COVER SHEET

1	5	0	0	1	4				

SEC Registration Number

M	A	B	U	H	A	Y		H	O	L	D	I	N	G	S		C	O	R	P	.	

(Company's Full Name)

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	P	A	C	I	F	I	C		T	O	W	E	R		A	Y	A	L	A		A	V	E	.

						M	A	K	A	T	I		C	I	T	Y								

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

Atty. Delfin P. Angcao

Contact Person

8817-6791

Telephone Number

<u>2023 ASM – DEFINITIVE INFORMATION STATEMENT</u>
FORM TYPE

1	2		3	1

Month Day
Fiscal Year

0	5		0	5

Month Day
Annual Meeting

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc

N/A

Amended Articles Number / Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LGU

Document ID

Cashier

STAMPS

Mabuhay Holdings Corporation

35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City
Tel No. 7750-2000 Fax No. 7751-0773

August 29, 2023

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Dear Stockholder:

Please be notified that the annual meeting of the stockholders of **MABUHAY HOLDINGS CORPORATION** (the "Corporation") will be held on September 22, 2023, Friday, at 11:00 a.m. through remote communication. The Chairman of the meeting shall call and preside the meeting in Metro Manila which is the place where the principal office of the Corporation is located. The meeting may be accessed at https://us02web.zoom.us/j/87283668164?pwd=SkU0MjdiNkRUTINGTU5XWkM0VUhiUT09 provided by the Corporation to all stockholders of record as of July 31, 2023 or their proxies who have registered to attend the meeting with the following agenda:

1. Call to order
2. Proof of notice and certification of quorum
3. Approval of the minutes of the previous meeting of the stockholders
4. Management report and approval of the 2022 audited financial statements
5. Ratification of resolutions, contracts, and acts of the Board of Directors and Management
6. Election of directors
7. Appointment of external auditors
8. Other matters
9. Adjournment

For purposes of the meeting, the stockholders of record as of July 31, 2023 shall be entitled to notice of, participation via remote communication, and voting *in* absentia at such meeting and any adjournment thereof.

You may vote *in absentia* or through proxy by submitting (i) the original signed and accomplished Proxy/Ballot form attached to this notice by mail, courier or manual delivery to the front desk of the Corporation's principal office at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223; or (ii) **a scanned copy thereof by email at the Corporation's email address at** admin@mabuhayholdingscorp.com. Deadline for submission of Proxy/Ballot is on or before 5:00 pm of September 12, 2023. Corporate stockholders should attach to the Proxy/Ballot a notarized Secretary's Certificate attesting to the authority of their representative to execute the Proxy/Ballot. When signing as attorney-in-fact, executor, administrator, guardian or in any representative capacity, please give full title and file papers showing your authority. Validation of proxies shall be held on September 15, 2023 at 2:00pm.

Successfully verified stockholders voting in absentia or by proxy will receive an email from the Corporation providing them the weblink to be able to access the live streaming of the meeting.

Electronic copies of the Notice of the Meeting, Definitive Information Statement, Management Report, SEC Form 17A, and other related documents in connection with the annual meeting may be accessed through the QR Code below, the Corporation's website at [https://mabuhayholdingscorp.com/] and through the PSE Edge portal at https://edge.pse.com.ph.

For any concerns, please reach us through [admin@mabuhayholdingscorp.com].

For complete information on the Corporation's annual meeting, please visit [https://mabuhayholdingscorp.com/].

DELFIN P. ANGCAO
Corporate Secretary

[For Individual Stockholder]

INSTRUCTIONS:

1. Material erasures or alterations shall not affect the validity of the Proxy/Ballot provided that the stockholder affixes his/her full signature beside such erasures or alterations. The initials of the said stockholder are not sufficient to validate the Proxy/Ballot unless the said initials are also the said stockholder's customary signature.

2. Please submit either (i) the original signed and accomplished Proxy/Ballot form by mail, courier or manual delivery to the front desk of the Corporation's principal office at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223; or (ii) a scanned copy thereof by email at the Corporation's email address at mabuhayholdings@yahoo.com. Deadline for the submission of Proxy/Ballot is on or before 5:00 pm of September 12, 2023.

PROXY/BALLOT FORM

MABUHAY HOLDINGS CORPORATION

[PLEASE CHECK OR MARK THE APPROPRIATE BOX BELOW]

VOTING IN ABSENTIA:	VOTING BY PROXY:
The undersigned hereby votes as indicated below.	The Undersigned hereby appoints the Chairman of the Board of Directors of **MABUHAY HOLDINGS CORPORATION** (the "Corporation"), or in his absence, the President of the Corporation to act for me/us and on my/our behalf at the **MABUHAY HOLDINGS CORPORATION** Annual Stockholders' Meeting to be held on September 22, 2023 (and as may be rescheduled and/or adjourned) and to vote for me/us as indicated below, or, if no such indication is given, as my/our proxy thinks fit:

		Please check or mark the appropriate box		
	RESOLUTION	*FOR*	*AGAINST*	*ABSTAIN*
1	Approval/ratification of the minutes of the previous meeting of the stockholders			
2	Approval the management report and the 2022 audited financial statements			

3	Ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date			
4	Appointment of Independent Auditor (Isla Lipana & Co.)			
5	Election of Directors for the term 2023-2024 (**Note**: If you want to vote by cumulative voting, kindly also indicate opposite the name of the nominee director/s that you are voting FOR, the number of votes that you want to give such nominee director/s, provided that the total number of votes cast shall not exceed the number of shares owned multiplied by the number of directors to be elected).			
1	Roberto V. San Jose Director			
2	Esteban G. Peña Sy Director			
3	Ana Maria Katigbak-Lim Director			
4	Andrew Charles Ferguson Director			
5	Rodolfo D. Santiago (Independent Director)			
6	Rodrigo B. Supeña (Independent Director)			
7	Steven Gamboa Virata (Independent Director)			

IN CASE THIS PROXY/BALLOT IS SIGNED AND RETURNED IN BLANK

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

- FOR the approval of the minutes of previous meeting of the stockholders;
- FOR the approval of the management report for 2022 audited financial statements;
- FOR the confirmation and ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date;
- FOR the election of the following directors for the term 2023-2024:

1	Roberto V. San Jose	Director
2	Esteban G. Peña Sy	Director
3	Ana Maria Katigbak-Lim	Director
4	Andrew Charles Ferguson	Director
5	Rodolfo D. Santiago	(Independent Director)
6	Rodrigo B. Supeña	(Independent Director)

7 Steven Gamboa Virata (Independent Director)

- FOR the approval of the appointment of Isla Lipana & Co. (PricewaterhouseCoopers-Philippines) as the Corporation's external auditors; and

- TO authorize the Proxy to vote according to the Proxy's discretion on any matter that may come before the meeting

A Proxy/Ballot that is returned without a signature shall not be valid.

VALIDATION OF PROXIES
Validation of proxies shall be on September 15, 2023 at 2:00 pm at the principal office of the Corporation.

REVOCATION OF PROXIES:
A stockholder giving a proxy has the power to revoke it at any time before the validation of proxies on September 15, 2023 at 2:00 pm by submitting either (i) the original signed letter of revocation by mail, courier or manual delivery to the front desk of the Corporation's principal office at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223**;** or (ii) a scanned copy thereof by email at the Corporation's email address at mabuhayholdings@yahoo.com.

______________________	______________________________
Date	(Signature above printed name of Stockholder)

[For Corporate Stockholder]

INSTRUCTIONS:

1. This Proxy/Ballot form must be accompanied by a notarized Secretary's Certificate of the company's Board Resolution appointing and authorizing its representative to accomplish this Proxy/Ballot form.

2. Material erasures or alterations shall not affect the validity of the Proxy/Ballot provided that the person authorized to accomplish this Proxy/Ballot form affixes his/her full signature beside such erasures or alterations. The initials of the said authorized person are not sufficient to validate the Proxy/Ballot, unless the said initials are also the said person's customary signature.

3. Please submit either (i) the original signed and accomplished Proxy/Ballot form by mail, courier or manual delivery **to the front desk of the Corporation's principal office at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223**; or (ii) a scanned copy thereof by email at the Corporation's email address at **mabuhayholdings@yahoo.com**. Deadline for the submission of Proxy/Ballot is on or before 5:00 pm of September 12, 2023.

PROXY/BALLOT FORM

MABUHAY HOLDINGS CORPORATION

[PLEASE CHECK OR MARK THE APPROPRIATE BOX BELOW]

VOTING IN ABSENTIA:	VOTING BY PROXY:
The undersigned hereby votes as indicated below.	The Undersigned hereby appoints the Chairman of the Board of Directors of **MABUHAY HOLDINGS CORPORATION** (the "Corporation"), or in his absence, the President of the Corporation to act for me/us and on my/our behalf at the **MABUHAY HOLDINGS CORPORATION** Annual Stockholders' Meeting to be held on September 22, 2023 (and as may be rescheduled and/or adjourned) and to vote for me/us as indicated below, or, if no such indication is given, as my/our proxy thinks fit:

		Please check or mark the appropriate box		
	RESOLUTION	*FOR*	*AGAINST*	*ABSTAIN*

1	Approval/ratification of the minutes of the previous meeting of the stockholders			
2	Approval the management report and the 2022 audited financial statements			
3	Ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date			
4	Appointment of Independent Auditor (Isla Lipana & Co.)			
5	Election of Directors for the term 2023-2024 (**Note**: If you want to vote by cumulative voting, kindly also indicate opposite the name of the nominee director/s that you are voting FOR, the number of votes that you want to give such nominee director/s, provided that the total number of votes cast shall not exceed the number of shares owned multiplied by the number of directors to be elected).			
1	Roberto V. San Jose Director			
2	Esteban G. Peña Sy Director			
3	Ana Maria Katigbak-Lim Director			
4	Andrew Charles Ferguson Director			
5	Rodolfo D. Santiago (Independent Director)			
6	Rodrigo B. Supeña (Independent Director)			
7	Steven Gamboa Virata (Independent Director)			

<u>IN CASE THIS PROXY/BALLOT IS SIGNED AND RETURNED IN BLANK</u>

If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

- FOR the approval of the minutes of previous meeting of the stockholders;
- FOR the approval of the management report for 2022 audited financial statements;
- FOR the confirmation and ratification of all acts of the Board of Directors and Management from the last stockholders' meeting to date;

- FOR the election of the following directors for the term 2023-2024:

1	Roberto V. San Jose	Director
2	Esteban G. Peña Sy	Director
3	Ana Maria Katigbak-Lim	Director
4	Andrew Charles Ferguson	Director

5	Rodolfo D. Santiago	(Independent Director)
6	Rodrigo B. Supeña	(Independent Director)
7	Steven Gamboa Virata	(Independent Director)

- FOR the approval of the appointment of Isla Lipana & Co. (PricewaterhouseCoopers-Philippines) as the
- Corporation's external auditors; and

- To authorize the Proxy to vote according to the Proxy's discretion on any matter that may come before the meeting

A Proxy/Ballot that is returned without a signature shall not be valid.

