Board to the Second Board subject to the conditions specified in the Notice of Approval issued by the PSE. The conditions stated in said notice specifically the minimum number of stockholders and minimum offering to the public given its market capitalization, were complied with after the conduct of a Follow-On Offering of shares by the Corporation which culminated with the listing of the offer shares on November 23, 2007.

Business Consolidation

In meetings held on February 9, 2007, the Board of the Corporation and its shareholders approved the following resolutions:

- (a) The amendment of the articles of incorporation, whereby:
 - i. The primary purpose will be changed to that of a holding company;
 - ii. The corporate name will be changed from "SQL *Wizard, Inc." to "TKC Steel Corporation";
 - iii. The principal office may be changed upon the Board's determination;
 - iv. A provision on the denial of pre-emptive rights will be inserted in the Seventh Article; and v. The number of directors will be increased from 7 to 9.
- (b) The increase in the Corporation's authorized capital stock from P40.0 million, divided into 40 million shares with par value of P1.00 a share to P1.0 billion, divided into 1.0 billion common shares with the same par value.
- (c) The subscription by SEI to 240 million common shares at subscription price of P1.00 per share or total subscription price of P240.0 million.
- (d) The assignment and/or sale of all and/or substantially all the Corporation's existing IT business assets to a new corporation.

These amendments were approved by the SEC on February 28, 2007, except for the increase in authorized capital stock, which was approved on April 13, 2007.

On June 22, 2007, the SEC approved the amendment to the primary purpose of the Corporation, as follows:

“To invest in, operate, purchase, own, hold, use, develop, lease, trade, sell, exchange, deal in, on its own behalf or as agent or commission merchant, assign, transfer, encumber, and engage in the business of, either directly or indirectly, smelting, fusing, shaping, rolling, casting, fabricating, extruding or otherwise developing or processing of metals, steel or other alloys of metallic, non-metallic compounds, substances and raw materials of every nature, kind or description, and to invest in stocks, bonds, or other evidences of indebtedness or securities of any other corporation, domestic or foreign, whether engaged in the steel business or otherwise; Provided, that the Corporation shall not engage in the business of an Open End Investment Company as defined in the Investment Company Act (R.A. 2629), without first complying with the provisions of the Revised Securities Act; Provided, Further, that it shall not act as a Broker or Dealer of Securities.

Conformably with the change in business operations, the following transactions were consummated:

- (a) Subscription of SEI into TKC As stated above, SEI subscribed to 240.0 million common shares at P1.00 per share, out of the increase in authorized capital stock by the Corporation. Such subscription increased the outstanding number of common shares to 265.0 million with SEI owning 90.57% of the equity of TKC.

On April 16, 2007, SEI subscribed to an additional 440.0 million common shares, increasing its equity interest to 680.0 million shares out of the total outstanding capital stock of 705.0 million shares representing 96.45% ownership interest in TKC.

- (b) Transfer of SEI Subsidiaries to TKC

As disclosed, SEI intended TKC to be its vehicle for listing of its investments in the steel business. Consistent with this direction, SEI consolidated its interests in Treasure Steelworks (TSC) and Billions Steel International Limited (Billions) (together with the latter's 90% interest in Zhangzhou Stronghold Steel Works Co. Ltd. (ZZS)) as follows:

- i) Acquisition of Billions

On April 30, 2007, an agreement was executed whereby major shareholder, SEI, assigned all of its interest in Billions to TKC for P 594,056,700. Billions has a 90% direct interest in ZZS. Billions is a limited liability corporation incorporated under the laws of the Republic of Mauritius. ZZS was incorporated under the laws of the People's Republic of China on July 13, 2005. On January 9, 2009, Billions Steel International Limited, a corporation incorporated in Mauritius sold its entire interest in ZZ Stronghold to Billions Steel International Limited, a corporation registered in Hong Kong. It immediately began construction of its facilities thereafter. Its first batch of manufactured steel pipes was completed and sold in June 2007. Commercial operations of ZZS began officially after acceptance by its customer of the first batch of steel pipes manufactured and delivered.

- ii) Acquisition of TSC

On June 29, 2007, SYL Holdings, Inc. and Billions (in-trust for the controlling shareholder group of SEI) each owning 48% in TSC, collectively transferred their shareholdings consisting of 479,998 shares and 479,997 shares, respectively, with the total par value of P95,999,500.00 to TKC on account. After execution of the Deed of Sale, TKC has 96% direct interest in Treasure.

In 2011 and 2013, TKC made an additional investment in Treasure and ZZ Stronghold resulting an increase in ownership to 98% and 91% respectively and reflect a change in ownership of non-controlling interest.

TKC's consolidated financial statements now include the following subsidiaries:

Name of Subsidiary	Country of Incorporation	Nature of Business	Percentage of Ownership		
			2023	2022	2021
Treasure Steelworks Corporation (TSC)	Philippines	Manufacture of steel products	98%	98%	98%
Billions Steel International Limited (Billions)	Hong Kong	Investment holdings	-	-	100%
Zhangzhou Stronghold Steel Works Co. Ltd. (ZZS)*	People's Republic of China or PRC	Manufacture of steel pipes	-	-	91%
Campanilla Mineral Resources, Inc. (Campanilla)**	Philippines	Mineral production	70%	70%	70%

*Through Billions

**Has not commenced commercial operations

The Parent Company and its subsidiaries are collectively referred to as "the Group".

In 2022, the Parent Company assigned and transferred all its rights, title and interest in Billions to a third party and recognized a gain on deconsolidation amounting to P1,370.7 million.

As at December 31, 2023, TKC is 44.38% directly owned by JTKC Equities, Inc. (JEI) and 39.47% indirectly owned by JEI through Star Equities, Inc. (SEI). The ultimate parent company of TKC is JTKC Equities, Inc. (JEI). Both JEI and SEI are both holding companies and were incorporated in the Philippines.

On December 5, 2023, the SEC approved the amendment of the Parent Company's Articles of Incorporation (AOI) for the change of the principal office address from Unit B1-A/C, 2nd Floor, Building B, Karrivin Plaza, 2316 Chino Roces Avenue Extension, Makati City to 2nd Floor, W Tower Condominium, 39th St., North Bonifacio Triangle, Bonifacio Global City, Taguig City.