VALIDATION OF PROXIES
Validation of proxies shall be on September 18, 2023 at 2:00 pm at the principal office of the Corporation.

REVOCATION OF PROXIES:
A stockholder giving a proxy has the power to revoke it at any time before the validation of proxies on September 15, 2023 at 2:00 pm by submitting either (i) the original signed letter of revocation by mail, courier or manual delivery to the front desk of the Corporation's principal office at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223**;** or (ii) a scanned copy thereof by email at the Corporation's email address at mabuhayholdings@yahoo.com.

____
(Printed Name of Corporate Stockholder)
By:

____
Signature over Printed Name of
Authorized Representative

____

____
Address

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: **MABUHAY HOLDINGS CORPORATION**

3. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **150014**

5. BIR Tax Identification Code **000-473-206-000**

6. **35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City** **1223**
   Address of principal office Postal Code

7. Registrant's telephone number, including area code **(632) 7750-2000**

8. **September 22, 2023, Friday, at 11:00 a.m., Makati City via remote communication**
   Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders **September 1, 2023**

10. In case of Proxy Solicitations: **Not Applicable**

    Name of Person Filing the Statement/Solicitor: ____________________
    Address and Telephone No.: ____________________

11. Securities registered pursuant to Sections 8 and 12 of the Securities Regulations 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
COMMON STOCK	**1,200,000,000 shares**

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

    Yes √ No _______

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

    PHILIPPINE STOCK EXCHANGE – COMMON SHARES OF STOCK

PART I.
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

The annual stockholders' meeting of Mabuhay Holdings Corporation (the "Registrant" or the "Company") shall be on September 22, 2023, Friday, at 11:00 a.m. via remote communication. The Chairman will call and preside the meeting in Makati City which is the place where the principal office of the Company is located.

The mailing address of the Registrant is at 35/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223.

The approximate date on which this Information Statement is first to be sent or given to stockholders is on September 1, 2023.

Item 2. Dissenters' Right of Appraisal

A stockholder has the right to dissent and demand payment of the fair value of his shares: (i) in case any amendment to the Company's Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences over the outstanding shares, or of extending or shortening the term of corporate existence: (ii) in case of any sale, lease, mortgage or disposition of all or substantially all of the corporate property or assets; (iii) in case of merger or consolidation; and (iv) in case of investment of corporate funds in another corporation or business or for any purpose other than the primary purpose.

If an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his certificates of stock. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

There are no matters or proposed corporate actions at this year's annual stockholders' meeting of the Company which may give rise to a possible exercise by security shareholders of their appraisal rights under the provisions of the Revised Corporation Code of the Philippines.

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

No person who is or has been a director or officer of the Registrant, or a nominee for election as director, or an associate of the said persons, has any substantial interest, direct or indirect, by security holdings or otherwise in any matter to be acted upon during the meeting other than election to office.

None of the persons mentioned above has informed the Registrant in writing of any intention to oppose any action to be taken at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. **Voting Securities and Principal Holders Thereof**

(a) The Registrant has one class of shares, subscribed and outstanding as of the Record Date of July 31, 2023:

Common shares - 1,200,000,000

Of the said subscribed and outstanding shares, 427,471,235 shares or 35.62% are owned by foreigners, while 772,528,765 shares or 64.38% are owned by Philippine nationals.

(b) Number of Votes entitled: Every stockholder entitled to vote as of the Record Date shall be entitled to one (1) vote per share of stock. Provided, however, that in the case of election of directors, every stockholder has the right to cumulate and cast his votes in accordance with Section 23 of the Revised Corporation Code of the Philippines. Section 23 of the Revised Corporation Code of the Philippines provides in part that a stockholder may vote such number of 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 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 by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

(c) The Record Date is on July 31, 2023. All stockholders of record as of July 31, 2023 are entitled to notice of, participate in via remote communication, and to vote *in absentia* at the Annual Stockholders' Meeting.

(d) Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

Stockholders owning more than 5% of the Registrant's shares of stocks as of the July 31, 2023:

Title of Class	Name And Address of Record Owner And Relationship With Issuer	Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation* 37/F The Enterprise Center, 6767 Ayala Avenue, Makati City	B.A. Securities, Inc.*	Filipino	260,112,963	21.68%

Common	Prokey Investment Ltd.** c/o Mabuhay Holdings Corporation: 35/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223	Esteban G. Peña Sy**	Filipino	351,289,763	29.27%
Common	PCD Nominee Corporation* G/F MSE Building 6767Ayala Avenue, Makati City	B.A. Securities, Inc.*	Foreign	426,458,134	35.54%
Common	Guoco Securities (Phils.), Inc.	Guoco Securities (Phils.) Inc.***	Filipino	123,192,131	10.27%
TOTAL				1,161,052,991	96.76%

* B.A. Securities, Inc. is the only participant under the PCD that owns 5% or more of the Company's voting stock. Mr. Esteban G. Peña Sy, President of Registrant, will vote for the shares in the name of B.A. Securities, Inc. in the forthcoming annual stockholders' meeting.

** Prokey Investment Ltd. (Prokey) is a 100% Filipino-owned company registered in the British Virgin Islands and licensed by the SEC on March 15, 2010 to operate a Representative Office in the Philippines. Mr. Esteban Peña Sy, President of the Registrant and the owner of Prokey will exercise his right to vote for these shares.

*** Registrant is not yet aware of the identity of the proxy for the shares in the name of Guoco Securities Phils. Inc. entitled to vote in the forthcoming annual stockholders' meeting. The identity of its proxy will be known only upon its submission, if any, of its proxy instrument.

(2) Security Ownership of Management.

The following directors and officers are the direct/indirect owners of the Registrant's shares as indicated opposite their names as of July 31, 2023:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership			Citizenship	Percent of Ownership
		Shares	Amount	Nature		
Common	Roberto V. San Jose Director/Chairman of the Board	600	₱ 600	Direct	Filipino	0

Common	Esteban G. Peña Sy Director/President	353,299,813	353,299,813	Direct & Indirect	Filipino	29.44%
Common	Delfin P. Angcao Corp. Secretary	641	641	Direct	Filipino	0
Common	Rodrigo B. Supeña Director	50	50	Direct	Filipino	0
Common	Steven G. Virata Director	100	100	Direct	Filipino	0
Common	Rodolfo D. Santiago Director	50	50	Direct	Filipino	0
Common	Gloria Georgia G. Garcia SVP/Treasurer and CFO	50	50	Direct	Filipino	0
Common	Ana Maria A. Katigbak-Lim Director/Asst. Corp. Secretary	50	50	Direct	Filipino	0
Common	Andrew Charles Ferguson Director	1	1	Direct	British	0
TOTAL		353,301,355	₱353,301,355			29.44%

(3) Voting Trust Holders of 5% or more

Registrant is not aware of any person holding more than 5% of the shares of Registrant under a voting trust or similar agreement.

(4) Changes in Control

There has been no change in control of the Registrant since the beginning of its last fiscal year. Neither is Registrant aware of any arrangement which may result in a change in control of it.

Item 5. **Directors and Executive Officers**

(a) The names, ages, terms of office, business experience for the last five years, directorship in other companies of the directors and executive officers of the Registrant are as follows:

Atty. Roberto V. San Jose, Director, Chairman of the Board - He was elected Chairman of the Board in 2003 and has been a member of the Board of Directors as early as 1991. He is a consultant of the Castillo Laman Tan Pantaleon & San Jose Law Offices and a Director or Officer of the following companies: Anglo Philippine Holdings Corporation, Alsons Consolidated Resources Corporation, Philweb Corporation, CP Group of Companies, Carlos Palanca Foundation, Inc., MAA Consultants, Inc., Solid Group Inc., United Paragon Mining Corporation, The Metropolitan Club, Inc. and various client corporations of their law firm. Attorney San Jose, a Filipino, is 81 years old.

Esteban G. Peña Sy, Director and President - He was elected as Director and President on Nov. 1, 2006 and has served as such for more than ten years now**.** He graduated from the University of the Philippines in 1968 with the degree of A.B. Economics and completed the Program for Management Development at Harvard Business School in 1982. He was the Managing Director of Pan Asian Management Ltd. And AI Financial Services Ltd., which are management and investment consultancy firms based in Hongkong, and Pan Asian Oasis Telecom Ltd. that operates joint venture factories engaged in the manufacture of communication and fiber optic cables in China. His previous work experience includes the following: Asst. Secretary General of the Federation of Filipino-Chinese Chambers of Commerce and Industry from 1971-1979 and Executive Director from 1980-1986; various positions in the Ayala Group of Companies from 1979-1984. Mr. Peña Sy, a Filipino citizen, is 75 years old.

Atty. Delfin P. Angcao, Corporate Secretary - Atty. Delfin Angcao holds the position since 1995. He is a partner at the Castillo Laman Tan Pantaleon & San Jose Law Offices (CLTPSJ) since the year 2000. He was a junior associate with CLTPSJ from 1995 to 1997. He climbed up to being a Senior Associate from 1997 to 2000. He was a former associate at the San Jose, Enriquez, Lacas, Santos, Borje & Vendero from 1992 to 1995. His other business experience in the last 5 years are as follows: director and/or Corporate/Asst. Corporate Secretary of various client corporations of CLTPSJ namely: United Paragon Mining Corporation, The Manila Southwoods Golf & Country Club, Inc., and Golden Valley Exploration Corporation. He is a member of the Integrated Bar of the Philippines and the Philippine Institute of Certified Public Accountants. Attorney Angcao, a Filipino, is 65 years old.

Atty. Ana Maria Katigbak, Director and Assistant Corporate Secretary – She holds the position of Assistant Corporate Secretary since 1999. She held the position of a director for seven years, or from 1999 to October 31, 2006, and then from June 27, 2007 up to the present. A member of the Integrated Bar of the Philippines and a graduate of Bachelor of Laws and Bachelor of Arts in Comparative Literature (Cum Laude) at the University of the Philippines, she is currently a partner at the Castillo Laman Tan Pantaleon San Jose Law Offices. Her other business experience in the last 5 years are as follows: assistant corporate secretary of publicly-listed companies and registered membership clubs such as: Boulevard Holdings, Inc., Premier Entertainment Productions, Inc., Solid Group, Inc., The Metropolitan Club, Inc., AJO.net Holdings, Inc. and PhilWeb.Corporation. She is also a lecturer at the Thames International Business School, Philippine Campus. Atty. Katigbak, a Filipino, is 54 years old.

Andrew Charles Ferguson, Director - Mr. Ferguson, 49 years old, British citizen, was elected Director on August 2, 2021. He holds a Bachelor of Science Degree in Natural Resource Development. Mr. Ferguson worked as a mining engineer in Western Australia in the mid 1990's. In 2003, Mr. Ferguson co-founded New City Investment Managers in the United Kingdom. He has a proven track record in fund management and was the former co-fund manager of City Natural Resources High Yield Trust, which was awarded "Best UK Investment Trust" in 2006. In addition, he managed New City High Yield Trust Ltd. and Geiger Counter Ltd. He worked for New City Investment Managers CQS Hong Kong, a financial institution providing investment management services to a variety of investors. He has 26 years of experience in the finance industry specializing in global natural resources.

Being a fund manager for assets in London and Hong Kong, he was responsible for day to day management of portfolios, risk management, business development, relationship management and working with independent boards, custodians and auditors to ensure that all shareholders' funds were managed properly. Mr. Ferguson is currently an Executive Director and the Chief Executive Officer of APAC Resources Limited (Stock Code: 1104), a company listed on the main board of The Stock Exchange of Hong Kong Limited, and an alternate director in Mount Gibson Iron Limited (Stock Code: MGX), a company listed on the Australian Securities Exchange.

Rodrigo B. Supeña, Independent Director - Mr. Rodrigo B. Supeña has been elected as Independent Director of the Company since March 31, 2009, and has served as such for more than two years now . Mr. Supeña, a seasoned banker has previously held various key positions in Land Bank of the Philippines, Bank of the Philippine Islands, as Consultant of Land Bank of the Philippines and as a Board Member of LBP Leasing Corporation. Mr. Supeña, a Filipino, is 82 years old.

Steven Gamboa Virata, Independent Director – Mr. Steven Virata joined the Company in 2001. A degree holder of B.S. Architecture from the University of the Philippines, he has more than 10 years experience in the aviation industry, marketing, architecture, graphic design and production, theater industry and farm management. His other business experiences in the last 5 years are as follows: currently, he is a Director of C. Virata and Associates, ATAR-IV, Inc., Chilco Holdings Inc., and V.L. Araneta Properties, Inc. He was elected last year and is nominated this year, as an independent director. Mr. Virata, a Filipino, is 65 years old.

Rodolfo D. Santiago, Independent Director - Retired Major General Rodolfo D. Santiago, Filipino, 62, is a graduate of the Philippine Military Academy, Class of 1982. He has more than 38 years of military service holding various positions in several specialized fields. He held command and staff positions of major importance in the fields of military communications, intelligence, civil military operations and infantry operations. He capped his military career as an educator serving as the 54th Commandant of the Armed Forces of the Philippines Command and General Staff College. He completed his 15-year intelligence career serving as a Commander of the Defense Intelligence and Security Group. His civil-military operations stint was topped by being designated as the Assistant Deputy Chief of Staff for Civil-Military Operations, J7 (AJ7). He also led the AFP in disaster response operations, training and education. He is currently serving as Chief Technology Officer of Dito Telecommunity Corporation and as a member of the Board of Advisers of the Tech Peace, Build Peace Movement. He works as an independent consultant of the Department of Education since January 2017 dealing largely with other stakeholders, disaster resiliency, peace education and schools in conflict areas. He is also a research consultant of Ateneo de Manila University on disaster resiliency since May 2017. Maj. Gen. Santiago served as an Independent Director of Philippine Infradev Holdings, Inc. from Aug. 17, 2017 to May 21, 2020.

Messrs. Rodrigo B. Supeña, Steven G. Virata and Rodolfo D. Santiago were elected as the Company's independent directors at the last annual stockholders' meeting held on November 28, 2022.

Gloria Georgia G. Garcia, Corporate Treasurer & Chief Financial Officer – A Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants, Ms. Garcia started her career with SGV & Co. Her work experience included more than three years as a junior auditor with the firm. Thereafter, she had few years in the recreation, gaming and hotel industries and more than twenty years in the real estate industry up to present. Ms. Garcia, a Filipino, is 53 years old.

All the directors and executive officers named above were elected to their positions for a term of one year and to serve as such until their successors are elected and qualified.

No director of the Company has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Except for the above-named directors and officers, the Registrant has no "significant employees" (as the term is defined under the SRC and its implementing rules and regulations).

(b) Independent Directors/Corporate Governance Committee

In compliance with SRC Rule 38 which provides for the guidelines on the nomination and election of independent directors, a Corporate Governance Committee which performs the functions of the erstwhile Nomination Committee has been created with the following as members:

1. Steven G. Virata - Chairman, Independent Director
2. Rodrigo B. Supeña - Member, Independent Director
3. Roberto V. San Jose - Member
1. Andrew Charles Ferguson - Member
5. Ana Maria A. Katigbak-Lim - Member

Under the Company's New Manual of Corporate Governance, the members of the Nomination Committee shall consist of at least three independent directors[1], one of whom shall be the Chairman thereof. The Corporate Governance Committee was tasked to accept and to pre-screen nominees for election as independent directors conformably with the criteria prescribed in the said SEC Memo Circular and the Company's Code of Corporate Governance, and to prepare and to make available to the SEC and the stockholders before the stockholders' meeting a Final List of Candidates as required in the said SEC Memo Circular.

In compliance with SRC Rule 38, hereunder is the Final List of Candidates for Independent Directors of Mabuhay Holdings Corporation for the term 2023-2024 based on nominations received and pre-screened by the Nomination Committee:

Name of Candidate	Nominated By
Mr. Rodrigo B. Supeña	Mr. Esteban G. Peña Sy
Mr. Steven G. Virata	Mr. Esteban G. Peña Sy
Gen. Rodolfo D. Santiago	Mr. Esteban G. Peña Sy

Mr. Peña Sy, presently a stockholder and the incumbent President of Mabuhay Holdings Corporation, is not related to any of his above-mentioned nominees.

Information about said candidates as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12 are as contained in this item 5.

To comply with the Securities and Exchange Commission (SEC) Memorandum Circular No. 5 which became effective March 10, 2017, the company submits herewith the Certificates of

1

Qualification of the independent directors in the form prescribed by the SEC. The term limits of the independent directors shall be in accordance with SEC Memorandum Circular No. 9, Series of 2011, which became effective beginning January 2, 2012. The term limits of the independent directors shall be for a maximum cumulative term of nine (9) years in accordance with SEC Memorandum Circular No. 4, Series of 2017, which became effective March 9, 2017. The reckoning date of the cumulative nine-year term is from 2012.

The stockholders and the board of directors of the Company have on May 20, 2008 duly approved to amend the Company's By-Laws by inserting a new provision therein relating to the procedure on nomination and election of independent directors as required under SRC Rule 38 of the Implementing Rules and Regulations of the Securities Regulations Code.

(c) Significant Employees

Aside from those listed above, the Company has no other executive officers or certain key personnel who are deemed to make significant contribution to the business.

(d) Family Relationships

No director or officer is related to the extent of the fourth civil degree either by consanguinity or affinity.

(e) Involvement in Certain Legal Proceedings

None of the directors and officers of the Company was involved, in the past five years up to the latest date, in any bankruptcy proceeding. Neither have they been during the same period convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law that are material to their evaluation as to their fitness for their respective positions.

The Company and its consolidated subsidiaries/affiliates are parties to various legal actions or proceedings. However, in the opinion of management, the ultimate liability, if any, resulting from these actions or proceedings, will not have a material effect on the Company's financial position.

(f) Certain Relationship and Related Transactions

During the last two (2) years, there had been no transaction or proposed transaction between the Registrant, on one hand, and its directors, nominees as director, record or beneficial shareholders, management, or members of their immediate family, on the other.

There are no related party transactions other than those presented in Note 15 of the Notes to the Consolidated Financial Statements as of December 31, 2022, a copy of which is hereto attached.

No other transaction was undertaken by the Company in which any Director or Executive Officer was involved or had a direct or indirect material interest.