On December 1, 2020, the Board of Directors (BOD) approved the amendment of the Parent Company's AOI to reduce the number of the Parent Company's BOD from eleven (11) to seven (7). These were subsequently approved by the stockholders on January 15, 2021.

On December 21, 2018, the Parent Company applied for the amendment of its Articles of Incorporation (AOI) for the change of the principal office address.

Business of Issuer

Products

TKC is organized as an operating and holding company engaged in the manufacturing and the distribution of various steel products primarily through its two (2) subsidiaries, as follows:

(a) Treasure Steelworks Corporation (TSC)

TSC was incorporated with the primary purpose of operating a smelting, melting and rolling plant, among others. It manufactures steel billets which in turn become the raw materials of downstream steel products such as bars, wire rods and sections.

(b) Zhangzhou Stronghold Steel Works Co. Ltd. (ZZS)

ZZS manufactures the following steel pipes: (i) ERW and spiral welded pipes for general construction, water transmission and structural uses; and (ii) prospectively, seamless pipes for the oil and gas development industry. ZZS offers a wide range of specifications of steel pipes ranging from an outer diameter of 219 mm to 1920 mm, length up to 6 meters long, and thickness from 4mm to 20mm.

Operational Situation

The recent years from the end of 2013 saw the downward spiraling of the prices of steel. Both TSC and ZZS were constrained to cease and minimize their operation respectively for the past years due to volatile price of steel in the world market, scarcity and high cost of raw scrap materials and lack of sufficient electric power in the Mindanao area that severely hampered TSC's continuous production of its main product line. Realizing the volatility of steel prices and the continued problem on power supply, the Management has embarked on a restructuring and diversification of its product lines that demand a higher export price, less volatile price in the world market, better world-wide demand and less dependency on electric power supply.

Status of Operations

Because of the continuing losses of ZZ Stronghold, the operating steel subsidiary of Billions, due to volatile steel prices, low production and sales volume in China, the Parent Company sold all of its interest in Billions at cost amounting to P1,741.8 million on June 20, 2022. Accordingly, the Group's management deconsolidated the assets and liabilities of Billions and ZZS Stronghold in the consolidated statement of financial position as at the date when control was lost.

The Group only recognized the profit or loss of Billions and ZZ Stronghold from January 1, 2022 up to the date of sale in the consolidated statement of comprehensive income. Moreover, on December 29, 2022, the Parent Company's BOD approved to dispose Treasure and Campanilla, its remaining subsidiaries. Treasure has ceased operations since 2013, while Campanilla has not commenced operations as at December 31, 2023. The Group has a consolidated net income (loss) of (P84.5) million, P915.1 million and (P408.2) million for the years ended December 31, 2023, 2022 and 2021, respectively.

Additionally, the deficit of the Group amounted to P4,181.1 million and P4,097.3 million as at December 31, 2023 and 2022, respectively.

Parent Company

In 2015, the Parent Company stopped the marketing and selling of purlins and GI sheets, its main business activity other than as a holding company. The Parent Company incurred a total comprehensive loss of P49.4 million, P1,116 million and P21.2 million for the years ended December 31, 2023, 2022 and 2021, respectively.

The Parent Company is currently undergoing business reorganization and realignment of business opportunities. On December 27, 2022, the Parent Company's BOD approved a resolution to enter into a business venture with third parties, particularly in the field of information technology businesses and broadband internet to diversify its portfolio and generate revenue.

Moreover, the stockholders and all related parties of the Group have continued to provide the financial support to sustain the Group's operations and meet its maturing obligations. Due to related parties aggregated P2,836.1 million as at December 31, 2023.

Treasure Steelworks

As at December 31, 2023, Treasure has not resumed its plant operations. Treasure's total comprehensive loss for the years ended December 31, 2023 and 2022 amounted to P35 million and P301million, respectively. Additionally, the capital deficiency amounted to P3,270.4 million and P3,235.3 million as at December 31, 2023 and 2022, respectively. In 2013, Treasure suspended its plant operations in the production of steel billets in Iligan City and terminated its contract with plant employees due to shortage in power supply in Mindanao. Treasure, however, is planning to produce nickel concentrate and nickel pig iron instead to lessen the plant's power supply requirement. By shifting to nickel concentrate and nickel pig iron, the power supply requirement will drop to 5 megawatts per hour (MWPH) as compared to producing steel billets at 15 to 20 MWPH.

ZZ Stronghold

Because of continuing operating losses, ZZ Stronghold, the operating steel subsidiary of Billions, due to low production and sales volume coupled with the low price in the steel market in China, the Parent Company sold all its interest in Billions to a third party on June 20, 2022. With the deconsolidation of ZZS's operation in mid-2022 and TSC's suspended operation, the Group did not generate any revenue and resulted in a loss of Ps. 84.5 million during the period.

Distribution

Steel billets produced by TSC are primarily sold to local customers. On a limited scale, TSC taps the export market.

Competition

TSC

Prior to suspension of its plant operation in 2013 primarily due to shortage in power supply in Mindanao and volatile steel price, TSC has the largest installed capacity for steel billet manufacturing in the Philippines. Other manufacturers produce billets for their own production of downstream steel products.

Top billet producers in the Philippines are

	Annual Installed Capacity (000 MT)
(a) TSC	300
(b) Bacnotan Steel Corp	300
(c) Cathay Pacific Steel Corp	290
(d) Stronghold Steel Corp	150
(e) SKK	120

Raw Materials

Raw materials used to produce billets are scrap sourced from neighboring provinces in Visayas and Mindanao. TSC buys the scrap from major scrap consolidators and their own collection networks. Scrap is old, wasted metal such as parts of vehicles, building supplies, and surplus materials.

Spiral welded pipes are produced from hot rolled steel strip while electric resistance welded pipes are produced from hot rolled steel coils/strips. On the other hand, seamless pipes are produced from billets through a hot draw and extrusion process.

Customer Base

The Corporation and its subsidiary (TSC) are not dependent upon a single or few customers.

Transactions with Related Parties

In the regular course of its business, the Corporation engages in transactions with related parties (stockholders and affiliates). These transactions may involve intercompany trade dealings, and the granting of advances and paying of expenses.

Government Regulations

TKC and its subsidiaries are not currently required to secure government approval for its products and services. Government approvals and permits in the Philippines, are currently, and may in the future be, required in connection with the companies' operations.

Costs and effects of Compliance with Environmental Laws

TSC is subject to environmental regulations. These regulations mandate, among other things, the maintenance of air, noise and water quality standards. They also set forth limitations on the generation, transportation, storage and disposal of solid and liquid hazardous waste.

As part of its efforts to ensure compliance with environmental regulations, the Corporation rehabilitated and upgraded the dust collection system to meet environmental standards, make it more effective and cope with the anticipated increase in production volume resulting from new facilities.

In line with the future diversification of our product lines and introduction of a new kind of production technology towards the planned shifting from billets production to nickel concentrate and nickel leaching process, the Management is actively and currently coordinating with the Government Environmental Regulators pertaining to the various requirements and compliance on environmental laws and regulations prior to commercial operations of this new production process.

Employees

TKC currently has 8 employees, namely: Chairman and Chief Executive Officer, Vice-Chairman, Treasurer, Chief Financial Officer, Head of Corporate Services and three (3) Administrative Staff.

Management Discussion and Analysis of Financial Condition and Results of Operations (Last Three Years: 2023, 2022 and 2021)

a. Corporate Restructuring

The Corporation completed a corporate restructuring which consisted of the following:

1. On April 13, 2007 and June 7, 2007, the primary business purpose was changed from providing complete information solutions to operating and holding investments in steel companies;
2. On April 13, 2007, the SEC approved the increase in authorized capital stock from P40 million to P1 billion;
3. Capital Stock was increased from P25 million to P705 million;

4. On April 30, 2007, it acquired 90% equity interest in ZZ Stronghold, a company located in China. In 2013, TKC made an additional investment in ZZ Stronghold resulting an increase in ownership to 91% and reflecting a change in ownership of non-controlling interest.
5. On June 29, 2007, it acquired 96% equity interest in Treasure, a corporation located in the Philippines. In 2011, TKC made an additional investment in Treasure resulting an increase in ownership in Treasure to 98% and reflecting a change in ownership of the noncontrolling interest.

On the 26th of October 2015 the SEC approves the change in the Articles of Incorporation in amending the corporate name from TKC Steel Corporation to TKC Metals Corporation.

In June 2022, the Parent Company assigned and transferred all its rights, title and interest in Billions to a third party and recognized a gain on deconsolidation amounting to P1,370.7 million.

On December 5, 2023, the SEC approved the application for the increase in authorized capital stock of the Parent Company from P1,000.0 million to P3,000.0 million. Consequently, the deposits for future subscription amounting to P1,500.0 million was applied against capital stock and additional paid-in capital.

b. Financial Highlights

- Results of Operations

Accounts In Million Pesos	2023	2022	2021	Increase (Decrease) 2023/2022 (%)	Increase (Decrease) 2022/2021 (%)
Revenue	0	204	1,155	-100%	-82%
Cost of Sales	0	186	1,132	-100%	-84%
Gross Income (Loss)	0	17	23	-100%	-26%
Operating Expenses	71	438	380	-84%	15%
Net Income	(84)	915	(408)	-109%	-324%

Operating performance has resulted in a loss due to non-operation of the Group's subsidiary. The Corporation posted a net loss of Ps. 84 million in 2023 compared to a net gain in 2022 amounting to Ps. 915 million as a result of non-operation of a subsidiary and deconsolidation of a foreign subsidiary in 2022 respectively.

The demand of the steel products is slowly recovering, although there is still an over-supply of steel products in the market, very volatile price of steel, highly competitive market conditions and the effect on business and commerce due continuous outbreak of other variants of Covid-19 virus. Eventually due to continued losses, non-operation of TSC and deconsolidation of Billions, the Group has registered nil sales in 2023 compared to Ps. 204 million and Ps. 1,155 million in 2022 and 2021 respectively.

During the period of non-operation, the total operating expenses went down by 49% or Ps. 66 million from Ps. 138 million in 2022 to Ps. 71 million in 2023. Notable decreases were noted in the following accounts such as: depreciation and amortization by 41%; salaries and wages by 69%; freight and handling by 100%; utilities by 65%; rent by 100%; repairs by 96%; representation by 90%; professional fees by 44% and other expenses by 93%. However, increases were noted in the following accounts as follows: taxes and licenses by 111%; and transportation and travel by 132%.

- **Financial Condition**

Accounts (In Million Pesos)	2023	2022	2021	Increase (Decrease) 2023/2022 (%)	Increase (Decrease) 2022/2021 (%)
Current Assets	2,004	2,015	605	-1%	233%
Total Assets	3,637	3,664	4,262	-1%	-14%
Current Liabilities	3,430	3,373	3,928	2%	-14%
Total Liabilities	3,475	3,417	4,562	2%	-25%
Equity	(163)	247	(299)	-34%	183%

Our total asset base remains stable although reduced by 1% to Ps. 3,637 million from the previous year's level of Ps. 3,664 million. Cash and cash equivalents went down by 73% or Ps. 7.6 million due to no sales and collection activity; trade and other receivables went up by 1% or Ps. 11 million as receivables-others from third party; inventories went down by 100% due to inventory write-down; advances to related parties decreased by 4% or Ps. 12 million from Ps. 330.7 million to Ps. 318.3 million due to partial liquidation; both creditable withholding tax and input vat amounted to Ps. nil million due to provision of allowance of impairment.

Current ratio for the years 2023 and 2022 remains stable at 0.58:1 and 0.60:1 respectively while debt-to-equity ratio for 2023 has resulted to 21.35:1 from 13.80:1 in 2022.

c. **2023 versus 2022**

- **Results of Operations**

The Corporation registered a consolidated net loss of Ps. 84 million in 2023 compared to a net income of Ps. 915 million a year ago as a result of non-operation of TSC and deconsolidation of Billions, our two main subsidiaries. Although TSC is non-operating for a decade, the prospect of looking for the right investors continued as there were parties who have shown interest and doing exploratory talks with the Group. The company's direction is to shift into production of nickel concentrate and nickel pig iron that will only requires 25% of the original power supply requirement. TSC is still looking for the right party to provide the new technology for nickel leaching. This chemical process will take only two hours to extract nickel from laterite ores and will result to a nickel recovery rate of 20-50%.