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

(a) Summary Compensation Table

The annual compensation of the Company's President and three most highly compensated executive officers for the last two (2) fiscal years and the estimate for the ensuing year 2023 are as follows:

Name	Position	Year	Salary	Bonus	Other Annual Compensation	Total
Roberto V. San Jose	Chairman of the Board	2021 2022 2023 (est.)				
Esteban G. Peña Sy	President	2021 2022 2023 (est.)				
Delfin P. Angcao	Corporate Secretary	2021 2022 2023 (est.)				
Gloria Georgia G. Garcia	Treasurer	2021 2022 2023 (est.)				
Aggregate compensation (all key officers and directors as a group) Note: Registrant has no other executive officers except those named above.		2021 2022 2023 (est.)	2,760,000.00 2,820,000.00 2,820,000.00		360,000.00 360,000.00 360,000.00	3,120,000.00 3,180,000.00 3,180,000.00

* Figures for year 2023 were based on estimates.
* Each director receives a per diem of P5,000.00 for each board meeting attended.

(b) Compensation of Directors

Directors receiving compensation were either employed as officers of the Registrant receiving fixed monthly salary or receiving reimbursement of representation expenses incurred from time to time.

Executive officers employed by the Registrant, receiving fixed monthly salary (*see table above*) are Mr. Esteban G. Peña Sy and Ms. Gloria Georgia G. Garcia.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangement

There were no employment contracts, termination of employment, or any arrangement that resulted or may result in a change of control of the Registrant.

(d) Warrants and Options Outstanding

There are no outstanding warrants or options held by the Company's executive officers and directors as a group.

Item 7. **Independent Public Accountants**

The Registrant's external auditor, Isla, Lipana & Co. has been re-appointed during last year's annual stockholders' meeting held on November 28, 2022. The name of Isla, Lipana & Co.'s partner-in-charge for the ensuing year will be known on or before its re-appointment during the stockholders' meeting. The engagement partner for the year 2023 is Mr. Zaldy D. Aguirre.

There were no disagreements with the said Auditors with respect to accounting principles and practices, financial disclosures, or auditing scope or procedures. As in the previous years, representatives of the Registrant's auditors are expected to be present at this year's annual stockholders' meeting, available to respond to questions that may be asked by the stockholders. The said auditors will have the opportunity to make a statement if they desire to do so.

(a) Audit and Audit-Related Fees

The external auditors charged the Company and its subsidiaries an aggregate amount of P1.08M for the last two (2) calendar years ending December 31, 2022 and 2021. The Company is in compliance with SRC Rule 68, Paragraph 3(b)(ix) which requires the rotation of external auditors or their signing partners, including the 2-year cooling off period requirement in case of their re-engagement.

There are no other fees billed for the last two (2) years for assurance and related services rendered by the external auditors.

(b) Tax Fees

There were routine professional services rendered by the external auditors for tax accounting, compliance, advice, planning and any other form of tax services in each of the last two (2) calendar years ending December 31, 2022 and 2021. The fees for these services are included in the Audit and Audit-Related Fees mentioned above.

Tax consultancy services are secured from entities other than the external auditors.

(c) All Other Fees

There were no other fees billed for the last two (2) years for other professional services rendered by the external auditors during the period.

(d) Company Policy on Appointment of Independent Auditor

The President, SVP/Treasurer and CFO and the Audit & Related Party Transactions Committee recommend to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. The Board of Directors approves the recommendation for the appointment of the external auditor subject to approval/ratification by the stockholders at the annual stockholders' meeting.

The present members of the Audit & Related Party Transactions Committee of the Company are as follows:

Rodrigo B. Supeña	-	Chairman (Independent Director)
Steven G. Virata	-	Member (Independent Director)
Rodolfo D. Santiago	-	Member (Independent Director)
Ana Maria Katigbak-Lim	-	Member
Gloria Georgia G. Garcia	-	Non-voting Member

D. <u>OTHER MATTERS</u>

Item 15. **Action with Respect to Reports**

Summary of Items to be Submitted for Stockholders' Approval

(a) Approval of the minutes of the 2022 annual stockholders' meeting
(b) Approval of annual report of management and 2022 financial statements

Approval of the minutes of the 2022 annual stockholders' meeting will constitute a ratification of the accuracy and faithfulness of the record therein of the events that transpired during the said meeting. Among the matters taken up during the 2022 annual stockholders' meeting and reflected in the minutes thereof were the following: (a) approval of the minutes of the 2021 annual meeting; (b) approval of the 2021 management report and annual financial statements; (c) ratification of corporate acts; (d) election of directors; and (e) appointment of external auditors. This will not constitute a second approval of the same matters that were already taken up and approved during the said meeting. Approval of the annual report of management and 2021 financial statements will constitute a ratification of the Company's performance during the preceding year as contained or reflected in said annual report and financial statements.

Among the acts and resolutions of the board and management for which ratification by the stockholders will be sought are the following: (a) election of the officers and corporate governance committee members for the term 2022-2023; (b) setting the date of the 2022 annual stockholders' meeting and its record date.

Description of Voting and Voting Tabulation Procedures used in the 2021 annual meeting

Stockholders of record were allowed to vote by proxy or in absentia through the link provided by the Corporation for the 2022 annual stockholders' meeting. Stock Transfer Services, Inc. (STSI), the Corporation's stock transfer agent, acted as the board of canvassers for the annual meeting. They had access to the submitted proxies and the online voting portal of the Corporation, and based on the votes submitted, STSI was able to prepare the official tabulation of votes.

Description of opportunity given to stockholders to ask questions

The stockholders were encouraged to submit their questions before and during the November 28, 2022 annual stockholders' meeting. No questions or comments were raised by the Stockholders during the meeting.

Matters Discussed and Resolutions Reached and Record of Voting Results

Below is a summary of the tabulation of votes as confirmed by STSI:

2022 ASM Agenda Items	For	Against	Abstain
1. Approval of Minutes of the Previous Meeting of the Stockholders on November 28, 2022	**853,971,753**	0	0
2. Management Report and Approval of the 2021 Audited Financial Statements	**853,971,753**	0	0

3. Ratification of Resolutions, Contracts, Acts of the Board of Directors and Management	**853,971,753**	0	0
4. Election of Directors			
Nominees for Regular Directors			
a) Roberto V. San Jose	**853,971,753**	0	0
b) Esteban G. Peña Sy	**853,971,753**	0	0
c) Andrew Ferguson	**853,971,753**	0	0
d) Ana Maria A. Katigbak-Lim	**853,971,753**	0	0
Nominees for Independent Directors			
a) Rodrigo B. Supeña	**853,971,753**	0	0
b) Steven G. Virata	**853,971,753**	0	0
c) Rodolfo D. Santiago	**853,971,753**	0	0
5. Appointment of External Auditors		0	0

List of Directors, Officers, Stockholders and Other Related Attendees who attended the 2022 Annual Stockholders Meeting

The following Directors were present:

1. Roberto V. San Jose
2. Esteban G. Peña Sy
3. Andrew Ferguson
4. Ana Maria A. Katigbak-Lim
5. Rodrigo B. Supeña
6. Steven G. Virata

The following Officers of the Company were present:

1. Delfin P. Angcao
2. Gloria Georgia G. Garcia

The following shareholders were represented as follows:

Stockholders Participating in Absentia

Roberto V. San Jose	600
Esteban G.Peña Sy	2,010,050
Steven G.Virata	100

Rodrigo B. Supeña	50
Ana Maria A. Katigbak-Lim	50
Rodolfo D. Santiago	50
Total	2,010,900
Stockholders Represented by Proxy	
B.A. Securities Inc.	421,423,999
Prokey Investments Ltd.	351,289,763
Value Quest Securities Corp.	47,645,000
Tower Securities	19,915,000
Mindanao Appreciation Corp.	10,183,000
Triton Securities Corporation	1,057,000
South China Holdings Corp.	432,000
The Taal Co. Inc.	14,400
Delfin P. Angcao	641
Gloria Georgia G. Garcia	50
Total	851,960,853

Total No. of Shares Issued and Outstanding	**1,200,000,000**
Stockholders Participating in Absentia	2,010,900
Stockholders Represented by Proxy	851,960,853
Total No. of Shares Participating in Absentia & Represented by Proxy	853,971,753
Total Percentage of Shares Participating in Absentia & Represented by Proxy	71.16%

Other attendees:

Isla Lipana & Co. - External Auditor
Stock Transfer Services, Inc. - Stock Transfer Agent/Board of Canvass

Material Information on the Current Stockholders and Their Voting Rights

As discussed previously, the following are the Stockholders owning more than 5% of the Registrant's shares of stocks as of July 31, 2023:

Title of Class	Name And Address Of Record Owner And Relationship With Issuer	Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation 37/F The Enterprise Center, 6767 Ayala Avenue, Makati City	B.A. Securities, Inc.	Filipino	260,112,963	21.68%
Common	Prokey Investment Ltd. c/o Mabuhay Holdings Corporation: 35/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223	Esteban G. Peña Sy	Filipino	351,289,763	29.27%
Common	PCD Nominee Corporation G/F MSE Building 6767Ayala Avenue, Makati City	B.A. Securities, Inc.	Foreign	426,458,134	35.54%
Common	Guoco Securities (Phils.), Inc.	Guoco Securities (Phils.) Inc.	Filipino	123,192,131	10.27%
TOTAL				1,161,052,991	96.76%

Prokey Investment Ltd. (Prokey), an investment holding company, is a 100% Filipino-owned company registered in the British Virgin Islands and licensed by the SEC on March 15, 2010 to operate a Representative Office in the Philippines. Mr. Esteban Peña Sy, President of the Registrant is the owner of Prokey. Prokey holds 29.27% of the shares of the registrant while the remaining 70.73% is owned by various individuals and corporations.

Appraisals and performance report for the Board and Criteria and Procedure for Assessment

The Governance Committee oversees the annual performance evaluation of the Board, its board committees as well as the individual director's performance. The assessment criteria include the structure, efficiency and effectiveness of the Board as a body, the composition, organization and processes implemented within the different board committees and the knowledge, attendance and overall contribution of each member director to their respective board committees.

Directors Disclosures on self-dealing and related party transactions

The directors and officers of the Company did not have any dealing in the company's shares nor did they engage in any related party transactions during the year 2022.

Attached as **Annex "A"** of this Information Statement is a summary of the disclosure requirements under Section 49 of the Revised Corporation Code.

Item 18. **Other Proposed Actions**

(a) Ratification of resolutions, contracts and acts of the board of directors and management
(b) Election of directors
(c) Appointment of external auditors

Resolutions, contracts and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day to day operations of the Company as contained or reflected in the annual report and financial statements. These included the election of officers, composition of corporate governance committees and appointment of external auditors as previously disclosed to the Securities and Exchange Commission and the Philippine Stock Exchange. The summary of the resolutions, contracts and acts to be ratified may be found in **Annex "B"** hereof.

Item 19. **Voting Procedures**

Vote required for approval and election

The vote required for acts requiring stockholders' approval is majority of stocks present in a quorum, unless the law provides otherwise. In the election of directors, however, the seven (7) nominees obtaining the highest number of votes in accordance with the provisions of the Corporation Code, shall be proclaimed the directors.

Casting of votes will be done *in absentia* or by proxy as described in the attached Notice of Meeting, votes cast during the annual stockholders' meeting shall be counted by the Corporate Secretary.

Methods by which votes will be counted

A stockholder entitled to vote shall have the right to vote in person, *in absentia* or by proxy the number of shares of stock standing in his or her own name in the stock books of the Registrant as of the record date. A stockholder may vote *in absentia* or through proxy by submitting (i) the original signed and accomplished Proxy/Ballot form attached to the notice by mail, courier, or manual delivery to the front desk of the Corporation's principal office at the 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223; or (ii) a scanned copy thereof by email at the Corporation's email address at admin@mabuhayholdingscorp.com.

Counting of votes will be done by balloting. Votes cast in the election of directors shall be counted by the Nomination and Election Committee and/or the canvassing body, while those for other actions shall be counted by the Corporate Secretary.

ACCOMPANYING THIS INFORMATION STATEMENT IS A COPY OF THE NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING CONTAINING THE AGENDA THEREOF, AS WELL AS A COPY OF THE REGISTRANT'S MANAGEMENT REPORT AS REQUIRED UNDER SRC RULE 20 (4), AS AMENDED, THE COMPANY'S ANNUAL REPORT IN SEC FORM 17-A AND QUARTERLY REPORT FOR THE 2^{ND} QUARTER OF 2023 IN SEC FORM 17-Q.

REQUESTS FOR HARD COPIES OF THE FOREGOING DOCUMENTS MAY BE SENT TO [admin@mabuhayholdingscorp.com].

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in the City of Makati on **August 29, 2023.**

MABUHAY HOLDINGS CORPORATION
Registrant

By:

DELFIN P. ANGCAO
Corporate Secretary

Annex "A"

Disclosure Requirements under
Section 49 of the Revised Corporation Code

Disclosure Requirements	Compliance
A description of the voting and vote tabulation procedures used in the previous meeting;	Complied. Please refer to page 22 of the DIS.
A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given;	Complied. Please refer to page 22 of the DIS.
The matters discussed and resolutions reached;	Complied. Please refer to pages 22 and 23 of the DIS.
A record of the voting results for each agenda item;	
A list of the directors or trustees, officers and stockholders or members who attended the meeting;	Complied. Please refer to pages 23 and 24 of the DIS.
Material information on the current stockholders and their voting rights; and	Complied. Please refer to pages 24 and 25 of the DIS.
Appraisals and performance report for the Board and the criteria and procedure for assessment.	Complied. Please refer to page 25 of the DIS.
Directors disclosures on self-dealing and related party transactions.	We note that the directors and officers of the Company did not have any dealing in the company's shares nor did they engage in any related party transactions during the year 2022.

Annex "B"

Summary of Acts for Ratification

The acts for ratification from the date of the last stockholders' meeting include the following:

1. Approval of the 2022 consolidated financial statements of the Corporation and its consolidated subsidiaries and affiliates as audited by Isla Lipana & Co., and to designate the authorized representatives and officers that will sign, execute, and deliver such necessary documents and instruments (April 12, 2023); and

2. Authorization to transact and/or avail products, facilities, and services of PLDT, Inc., and its wholly and/or partly owned subsidiaries and/or affiliates, and to designate authorized representatives of the Corporation for such purpose (June 22, 2023).

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RODRIGO B. SUPEÑA,** Filipino, of legal age and a resident of 1423B Tower D, Two Serendra, Mckinley Parkway, Bonifacio Global City, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **MABUHAY HOLDINGS CORPORATION** (the "Company") and have been its independent director since 2009.

2. I am NOT affiliated with any other companies or organizations [including Government-Owned and Controlled Corporations ("GOCC").

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am NOT related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service or affiliated with a government agency or a GOCC as would require written permission or consent from the head of the agency/ department for me to be an independent director of the Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

Done this 3rd day of August 2023, at City of Makati.

RODRIGO B. SUPEÑA
Affiant

SUBSCRIBED AND SWORN to before me this ________ day of AUG 0 3 2023 at CITY OF MAKATI, affiant personally appeared before me and exhibited to me his Senior Citizen ID No. 1993631 issued at Makati City on July 2002.

Doc. No. 63;
Page No. 14;
Book No. XXXII;
Series of 2023.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 9563522 Jan. 3, 2023/ Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RODOLFO D. SANTIAGO,** Filipino, of legal age and a resident of 114 Oriole Drive, Victoria Valley Subdivision, Antipolo City, Rizal, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **MABUHAY HOLDINGS CORPORATION** (the "Company").

2. I am affiliated with the following companies or organizations [including Government-Owned and Controlled Corporations ("GOCC")]:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Dito Telecommunity Corp.	Chief Technology Officer	5 years

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am NOT related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service or affiliated with a government agency or a GOCC as would require written permission or consent from the head of the agency/ department for me to be an independent director of the Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

Done, this 3rd day of August 2023, at City of Makati.

RODOLFO D. SANTIAGO
Affiant

SUBSCRIBED AND SWORN to before me this AUG 0 3 2023 day of ___ ___ at CITY OF MAKATI, affiant personally appeared before me and exhibited to me his Passport No. P6306329A issued at DFA Manila on 06 March 2018.

Doc. No. 62;
Page No. 14;
Book No. XXXII;
Series of 2023.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 9563522 Jan. 3, 2023/ Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **STEVEN G. VIRATA,** Filipino, of legal age and a resident of 308 Bougainvilla St., Alabang Village, Alabang, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of MABUHAY HOLDINGS CORPORATION (the "Company") and have been its independent director since 2001.

2. I am affiliated with the following companies or organizations [including Government-Owned and Controlled Corporations ("GOCC")]:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
SGVirata Consult OPC	President	2022
Flying Bubble Tea Inc.	Director	2020 to present
Boba By Bike Philippines	Director, President	2021 to present
Segovia & Co.	Treasurer, Director	2014 to present
Intellicon, Inc.	Treasurer, Director	2014 to present
ATAR-IV, Inc.	Director, President	2005 to present
DXD Equestrian Specialist Inc.	Director, President	2015
Chilco Holdings, Inc.	Director, Treasurer	2003 to present
V.L. Araneta Properties, Inc.	Director and EVP	2005 to present
RPMC Resources, Inc.	Treasurer, Director	2012 to present
FEATI University	Treasurer, Director	2013 to present
Windsor Tower Condominium Association Inc.	President	2023 to present
Rainbow's End Homeowners Association Inc.	President	2022 to present
Equestrian Association of the Philippines	Vice-President	2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am NOT related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service or affiliated with a government agency or a GOCC as would require written permission or consent from the head of the agency/ department for me to be an independent director of the Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

Done, this 10th day of August 2023, at City of Makati.

STEVEN G. VIRATA
Affiant

SUBSCRIBED AND SWORN to before me this AUG 10 2023 day of ____________ at CITY OF MAKATI, affiant personally appeared before me and exhibited to me his/her Passport No. P4413787B issued at DFA Angeles on 16 Jan 2020.

Doc. No. 462;
Page No. 94;
Book No. XXXII;
Series of 2023.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 9563522 Jan. 3, 2023/ Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

CERTIFICATION

I, Gloria Georgia G. Garcia, Filipino, of legal age, with office address at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, after having been duly sworn to in accordance with law, do hereby depose and state that:

1. I am the Compliance Officer of MABUHAY HOLDINGS CORPORATION (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines, with principal office address 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City,

2. I hereby certify that none of the Corporation's Regular Directors, Independent Directors and Officers are appointed or employed in any government agency.

IN WITNESS WHEREOF, this Certificate was signed and issued this 14 August 2023 at City of Makati, Philippines.

Gloria Georgia G. Garcia
Compliance Officer

SUBSCRIBED AND SWORN to before me this AUG 1 4 2023 day of ________ at CITY OF MAKATI, affiant personally appeared before me and exhibited to me his/her ________ issued at ________ on ________.

Doc. No. 202;
Page No. 42;
Book No. XXVIII;
Series of 2023.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 9563522 Jan. 3, 2023/ Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

MABUHAY HOLDINGS CORPORATION

MANAGEMENT REPORT
Pursuant to SRC Rule 20 (4)

For the 2023 Annual Stockholders' Meeting

A. AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022 AND June 30, 2023 INTERIM FINANCIAL STATEMENTS

Registrant's audited consolidated financial statements for the fiscal year ended December 31, 2022 and interim financial statements for the period ended June 30, 2023 are attached.