Revenue significantly reduced by 100% to Ps. nil million compared to a year ago of Ps. 204 million. The Corporation also registered a nil gross profit in 2023 compared to a gross profit of Ps. 17 million in 2022.

Operating expenses went down to Ps. 71 million or 49% lower from the 2022 level of Ps. 138 million. Due to non-operation of our main subsidiary, notable decreases were in the following expenses accounts: salaries and wages by 69%; freight and handling by 100%; utilities by 65%; repairs by 96%; professional fee by 44%; and other expense by 93% however there were increases in taxes and licenses by 111%; and transportation and travel by 132%.

- **Financial Condition**

Total assets base still remains stable despite the decrease of 1% equivalent to Ps. 27 million from Ps. 3,664 million in 2022 to Ps. 3,637 million in 2023. The decrease was primarily due to the non-operation and deconsolidation of our two subsidiaries respectively, provision of impairment loss on current assets and inventory write-down: cash and cash equivalents went down by 73% from Ps. 10 million last year to Ps. 3 million; inventories have nil value; other current assets down by 100% from Ps. 2 million; property, plant and equipment by 1%; and leasehold rights by 14%. There was an increase however in trade and other receivables by 1% or Ps. 11 million from Ps. 1,672 million

to Ps. 1,683 million. The current results of operational and financial conditions of the Group were attributable significantly due to deconsolidation of ZZS and TSC's a decade of non-operation primarily due to prolonged power crisis and not so competitive market price and conditions. Current assets accounted for 55% and 55% of the balance sheet for the year 2023 and 2022 respectively.

In 2023, total liabilities increased by 2% or Ps. 58 million from Ps. 3,417 million to Ps. 3,475 million. Significant increases were noted in the following accounts: accrued expenses up by 50% from Ps. 37 million to Ps. 56 million; salaries payable up by 8% from Ps. 16 million to Ps. 18 million; and due to related parties increased by 1% from P2,799 million to Ps. 2,836 million.

Our resulting capital base maintain its positive position although it went down by 34% or Ps. 84 million from Ps. 247 million in 2022 to Ps. 163 million in 2023. The depreciation in our equity was brought about by the current results of operation resulting to a consolidated loss of the Group in 2023 for Ps. 84 million. As a result of the depreciation in our capital base, debt to equity ratio went up to 21.35:1 from a year ago of 13.80:1.

- **Causes for any Material Changes in the Balance Sheet Accounts:**

- Cash and cash equivalents decreased significantly by 73% or Ps. 7.6 million to Ps. 2.8 million from Ps. 10.5 million a year ago as a result of continued non-operation of our subsidiary and day-to-day operation.
- Trade and other receivable went up by 1% or Ps. 11 million from Ps. 1,672 million to Ps. 1,683 million primarily due to recognized advances to a third party in the amount of Ps. 10.0 million.
- Inventories with a balance of Ps. 243 million and Ps. 286 million respectively in 2023 and 2022 were provided with 100% provision of allowance for inventory write down. Creditable tax withheld at source and Input Vat with balances of Ps. 68 million and Ps. 222 million respectively were both provided with 100% allowance for impairment due to uncertainty of its benefits in the future.
- Property, plant and equipment remains stable despite a 1% decrease or Ps. 14 million from Ps. 1,636 million in 2022 to Ps.1,622 million in 2023 due to disposal of transportation equipment and machinery and equipment.
- Trade and other payables increased by 7% or Ps. 20 million from Ps. 277 million to Ps. 297 million in 2023 primarily in accrued payable by Ps. 18.5 million or 50% from Ps. 37 million to Ps. 56 million and salaries payable by 8% or Ps. 1.4 million from Ps. 16 million to Ps. 18 million.
- Loan payable balance remain constant at Ps. 297 million in 2023 and 2022 respectively

d. 2022 versus 2021

- **Results of Operation**

The Corporation registered a consolidated net income of Ps. 915.1 million in 2022 compared to a net loss of Ps. 408 million a year ago. The bottomline has resulted in a positive performance due to the significant gain of Ps. 1,371 million recognized in the deconsolidation of a subsidiary when the Parent Company sold all its rights and interest in Billions on June 2022. Although TSC is non-operating for almost a decade, the prospect of looking for the right investors continued as there were parties who have shown interest and doing exploratory talks with the Group. The company's direction is to shift into production of nickel concentrate and nickel pig iron that will only requires 25% of the original power supply requirement. TSC is still looking for the right party to provide the new technology for nickel leaching. This chemical process will take only two hours to extract nickel from laterite ores and will result to a nickel recovery rate of 20-50%.

Revenue significantly reduced by 82% to Ps. 204 million compared to a year ago of Ps. 1,155 million with ZZS contributing 100% of the Group sales. The Corporation also registered a % gross profit of Ps. 17 million in 2022 compared to a gross profit of Ps. 23 million in 2021. ZZS's performance during the first six months period, prior to disposal, in general production, sales and marketing activity are still depended on a lower market price and demand due to over-supply of steel products in the China market.

Operating expenses went up to Ps. 438 million or 23% higher from the 2021 level of Ps. 380 million. The major factor for the higher operating expenses were in the following accounts: a) outside services by 89%; representation by 246%; transportation and travel by 68%; professional fees by 304%; and provision for impairment loss on trade and other receivable, cwt, other current assets and due from related parties.

- **Financial Condition**

Total assets base still remains stable despite the decrease of 14% to Ps. 3,664 million in 2022 from last year's figure of Ps. 4,262 million. The Ps. 598 million decrease was primarily due to the deconsolidation of a subsidiary, provision of impairment loss and inventory write-down: cash and cash equivalents went down by 49% from Ps. 21 million last year to Ps. 10 million; inventories down by 100% from Ps. 289 million to Ps. nil million; other current assets down by 98% from Ps. 91 million to Ps. 2 million; property, plant and equipment by 52%; and leasehold rights by 94%. There were increases however in the following assets accounts: trade and other receivables by 911% or from Ps. 165 million to Ps. 1,672 million; and due from related parties by 754% from Ps. 39 million to Ps. 331 million; The current results of operational and financial conditions of the Group were attributable significantly to ZZS limited operating activity and eventually to deconsolidation and TSC's a decade of nonoperation primarily due to prolonged power crisis and not so competitive market price and conditions. Current assets accounted for 55% and 14% of the balance sheet for the year 2022 and 2021 respectively.

In 2022, total liabilities went down by 25% or Ps. 1,145 million from Ps. 4,562 million to Ps. 3,416 million primarily due to deconsolidation of a subsidiary and liquidation of loans. Significant decreases were noted in the following accounts: trade payables down by 68% from Ps. 589 million to Ps. 188 million; accrued expenses up down by 77% from Ps. 161 million to Ps. 37 million; salaries payable down by 27% from Ps. 23 million to Ps. 17 million; loans payable down by 30% from Ps. 424 million to Ps. 297 million. There were increases in the other accounts but not so significant.

Our resulting capital base has appreciated significantly to a positive Ps. 248 million from a negative Ps. 299 million in 2021. The significant appreciation in our equity performance was brought about by a significant gain of Ps. 1,371 million from the deconsolidation of a subsidiary and resulted to a consolidated income of the Group in the amount of Ps. 915 million compared to a loss of Ps. 408 million in 2021. As a result of the appreciation in our capital base, debt to equity ratio resulted to a positive 13.80:1 from a year ago of negative -15.23:1.

- **Causes for any Material Changes in the Balance Sheet Accounts**

- Cash and cash equivalents decreased significantly by 49% or Ps. 10 million to Ps. 10.5 million from Ps. 21 million a year ago due to liquidation of trade and other payables on a day-to-day operation
- Trade and other receivable went up by Ps. 1,506 million or 911% from Ps. 165 million to Ps. 1,672 million primarily due to recognized receivables from a third party as a result of deconsolidation of a subsidiary.

- Inventories went down by Ps. 289 million or 100% from Ps. 289 million to Ps. nil million due to ZZS limited operation during the first six months prior to its disposal and allowance on inventory write-down.
- Creditable tax withheld at source decreased by 100% or Ps. 68 million as a result of the provision of allowance for impairment due to uncertainty of its benefits in the future.
- Property, plant and equipment remains stable despite a 52% decrease or Ps. 1,802 million from Ps. 3,438 billion in 2021 to Ps. 1,636 billion in 2022 level primarily due to disposal and deconsolidation of a subsidiary.
- Other non-current assets decrease by 100% or Ps. 17 million with the provision of allowance for impairment loss.
- Trade and other payables went down by 65% or Ps. 510 million from Ps. 787 million to Ps. 277 million in 2022 notably in trade payables by Ps. 402 million or 68% from Ps. 589 million to Ps. 188 million.
- Loan payable went down by Ps. 127 million or 30% from Ps. 425 million to Ps. 297 million due to partial liquidation of the accounts and results of deconsolidation of a subsidiary. Equity appreciated significantly to a positive Ps. 248 million from a negative Ps. 299 million. The appreciation of the capital base was mainly brought about by the consolidated income of Ps. 915 million due to recognized gain on deconsolidation of a subsidiary amounting to Ps. 1,370 million. TSC as reported in 2013 has stopped its operation due to limited power supply.

e. 2021 versus 2020

- Results of Operation

The Corporation registered a consolidated net loss of Ps. 408 million in 2021 compared to a net loss of Ps. 170 million a year ago. The bottom-line results showed a negative performance due to lower production and sales volume and marketing activity in ZZS operation. The prevailing coronavirus (Covid-19) pandemic has adversely affected ZZ Stronghold's operation and financial performance during the period. Although TSC is non-operating for the last eight years, the prospect of looking for the right investors continued as there were parties who have shown interest and doing exploratory talks with the Group. The company's direction is to shift into production of nickel concentrate and nickel pig iron that will only requires 25% of the original power supply requirement. TSC is still looking for the right party to provide the new technology for nickel leaching. This chemical process will take only two hours to extract nickel from laterite ores and will result to a nickel recovery rate of 20-50%.

ZZS operation has resulted in gross profit of Ps. 23 million however the overall market condition is still unfavorable coupled with a very volatile steel prices in China due to higher steel supply and the long-term effect and the prevailing outbreak of the Covid-19 Pandemic in the big and key cities of China. ZZS partnered with a third party and resumed the construction and of its plant facilities which is estimated to be completed in 2022 pending all documentations before it would be allowed to be operational. ZZS Stronghold is also planning to venture into a heavy industrial structure project for its available idle land. This project will be ZZ Stronghold's third plant facility.

Revenue significantly went up by 125% to Ps. 1,155 million compared to a year ago of Ps. 512 million with ZZS contributing 100% of the Group sales. The Corporation also registered a 30% gross profit of Ps. 23 million in 2021 compared to a gross profit of Ps. 18 million in 2020. ZZS's performance on general production, sales and marketing activity still depended on a lower market price and demand due to over-supply of steel products in the China market.

Operating expenses went up to Ps. 380 million or 171% higher from the 2020 level of Ps. 139 million. The major factor for the higher operating expenses were in the following accounts: a) allowance for impairment of input vat by 100%; depreciation and amortization by 22%; salaries and wages by 28%; rent by 166%; repairs by 31%; and office supplies by 45%.

- **Financial Condition**

Total assets base still remains stable despite the slight decrease of 2.81% to Ps. 4,262 million in 2021 from last year's figure of Ps. 4,386 million. The Ps. 123 million decrease was primarily due to the following: cash and cash equivalents went down by 76% from Ps. 86 million last year to Ps. 21 million; inventories by 10% from Ps. 319 million from to Ps. 289 million; other current assets by 2% from Ps. 92 million to Ps. 91 million; and input vat by 100% due to provision impairment loss. There were increases however in the following assets accounts: trade and other receivables by 17% or from Ps. 141 million to Ps. 165 million; long-term deferred expenses by 8% from Ps. 11 million to Ps. 12 million; property plant and equipment by 5% from Ps. 3,269 million to Ps. 3,438 million; and leasehold rights by 3% from Ps. 197 million to Ps. 203 million. The current operational and financial conditions of the Group were attributable significantly to ZZS minimal but stable operating activity coupled with adverse effect of the prevailing corona virus (Covid-19) in China and TSC's nil production, sales and marketing activity primarily due to prolonged power crisis and not so competitive market price and conditions. Current assets accounted for 14% and 15% of the balance sheet for the year 2021 and 2020 respectively.