B. INDEPENDENT PUBLIC ACCOUNTANTS

The Registrant's external auditor, Isla, Lipana & Co. has been re-appointed during last year's annual stockholders' meeting held on November 28, 2022. The engagement partner of Isla, Lipana & Co. for the year 2023 is Mr. Zaldy D. Aguirre.

There were no disagreements with the said Auditors with respect to accounting principles and practices, financial disclosures, or auditing scope or procedures. As in the previous years, representatives of the Registrant's auditors are expected to be present at this year's annual stockholders' meeting, available to respond to questions that may be asked by the stockholders. The said auditors will have the opportunity to make a statement if they desire to do so.

(a) Audit and Audit-Related Fees

The external auditors charged the Company and its subsidiaries an aggregate amount of P1.08M for the last two (2) calendar years ending December 31, 2022 and 2021. The Company is in compliance with SRC Rule 68, Paragraph 3(b)(ix) which requires the rotation of external auditors or their signing partners, including the 2-year cooling off period requirement in case of their re-engagement.

There are no other fees billed for the last two (2) years for assurance and related services rendered by the external auditors.

(b) Tax Fees

There were routine professional services rendered by the external auditors for tax accounting, compliance, advice, planning and any other form of tax services in each of the last two (2) calendar years ending December 31, 2022 and 2021. The fees for these services are included in the Audit and Audit-Related Fees mentioned above.

Tax consultancy services are secured from entities other than the external auditors.

(c) All Other Fees

There were no other fees billed for the last two (2) years for other professional services rendered by the external auditors.

(d) Company Policy on Appointment of Independent Auditor

The President, SVP/Treasurer and CFO and the Audit Committee recommend to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. The Board of Directors approves the recommendation for the appointment of the external auditor subject to approval/ratification by the stockholders at the annual stockholders' meeting.

The present members of the Audit Committee of the Company are as follows:

Rodrigo B. Supeña	-	Chairman (Independent Director)
Steven G. Virata	-	Member (Independent Director)
Rodolfo D. Santiago	-	Member (Independent Director)
Ana Maria Katigbak-Lim	-	Member
Gloria Georgia G. Garcia	-	Non-voting Member

C. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

The following discussion should be read in conjunction with the Consolidated Financial Statements of the Registrant that are incorporated to this Report by reference. Such Consolidated Financial Statements have been prepared in accordance with Philippine Financial Reporting Standards.

On November 18, 2020, the Group entered into an agreement for the development of an affordable housing project. As at June 30, 2023, construction and development of the project has been completed.

As for its investment properties, the Group sold two parcels of land in 2021 and has entered into a new lease contract with a new tenant for a period of three (3) years commencing on September 15, 2021.

The Group plans to use the proceeds from the sale of PIHI shares and proceeds from the sale to acquire properties for rental purposes and concentrate on this as its main short-term operating activity. Management believes that this move is strategic and will be beneficial for the Group in the long run. The Group intends to become more liquid and flexible while pursuing bigger urban real property development projects together with its foreign business partners.

The following comprise the Group's short-term and long-term plans:

1. To acquire developed properties with the intention of converting such properties for lease operations;
2. To acquire properties for development and to lease these properties;
3. To acquire properties for development of affordable housing units as part of our corporate social
   responsibility to contribute to the housing requirements of the country;
4. To continue to retain its investment in stocks of PIHI for capital appreciation and eventual cash
   flows from future dividend declarations, and to invest in stocks listed in the Philippine Stock Exchange on a broader scope; and
5. To continue to retain its investment properties for appreciation, and to plan for the possible development of the prime properties.

As at June 30, 2023, the Group is in the process of negotiation for the acquisition of a property with the intention of developing affordable housing units to be undertaken by a subsidiary, T&M Holdings, Inc. The Group believes that it can satisfy its cash requirements within the next twelve (12) months from its available funds. There are no expected significant changes in its employees within the next twelve (12) months. Should the planned development materialize, the Group can source funds primarily from its investments in securities and from its investment properties.

The above plans will contribute to improve the results of operation of the Group in the following years.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Management, under the direction of the Board of Directors of the Group is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group's financial performance due to the unpredictability of financial markets.

The Company's equity position is in compliance with the minimum statutory requirements applicable to public companies. Given the very limited operating activities undertaken by the Group, it does not require intensive capitalization. The Group's main objective is to ensure it has adequate capital moving forward to pursue its land disposal plans at optimum gain.

Other than its gear towards opening projects on affordable housing, the Group does not anticipate other heavy requirement for working capital in 2023.

SECOND QUARTER ENDED JUNE 30, 2023

Results of Financial Operations

January to June 2023 compared with January to June 2022

	Six Months Ended June 30			
	2023	**2022**	**Increase (Decrease)**	**%**
Income	4,829,491	7,076,500	(2,247,009)	(31.75%)
Expenses	37,469,486	47,940,449	(10,470,963)	(21.84%)
Net Income (loss)	(32,984,801)	(41,697,232)	8,712,431	(20.89%)

A comparative review of the Registrant's financial operations for the six-months period ended June 30, 2023 vis-à-vis the same period of prior year showed the following:

Total Income decreased by P2.247 million or 31.75% mainly due to decrease in management and service fees recognized during the period. Interest income recognized for the current period amounted to P436k and foreign exchange gains amounted to P0- as compared to P396k and P410k, respectively for the same period of 2022. Total expenses decreased by P10.471 million or 21.84% mainly due to lower unrealized loss on revaluation of securities of P25.327 million as of June 30, 2023 as compared to P36.985 million recognized in 2022.

Net loss before income taxes registered at P32.640 million for the first two quarters of 2023 and net loss after income tax provision amounted to P32.985 million.

April to June 2023 compared with April to June 2022

	Three Months Ended June 30			
	2023	**2022**	**Increase (Decrease)**	**%**

Income	2,033,441	3,526,979	(1,493,538)	(42.35%)
Expenses	23,806,806	8,050,782	15,756,024	195.71%
Net Income (loss)	(21,858,417)	(4,989,089)	(16,869,328)	338.12%

A comparative review of the Registrant's financial operations for the three-months period ended June 30, 2023 vis-à-vis the same period of prior year showed the following:

Total Income decreased by P1.493 million or 42.35% mainly due to decrease in management and service fees recognized during the period. Total expenses increased by P15.756 million or 195.71% mainly due to the unrealized loss on revaluation of securities amounting to P18.928 million for the period April to June 2023.

Net loss before income taxes registered at P21.773 million for the period April to June of 2023 and net loss after income tax provision amounted to P21.858 million.

There is no significant element of income that did not arise from the Registrant's continuing operations, neither is the Company's operations affected by any seasonality or cyclical trends.

Financial Position

	June 30, 2023	**December 31, 2022**		
	(Unaudited)	**(Audited)**	**Increase (Decrease)**	**%**
Current Assets	289,087,165	321,629,745	(32,542,580)	(10.12%)
Non-current Assets	539,930,039	539,998,466	(68,427)	(0.01%)
Total Assets	829,017,204	861,628,211	(32,611,007)	(3.78%)
Current Liabilities	230,616,841	230,243,047	373,794	0.16%
Non-current Liabilities	134,002,660	134,002,660	-	0.00%
Equity	464,397,703	497,382,504	(32,984,801)	(6.63%)

Explanation to Accounts with Material Variance (June 2023 vs. December 2022)

Current Assets
Cash amounted to P67.857 million as of June 30, 2023 as compared to P83.241 million as of December 31, 2022, or a decrease of 18.48% or P15.4 million attributed mainly to cash used for working capital and for development of the affordable housing project.

Financial assets at fair value through profit or loss amounted to P156.237 million as of June 30, 2023 as compared to P179.709 million as of December 31, 2022, or a decrease of 13.06% or P23.472 million mainly due to recognition of unrealized loss on revaluation of securities as of end of June 2023 and additional investments of P1.855 million.

Receivables and other current assets amounted to P64.993 million as of June 30, 2023 as compared to P58.679 million as of December 31, 2022, or an increase of P6.314 million or 10.76% mainly due to additional receivables related to the development of affordable housing project.

Non-Current Assets
Property and equipment, net amounted to P0.406 million as of June 30, 2023 as compared to P0.474 million as of December 31, 2022, or a decrease of 14.42% or P68k mainly due to additions net of depreciation charges for the first two quarters of the year.

Investment properties amounted to P539.524 million as of June 30, 2023 and December 31, 2022. There is no increase in appraised value recognized during the first two quarters of 2023.

Current Liabilities
Accounts payable and other current liabilities amounted to P12.975 million as of June 30, 2023 as compared to P12.810 million as of December 31, 2022, or an increase of 1.29% or P165k mainly due to accruals.

Equity
Retained Earnings (Deficit) amounted to (P661.679 million) as of June 30, 2023 and (P631.296 million) as of December 31, 2022, or an increase in Deficit of P30.383 million attributed mainly to the net loss incurred by the Group for the first two quarters of the year.

FIRST QUARTER ENDED MARCH 31, 2023

Results of Financial Operations

January to March 2023 compared with January to March 2022

	Three Months Ended March 31			
	2023	**2022**	**Increase (Decrease)**	**%**
Income	2,887,710	3,549,521	(661,811)	(18.65%)
Expenses	13,754,340	39,889,667	(26,135,327)	(65.52%)
Net Income (loss)	(11,126,384)	(36,708,143)	25,581,759	(69.69%)

A comparative review of the Registrant's financial operations for the quarter ended March 31, 2022 vis-à-vis the same period of prior year showed the following:

Total Income decreased by P0.662 million or 18.65% mainly due to lower management and service fees recorded during the current period and lower dividend income received. Interest income is slightly lower during the current period by P28k or 14.5%. Foreign exchange gains in for the first quarter of 2023 is zero as compared to P116K in the same period of 2022.

Total expenses decreased by P26.135 million or 65.52% mainly due to lower unrealized loss on revaluation of securities of P6.399 million during the first quarter as compared to P33.993 million recognized in the same period of 2022.