In 2021, total liabilities went up by 5.45% or Ps. 235 million from Ps. 4,326 million to Ps. 4,561 million. Significant increases were noted in the following accounts: accrued expenses up by 38% or Ps. 44 million from Ps. 116 million to Ps. 160 million; salaries payable up by 11% or Ps. 2 million from Ps. 21 million to Ps. 23 million; withholding taxes payable up by 28% or Ps. 1 million from Ps. 3.5 million to Ps. 4.5 million; statutory payables up by 187% or Ps. 0.6 million from Ps. 0.3 million to Ps. 0.9 million; due to related parties up by 17% or Ps. 388 million from Ps. 2,323 million to Ps. 2,711 million and retirement liability up by 6% or Ps. 0.6 million from Ps. 9 million to Ps. 10 million.

Our resulting capital base has depreciated by 602% or Ps. 358 million as of 2021 from a positive equity of Ps. 59 million in 2020. The significant depreciation in our equity performance was primarily due to stoppage and minimal production and sales activity of our two main steel subsidiaries, TSC and ZZS respectively and provision for impairment of some assets accounts resulting to a current consolidated loss of the Group in the amount of Ps. 408 million. As a result of the depreciation in our capital base, debt to equity ratio has resulted to -15.23:1 from a year ago of 72.65:1.

- **Causes for any Material Changes in the Balance Sheet Accounts**

- Cash and cash equivalents decreased significantly by 76% or Ps. 65 million to Ps. 21 million from Ps. 86 million a year ago brought about by a significant liquidation in trade and other payables by 19% or Ps. 191 million from Ps. 978 million to Ps. 787 million.
- Trade and other receivable went up by Ps. 24 million or 17% from Ps. 141 million to Ps. 165 million due to slowdown in economy and the adverse effect of the Pandemic to both domestic and foreign accounts.
- Inventories went down by Ps. 30 million or 9% from Ps. 319 million to Ps. 289 million as ZZS is still not operating at full capacity and lockdowns of the plant during the height of the coronavirus pandemic in 2021.
- Creditable tax withheld at source remains constant at Ps. 68 million each respectively for the years 2021 and 2020 while the input value-added tax of Ps. 223 million was impaired due to uncertainty of its benefits due to minimal business activities of our two subsidiaries.

- Property, plant and equipment remains stable with a 5% or Ps. 169 million from Ps. 3,269 billion in 2020 to Ps. 3,438 billion in 2021 level as there was no provision for impairment loss for the current year.
- Other non-current assets remain constant at Ps. 17 million and Ps. 18 million respectively for the year 2021 and 2020
- Trade and other payables went down by 19% or Ps. 191million from Ps. 979 million to Ps. 787 million in 2021 notably in trade payables by Ps. 239 million by 29% from Ps. 829 million to Ps. 589 million.
- Loan payable went down by Ps. 465 million or 52% from Ps. 890 million to Ps. 425 million due partial liquidation of the accounts and the short-term renewal of credit facilities of ZZS for their production and selling activities.
- Equity depreciated significantly by 602% or Ps. 359 million from Ps. 59 million to negative Ps. 299 million. The depreciation of the capital base was mainly brought about by the continuing losses of the two main steel subsidiaries, ZZS operating at minimal capacity due to unfavorable market conditions while TSC as reported in 2013 has stopped its operation due to limited power supply.

Risk Management

a. Financial Risks

The Corporation is exposed to a variety of financial risks. The Corporation's risk management program focuses on safeguarding shareholder value to manage unpredictability of risks and minimize potential adverse impact on its operating performance and financial condition.

The Corporation's Board of Directors (BOD) is directly responsible for risk management. Management carries out risk management policies approved by the BOD. The Management identifies, evaluates reports and monitors significant risks, and submits appropriate recommendations. The BOD approves formal policies for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk and liquidity risk.

Foreign Currency Risk

Foreign currency risk arises as a result of change in exchange rates between Philippine peso and foreign currencies. Any change will affect our foreign currency denominated accounts and transactions.

The Corporation regularly monitors foreign exchange rates and any trends and changes thereupon. Measures will be adopted to protect our foreign account in the event there would be significant fluctuations in the exchange rate.

Liquidity Risk

Liquidity risk arises from the possibility that the Corporation may encounter difficulties in raising funds to meet or settle its obligations at a reasonable price. Despite the present operational situation of the Group, our related parties, however, have continued to finance the necessary financial support and funding to sustain operations and to meet the Group's maturing obligations.

The Corporation monitors potential sources of the risk to a shortage of funds through monitoring of financial investments and financial assets, and projected cash flows from operations. An essential part of this strategy is the proper matching of trade receivables and trade and other payables. The Corporation's objectives to manage its liquidity are: a) to ensure that adequate funding is available at

all times; b) to meet commitments as they arise without incurring unnecessary costs; and c) to be able to access funding when needed at the least possible cost.

The Corporation also maintains a financial strategy that the scheduled principal and interest payments are well within the Corporation's ability to generate cash from its business operations.

Capital Management Risk

The Corporation is committed to maintaining adequate capital at all times to meet shareholders' expectations, withstand adverse business conditions and take advantage of business opportunities. The Company Management has submitted to the Philippine Stock Exchange a detailed restructuring plan of activities it will undertake and timetable to bring the stockholders' equity back to positive. In addition, the Group has been negotiating with the prospective investors for additional financing to complete the Group's plant construction, diversification using new production technology, resume commercial operation and generate adequate revenues that will result to a better capital position.

The Corporation regularly keeps track of its capital position and assesses business conditions to ensure early detection and determination of risks, and its consequent adverse impact. The Corporation adopts measures, as may be deemed necessary and appropriate, to mitigate risks.

We aim to achieve acceptable level of debt-to-equity ratio. This ratio is calculated as total liabilities divided by total equity.

As at December 31, 2023, the debt-to-equity ratio is:

<u>Amount</u>		
Total liabilities	Ps.	3,474,619,320
Total equity		162,777,038
Debt-to-equity ratio		21.53:1

Our main sources of capital include but not limited to:

- a. Retained earnings, where available
- b. Current earnings
- c. Debt
- d. Share issues
- e. Shareholder advances

The Corporation seeks to generate reasonable rate of return on its capital. Corollary to this, our dividend policy will be dictated by the level of retained earnings and ongoing business earnings.

We will access the capital market when we consider it necessary. As we grow our business, we will retain sufficient flexibility to raise capital to support new business opportunities. We are prudent in our capital management.

b. Operational Risks

Fluctuation of Steel Demand and Prices

The industries in which steel are used, such as the construction industry, and the demand for steel products, are cyclical in nature. As a result, the prices at which our products are sold, both in the local and international markets, move in accordance with the local and global steel dynamics. Furthermore, any volatility in the steel prices may affect the normal timing of orders by customers. The volatility in steel prices could cause the Corporation's results of operation to vary and may have an adverse effect on the Corporation's business, financial position, results of operations and prospects.

Similarly, the volatility in the cost of raw materials and scrap for TSC may also cause fluctuations in the results of operations.

We closely monitor demand and price trends, both local and international markets, align our production and sales volumes to desired inventory levels, and put in place measures to ensure that we can access various sources of raw materials.

Single Production Site

TSC conduct its manufacturing activities in single production site in the Philippines. Closure of the production sites, interruption or prolonged suspension of any substantial part of the operations or any damage to, or destruction of, the facilities arising from unexpected events or catastrophes, or other similar events would prevent the operating subsidiaries from generating revenue. All existing facilities have been duly insured. Any new installations will likewise be covered by appropriate insurance coverage.

Scarcity of Raw Materials

Scrap metal is an essential raw material for the production of TSC's endproducts. The supply of this raw material is currently sourced locally and any shortage in supply of scrap metal may adversely affect TSC's operations. Due to the scarcity of the availability of scrap materials and high cost of scrap, the operation of TSC was severely affected.

Insurance Risks

Our businesses are subject to a number of risks and hazards generally, including, but not limited to, adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and avalanches. Such occurrences may result in damage to production, facilities, personal injury or death, environmental damage to properties or properties of third parties, monetary losses, and possible legal liability. Insurance coverage is maintained to protect against certain risks in such amounts as are considered reasonable and appropriate.

DESCRIPTION OF PROPERTY

TKC does not own any real or personal property other than its leasehold improvements, office fixtures, furniture and equipment located in its principal office. TSC leased the land where its plant facility is currently situated but it owns the machineries and equipment

Leasehold Rights

Treasure

In 2005, Treasure (lessee) entered into a Memorandum of Agreement (MOA) with Global Ispat Holdings Ltd and Global Steelworks International, Inc (lessors, both of whom are nonrelated parties) for the lease of a parcel land and steel billet making plant located in Iligan city, Lanao del Norte, Philippines for a period of 25 years.

The memorandum of agreement (MOA) is for 25 years starting 2006. At the expiration or earlier termination of the term of the MOA, TSC has the option to purchase the billet plant at an amount equivalent to its market value at the time the option is exercised. The market value shall be determined by three (3) recognized and competent appraisers to be nominated by the parties. However, this does not preclude the parties from arriving at an agreement and determining between themselves said purchase price.

In the performance of its obligations under the MOA, TSC paid the outstanding liens incurred by the former owners and inherited by the lessor pertaining to the billet making plant amounting to P46 million in 2006 and were recorded as “Leasehold rights” in the consolidated statements of financial position.

ZZ Stronghold

On December 8, 2005, ZZS entered into a contractual agreement with China Merchants ZhangZhou Development Zone Co., Ltd (China Merchants), for the right to use a parcel of land located in 1 M2-05 Zone I, China Merchants Development Zone to ZZS for a period of 42 years. The land is where the ZZ Stronghold steel plant facilities is located. In 2022, the Parent company assigned and transferred all its rights, title and interest in Billions to a third party. Consequently, leasehold rights amounting to P182.2 million were derecognized.

LEGAL PROCEEDINGS

The Corporation is not a party to any pending material litigation, arbitration or other legal proceedings, and no litigation or claim of material importance is known by Management to have been filed against the Company.

PART II - SECURITIES OF THE REGISTRANT

MARKET INFORMATION

The common shares of TKC have been listed on the Philippine Stock Exchange since July 19, 2001. Following the amendment of the articles of incorporation whereby the (a) primary purpose was changed to that of a holding company, (b) corporate name was changed from SQL*Wizard to TKC Steel Corporation, (c) authorized capital stock was increased from P40 million (par value of P1.00 per share) to P 1 billion with the same par value, and the assignment and/or sale of all and/or substantially all of the Company’s existing IT business assets in favor of a new corporation, TKC undertook a Follow On Offering (FOO) of 235,000,000 common shares on November 23, 2007 based on the offer price of Ps. 9.68 per share. After the FOO was completed, the Company’s total issued and outstanding common shares stood at 940,000,000 shares. On December 21, 2018, TKC filed the application with SEC for the approval of the proposed increase in authorized capital stock from 1,000,000,000 shares to 3,000,000,000 shares. On December 05, 2023, the SEC approved the application for the increase in authorized capital stock of the Parent Company. The Company’s total issued and outstanding common shares stood at 1,690,000,000 shares.

As of 14 May 2024, the price of the Company’s common shares closed at P0.46.

Presented in the table below are the high and low prices of TKC shares.

	High	Low
1 st Quarter, 2024	0.45	0.45
Year Ended December 31, 2023		
1 st Quarter	0.52	0.51
2 nd Quarter	0	0
3 rd Quarter	0.56	0.51
4 th Quarter	0.42	0.42
Year Ended December 31, 2022		
1 st Quarter	0.77	0.76
2 nd Quarter	0.77	0.71
3 rd Quarter	0.60	0.55
4 th Quarter	0.55	0.55

Holders of Common Equity

As of 31 March 2024, the Corporation has a total of 1,690,000,000 issued and outstanding shares, owned by 42 common shareholders.