Net loss before income taxes registered at P10.867 million for the first quarter of 2023 and net loss after income tax provision amounted to P11.126 million.

There are no significant elements of income that did not arise from the Registrant's continuing operations, neither is the Company's operations affected by any seasonality or cyclical trends.

Financial Position

	March 31, 2023	December 31, 2022		
	(Unaudited)	(Audited)	Increase (Decrease)	%
Current Assets	311,209,345	321,629,745	(10,420,400)	(3.24%)
Non-current Assets	539,866,583	539,998,466	(131,883)	(0.02%)
Total Assets	851,075,928	861,628,211	(10,552,283)	(1.22%)
Current Liabilities	230,817,148	230,243,047	574,101	0.25%
Non-current Liabilities	134,002,660	134,002,660	0	0.00%
Equity	486,256,120	497,382,504	(11,126,384)	(2.24%)

Explanation to Accounts with Material Variance (March 2023 vs. December 2022)

Current Assets
Cash amounted to P71.042 million as of March 31, 2023 as compared to P83.241 million as of December 31, 2022, or a decrease of 14.66% or P12.2 million attributed mainly to cash used for working capital and for development of the affordable housing project.

Financial assets at fair value through profit or loss amounted to P175.165 million as of March 31, 2022 as compared to P179.709 million as of December 31, 2022, or a decrease of 2.53% or P4.544 million mainly due to recognition of unrealized loss on revaluation of securities as of end of March 2023 and additional investments of P1.855 million.

Receivables and other current assets amounted to P65.003 million as of March 31, 2023 as compared to P58.679 million as of December 31, 2022, or an increase of P6.324 million or 10.78% mainly due to additional receivables related to the development of affordable housing project.

Non-Current Assets
Property and equipment, net amounted to P0.343 million as of March 31, 2023 as compared to P0.474 million as of December 31, 2022, or a decrease of 27.8% or P132k mainly due to depreciation charges for the first quarter.

Investment properties amounted to P539.524 million as of March 31, 2023 and December 31, 2022. There is no increase in appraised value recognized during the first quarter of 2023.

Current Liabilities
Accounts payable and other current liabilities amounted to P12.880 million as of March 31, 2023 as compared to P12.810 million as of December 31, 2022, or an increase of 0.54% or P70k mainly due to accruals.

Equity
Retained Earnings (Deficit) amounted to (P641.460 million) as of March 31, 2023 and (P631.296 million) as of December 31, 2022, or an increase in Deficit of P10.164 million attributed mainly to the net loss incurred by the Group for the first quarter.

FULL FISCAL YEARS

The tables below summarize horizontal and vertical analyses of the results of operations for the year ended December 31, 2022 as compared to the same period of 2021 and 2020:

TABLE I.

	Year Ended December 31			***2022 vs 2021***		***2021 vs 2020***	
In Millions (PhP)	***2022***	***2021***	***2020***	*Amount*	*%*	*Amount*	*%*
Income	28.672	31.266	99.752	(2.59)	(8.30%)	(68.49)	(68.66%)
Expenses	98.415	69.234	17.513	29.18	42.15%	51.72	295.33%
Income (loss) before income tax	(69.743)	(37.968)	82.239	(31.78)	83.69%	(120.21)	(146.17%)
Income tax (expense) benefit	(1.713)	21.720	9.687	(23.43)	(107.89%)	12.03	124.22%
Net Income (Loss) for the year	(71.456)	(16.248)	91.926	(55.21)	339.78%	(108.17)	(117.68%)
Other comprehensive income for the year	0.000	0.000	0.000	0.00	0.00%	0.00	0.00%
Total comprehensive income for the year	(71.456)	(16.248)	91.926	(55.21)	339.78%	(108.17)	(117.68%)

TABLE II.

	Year Ended December 31					
In Millions (PhP)	***2022***		***2021***		***2020***	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
Income	28.672	100.00%	31.266	100.00%	99.752	100.00%
Expenses	98.415	343.24%	69.234	221.44%	17.513	17.56%
Income (loss) before income tax	(69.743)	(243.24%)	(37.968)	(121.44%)	82.239	82.44%
Income tax (expense) benefit	(1.713)	(5.97%)	21.720	69.47%	9.687	9.71%
Net Income (Loss) for the year	(71.456)	(249.22%)	(16.248)	(51.97%)	91.926	92.15%
Other comprehensive income for the year	0.000	0.00%	0.000	0.00%	0.000	0.00%

Total comprehensive income for the year	(71.456)	(249.22%)	(16.248)	(51.97%)	91.926	92.15%

The following tables summarize the horizontal and vertical analyses of the financial condition as December 31, 2022 as compared to December 31, 2021 and 2020:

TABLE III.

In Millions (PhP)	***December 31***			***2022 vs 2021***		***2021 vs 2020***	
	2022	***2021***	***2020***	*Amount*	*%*	*Amount*	*%*
Current assets							
Cash	83.242	171.837	212.752	(88.595)	(51.56%)	(40.915)	(19.231%)
Financial assets at FVPL	179.709	202.744	251.620	(23.035)	(11.36%)	(48.876)	(19.425%)
Receivables and other current assets	58.679	88.689	30.939	(30.010)	(33.84%)	57.750	186.658%
Total current assets	**321.630**	**463.270**	**495.311**	**(141.640)**	**(30.57%)**	**(32.041)**	**(6.469%)**
Non-current Assets							
Property and equipment, net	0.474	0.931	1.235	(0.457)	(49.09%)	(0.304)	(24.615%)
Investment properties	539.524	522.127	527.800	17.397	3.33%	(5.673)	(1.075%)
Total non-current assets	**539.998**	**523.058**	**529.035**	**16.940**	**3.24%**	**(5.977)**	**(1.130%)**
Total assets	**861.628**	**986.328**	**1,024.346**	**(124.700)**	**(12.64%)**	**(38.018)**	**(3.711%)**
Current Liabilities							
Accounts payable and other current liabilities	12.810	13.163	12.284	(0.353)	(2.68%)	0.879	7.156%
Borrowings	13.625	13.625	13.625	0.000	0.00%	0.000	0.000%
Advances from related parties	8.992	9.561	9.226	(0.569)	(5.95%)	0.335	3.631%
Income tax payable	0.120	5.330	0.259	(5.210)	(97.75%)	5.071	1,957.915 %
Provision for litigation claims	0.000	47.770	47.770	(47.770)	(100.00%)	0.000	0.000%
Advances from prospective shareholders	194.696	194.696	194.696	0.000	0.00%	0.000	0.000%
Total current liabilities	**230.243**	**284.145**	**277.860**	**(53.902)**	**(18.97%)**	**6.285**	**2.262%**
Non-current Liabilities							
Retirement benefits obligation	2.582	2.856	3.342	(0.274)	(9.59%)	(0.486)	(14.542%)
Deferred income tax liabilities, net	131.421	130.489	158.057	0.932	0.71%	(27.568)	(17.442%)

Total non-current liabilities	**134.003**	**133.345**	**161.399**	**0.658**	**0.49%**	**(28.054)**	**(17.382%)**
Total liabilities	**364.246**	**417.490**	**439.259**	**(53.244)**	**(12.75%)**	**(21.769)**	**(4.956%)**
Equity							
Share capital	975.534	975.534	975.534	0.000	0.00%	0.000	0.000%
Treasury shares	(58.628)	(58.628)	(58.628)	0.000	0.00%	0.000	0.000%
Deficit	(631.296)	(558.933)	(523.341)	(72.363)	12.95%	(35.592)	6.801%
Non-controlling interest	211.772	210.865	191.522	0.907	0.43%	19.343	10.100%
Total equity	**497.382**	**568.838**	**585.087**	**(71.456)**	**(12.56%)**	**(16.249)**	**(2.777%)**
Total liabilities and equity	**861.628**	**986.328**	**1,024.346**	**(124.700)**	**(12.64%)**	**(38.018)**	**(3.711%)**

TABLE IV.

In Millions (PhP)	***December 31***					
	2022		***2021***		***2020***	
	Amount	*%*	***Amount***	*%*	***Amount***	*%*
Current assets						
Cash	83.242	9.661%	171.837	17.422%	212.752	20.770%
Financial assets at FVPL	179.709	20.857%	202.744	20.555%	251.620	24.564%
Receivables and other current assets	58.679	6.810%	88.689	8.992%	30.939	3.020%
Total current assets	**321.630**	37.328%	**463.270**	46.969%	**495.311**	48.354%
Non-current Assets						
Property and equipment, net	0.474	0.055%	0.931	0.094%	1.235	0.121%
Investment properties	539.524	62.617%	522.127	52.936%	527.800	51.526%
Total non-current assets	**539.998**	62.672%	**523.058**	53.031%	**529.035**	51.646%
Total assets	**861.628**	**100.000%**	**986.328**	100.000%	**1,024.346**	100.000%
Current Liabilities						
Accounts payable and other current liabilities	12.810	1.487%	13.163	1.335%	12.284	1.199%
Borrowings	13.625	1.581%	13.625	1.381%	13.625	1.330%
Advances from related parties	8.992	1.044%	9.561	0.969%	9.226	0.901%
Income tax payable	0.120	0.014%	5.330	0.540%	0.259	0.025%
Provision for litigation claims	0.000	0.000%	47.770	4.843%	47.770	4.663%