The top twenty (20) shareholders, and their corresponding shares and percentage ownership of TKC are as follows:

Name of Stockholders	No. of Shares	% to Total Outstanding
1. JTKC Equities, Inc.	750,000,000	44.3787%
2. Star Equities, Inc.	667,000,598	39.4675%
3. PCD Nominee Corp.	268,175,021	15.8683
4. Chuahiong, Gertim G.	2,912,000	0.1723
5. Sio, Elsie Chua	900,000	0.0533
6. Napoles, Janet L.	300,000	0.0178
7. Solar SEC, Inc.	230,000	0.0136
8. Uy, Maria Charito B.	125,000	0.0074
9. Hernandez, Elmer C.	100,000	0.0059
10. Ko, Michael Anthony Lee	100,000	0.0059
11. Uy, Anjelica B. Uy	25,000	0.0015
12. Uy, John Rainer B.	25,000	0.0015
13. De Villa, Henrietta	20,000	0.0012
14. Chua Co Kiong, William N.	15,000	0.0009
15. Resurrecion, Antonio	10,000	0.0006
16. Insua, Jose Cezar	10,000	0.0006
17. Puno, Orpha C.	10,000	0.0006
18. Estrada, Claudia Patricia D.	6,250	0.0004
19. Evangelista, Maria Imelda C.	6,250	0.0004
20. Garcia, Luningning	6,250	0.0004

Based on the records of our Stock Transfer Agent, Professional Stock Transfer, Inc., TKC Metals Corporation has 16.15% public ownership level as of March 31, 2024.

Dividends

The Corporation did not declared dividends in 2023 and 2022. There are no known restrictions or impediments to the Corporation's ability to pay dividends on common equity, whether current or future.

Recent Issuance of Securities Constituting an Exempt Transaction

For the year ended December 31, 2023, we have not issued any securities constituting an exempt transaction.

c. Key Performance Indicators

Performance Ratios	2023	2022	2021
Revenue Growth (%)	-100%	-82%	125%
Gross Profit Margin (%)	0%	8 %	2%
Basic Loss per share 1/	(Ps. 0.08)	Ps. 0.98	(Ps. 0.42)
Current Ratio 2/	0.58	0.60	0.15
Debt-to-Equity Ratio 3/	21.35	13.80	15.23
Return on Equity 4/	-0.41	-35.27	3.4

- 1/ Net income applicable to majority shareholders/weighted average of outstanding common shares
- 2/ Total current assets/total current liabilities
- 3/ Total liabilities/equity
- 4/ Net income /total equity (average)

d. Other Matters

There were no known trends, demands or uncertainties that will have a material impact on the Corporation's liquidity. The Corporation does not anticipate any cash flow or liquidity problems within the next twelve (12) months and is not at default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments. No significant amounts of trade payables have been unpaid within the stated trade terms.

There are no known trends, or events, uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations nor any events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

- There are no material off-balance sheet transactions, arrangements obligations (including contingent obligations), and other relationship of the Corporation with unconsolidated entities or other persons created during the reporting period.
- There were no seasonal aspects that had a material impact on the financial condition or results of operations of the Corporation.
- Any material commitments for capital expenditure:

The Corporation conducted a Follow-On Offering on November 23, 2007 that raised gross proceeds of Ps. 2, 275 million to finance expansion and development plans of its two (2) subsidiaries, TSC and ZZS. These projects are on-going both in our China and Iligan plants.

- There were no significant elements of income or loss that did not arise from the registrant's continuing operations except as presented in the Management Discussion and Analysis.

Financial Statements

Please refer to the attached audited consolidated financial statements of the Corporation as at and for the year ended December 31, 2023 which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes Tacandong & Co.

Management Plans

Business Updates

The Company is presently exploring business opportunities, particularly in technology businesses and broadband internet, business solutions and application to diversify its portfolio and generate revenue to sustain Group's operations and to meet the Group's maturing obligations.

This business venture will enable entrepreneurs a full suite of solution to establish and operate their very own broadband company. The project aims to bring seamless connectivity using wired, wireless and VSAT capabilities for all the cities, municipalities and all the networking communities in the country. This will make internet universally accessible for everyone in the Philippines. The

service extends from the basic connectivity on-wards to e-learning, e-health, security services, e-commerce and all the opportunities the internet brings.

Big market and major investor opportunity await this project as the demand for the internet services to address our basic needs and services, communications and deliveries continue to be strong amid the significant restrictions and limitations in our everyday lives. On the revenue streams, we are focusing on three profit centers namely Prepaid Card Sales combined with Subscription, Digital Platform combined with Subscription and Big Data and Analytics.

Organizational Restructuring

The Management is reviewing the current organizational set-up to implement management plans and programs of the Group.

PART III - MANAGEMENT AND CERTAIN SECURITY HOLDERS

Please refer to the portion of this Information Statement on “Directors and Executive Officers”.

PART IV - CORPORATE GOVERNANCE

In compliance with the initiative of the Securities and Exchange Commission (“SEC”) under Memorandum Circular No. 19, Series of 2016, the Company’s Revised Manual on Corporate Governance (the “Manual”) was approved by the Board of Directors on 31 May 2017. The Manual is a supplement to the Company’s Amended By-Laws. Other portions of this Corporate Governance Section have been deleted pursuant to SEC Memorandum Circular No. 5, Series of 2013.

There have been no deviations from the Company’s Manual of Corporate Governance.

PART V - EXHIBITS AND SCHEDULES

Exhibits

Please refer to the attached audited consolidated financial statements and required supplementary schedules of the Company as of and for the year ended 31 December 2023, which have been prepared in accordance with Philippine Financial Reporting Standards, as audited by Reyes, Tacandong & Co.

UNDERTAKING TO PROVIDE COPIES OF REPORTS

UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S INFORMATION STATEMENT (SEC FORM 20-IS), ANNUAL REPORT FOR 2023 (SEC FORM 17-A), AND QUARTERLY REPORT FOR FIRST QUARTER 2024 (SEC FORM 17-Q) FREE OF CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

THE CORPORATE SECRETARY

TKC METALS CORPORATION

W Tower Condominium, 39th St., North Bonifacio Triangle,
Bonifacio Global City, Taguig City, Philippines