Advances from prospective shareholders	194.696	22.596%	194.696	19.739%	194.696	19.007%
Total current liabilities	**230.243**	26.722%	**284.145**	28.808%	**277.860**	27.126%
Non-current Liabilities						
Retirement benefits obligation	2.582	0.300%	2.856	0.290%	3.342	0.326%
Deferred income tax liabilities, net	131.421	15.253%	130.489	13.230%	158.057	15.430%
Total non-current liabilities	**134.003**	15.552%	**133.345**	13.519%	**161.399**	15.756%
Total liabilities	**364.246**	42.274%	**417.490**	42.328%	**439.259**	42.882%
Equity						
Share capital	975.534	113.220%	975.534	98.906%	975.534	95.235%
Treasury shares	(58.628)	(6.804%)	(58.628)	(5.944%)	(58.628)	(5.723%)
Deficit	(631.296)	(73.268%)	(558.933)	(56.668%)	(523.341)	(51.090%)
Non-controlling interest	211.772	24.578%	210.865	21.379%	191.522	18.697%
Total equity	**497.382**	57.726%	**568.838**	57.672%	**585.087**	57.118%
Total liabilities and equity	**861.628**	100.000%	**986.328**	100.000%	**1,024.346**	100.000%

YEAR 2022 (VS. 2021)

Results of Financial Operations

January to December 2022 compared with January to December 2021

	Year Ended December 31		***2022 vs 2021***	
In Millions (PhP)	***2022***	***2021***	*Amount*	*%*
Income	28.672	31.266	(2.59)	(8.30%)
Expenses	98.415	69.234	29.18	42.15%
Income (loss) before income tax	(69.743)	(37.968)	(31.78)	83.69%
Income tax (expense) benefit	(1.713)	21.720	(23.43)	(107.89%)
Net Income (Loss) for the year	(71.456)	(16.248)	(55.21)	339.78%
Other comprehensive income for the year	0.000	0.000	0.00	0.00%
Total comprehensive income for the year	(71.456)	(16.248)	(55.21)	339.78%

A comparative review of the Registrant's financial operations for the year ended **December 31, 2022** vis-à-vis the same period last year showed the following:

Total income decreased by P2.59M or 8.3% mainly due to the following: (a) increase in rental revenue as a new contract has been signed in the third quarter of 2021 for the lease of half of 35th Floor office space; (b) recognition of management and service fees related to the affordable housing project undertaken by the subsidiary TMHI; and (c) recognition of gain on fair value change in investment properties as a result of the appraisal. Interest income recognized for 2022 amounted to P422k and foreign exchange gains amounted to P516k as compared to P894k and P278k, respectively for 2021. Total expenses increased by P29.2 million or 42.15% mainly due to the recognition of loss on litigation claims and unrealized loss on revaluation of securities.

Net loss before income taxes registered at (P69.74M) for 2022 and net loss for the year registered at (P71.5M) after income tax provision. Losses from operations arise mainly from the unrealized losses from revaluation of financial assets. The Registrant continues to pursue its long-term an short term plans to support the Group's operations.

There are no significant elements of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Financial Position

In Millions (PhP)	***December 31***		***2022 vs 2021***	
	2022	***2021***	*Amount*	*%*
Current assets				
Cash	83.242	171.837	(88.595)	(51.56%)
Financial assets at FVPL	179.709	202.744	(23.035)	(11.36%)
Receivables and other current assets	58.679	88.689	(30.010)	(33.84%)
Total current assets	**321.630**	**463.270**	**(141.640)**	**(30.57%)**
Non-current Assets				
Property and equipment, net	0.474	0.931	(0.457)	(49.09%)
Investment properties	539.524	522.127	17.397	3.33%
Total non-current assets	**539.998**	**523.058**	**16.940**	**3.24%**
Total assets	**861.628**	**986.328**	**(124.700)**	**(12.64%)**
Current Liabilities				
Accounts payable and other current liabilities	12.810	13.163	(0.353)	(2.68%)
Borrowings	13.625	13.625	0.000	0.00%
Advances from related parties	8.992	9.561	(0.569)	(5.95%)
Income tax payable	0.120	5.330	(5.210)	(97.75%)
Provision for litigation claims	0.000	47.770	(47.770)	(100.00%)
Advances from prospective shareholders	194.696	194.696	0.000	0.00%
Total current liabilities	**230.243**	**284.145**	**(53.902)**	**(18.97%)**
Non-current Liabilities				

Retirement benefits obligation	2.582	2.856	(0.274)	(9.59%)
Deferred income tax liabilities, net	131.421	130.489	0.932	0.71%
Total non-current liabilities	**134.003**	**133.345**	**0.658**	**0.49%**
Total liabilities	**364.246**	**417.490**	**(53.244)**	**(12.75%)**
Equity				
Share capital	975.534	975.534	0.000	0.00%
Treasury shares	(58.628)	(58.628)	0.000	0.00%
Deficit	(631.296)	(558.933)	(72.363)	12.95%
Non-controlling interest	211.772	210.865	0.907	0.43%
Total equity	**497.382**	**568.838**	**(71.456)**	**(12.56%)**
Total liabilities and equity	**861.628**	**986.328**	**(124.700)**	**(12.64%)**

Explanation to Accounts with Material Variance (December 2022 vs. December 2021)

Current Assets
Cash amounted to P83.242 million as of December 31, 2022 as compared to P171.837 million as of December 31, 2021 or a decrease of P88.6M or 51.56% attributed mainly due to release of funds to finance the ongoing construction and development of the affordable housing project and the settlement of litigation claims.

Financial assets at fair value through profit or loss amounted to P179.709 million as of December 31, 2022 as compared to P202.744 million as of December 31, 2021, or a decrease of 11.36% or P23.03 million mainly due to recognition of unrealized loss on revaluation of securities as of end of December 2022.

Receivables and other current assets amounted to P58.68 million of December 31, 2022 as compared to P88.7 million of December 31, 2021, or a decrease of P30.01 million or 33.84% mainly due to the collection of remaining receivables from the sale of two parcels of land.

Non-current Assets
Property and equipment, net amounted to P0.474 million as of December 31, 2022 as compared to P0.931 million as of December 31, 2021, or a decrease of 49.03% or P0.456 million mainly due to depreciation charges for the year net of additional acquisition.

Investment properties amounted to P539.524 million as of December 31, 2022 as compared to P522.127 million as of and December 31, 2021, or an increase of 3.33% or P17.397 million mainly due to the recognition of unrealized gain on revaluation as of end of the year.

Current Liabilities
Accounts payable and other current liabilities amounted to P12.810 million as of December 31, 2022 as compared to P13.163 million as of December 31, 2021, or a decrease of 2.7% or P0.353 million mainly due to payments/remittances.

Advances from related parties amounted to P8.992 million as of December 31, 2022 as compared to P9.561 million as of December 31, 2021, or a decrease of 5.95% or P0.569 million mainly due to payments for advances.

Income tax payable amounted to P0.120 million as of December 31, 2022 as compared to P5.33 million as of December 31, 2021, or a decrease of 97.74% or P5.21 million mainly due to lower income taxes for 2022.

Provision for litigation claims amounted to P-0- as of December 31, 2022 as compared to P47.77 million as of December 31, 2021, or a 100% decrease mainly due to the final settlement of the case.

Non-current Liabilities
Retirement benefit obligation amounted to P2.582 million as of December 31, 2022 as compared to P2.856 million as of December 31, 2021, or a decrease of P0.274 million or 9.59% due adjustment in the provision.

Deferred income tax liabilities, net amounted to P131.42 million as of December 31, 2022 as compared to P130.489 million as of December 31, 2021, or an increase of P0.932 million or 0.71% due additional provision.
Equity
Retained Earnings (deficit) amounted to (P631.3 million) as of December 31, 2022 as compared to (P558.93 million) as of December 31, 2021, or an increase in Deficit of P72.36 million or 6.8% mainly due to the effect of net loss attributable to shareholders of the Parent company recognized for the year.

YEAR 2021 (VS. 2020)

Results of Financial Operations
January to December 2021 compared with January to December 2020

	Year Ended December 31		***2021 vs 2020***	
In Millions (PhP)	***2021***	***2020***	*Amount*	*%*
Income	31.266	99.752	(68.49)	(68.66%)
Expenses	69.234	17.513	51.72	295.33%
Income (loss) before income tax	(37.968)	82.239	(120.21)	(146.17%)
Income tax (expense) benefit	21.720	9.687	12.03	124.22%
Net Income (Loss) for the year	(16.248)	91.926	(108.17)	(117.68%)
Other comprehensive income for the year	0.000	0.000	0.00	0.00%
Total comprehensive income for the year	(16.248)	91.926	(108.17)	(117.68%)

A comparative review of the Registrant's financial operations for the year ended **December 31, 2021** vis-à-vis the same period last year showed the following:

Total income decreased by P68.49M or 68.66% mainly due to the unrealized gain on revaluation of financial assets at FVPL of P27.34M recognized in 2020 and None in 2022, decline in unrealized gain on fair value of investment properties as a result of the sale of two parcels of land in 2021 and decrease in rental income from P8.2M in 2020 to P1.6M in 2021 as lessees of the office spaces did not renew in 2021 and a new tenant came in only in September 2021. Total expenses increased by P51.72M or

295.32% mainly due to the unrealized loss on revaluation of financial assets at FVPL amounting to P48.876M in 2021 as compared to None in 2021.

Net loss before income taxes registered at (P37.97M) for 2021 and net loss for the year registered at (P16.248M) after income tax benefit provision.

There are no significant elements of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Financial Position

In Millions (PhP)	***December 31***		***2021 vs 2020***	
	2021	***2020***	*Amount*	*%*
Current assets				
Cash	171.837	212.752	(40.915)	(19.231%)
Financial assets at FVPL	202.744	251.620	(48.876)	(19.425%)
Receivables and other current assets	88.689	30.939	57.750	186.658%
Total current assets	**463.270**	**495.311**	**(32.041)**	**(6.469%)**
Non-current Assets				
Property and equipment, net	0.931	1.235	(0.304)	(24.615%)
Investment properties	522.127	527.800	(5.673)	(1.075%)
Total non-current assets	**523.058**	**529.035**	**(5.977)**	**(1.130%)**
Total assets	**986.328**	**1,024.346**	**(38.018)**	**(3.711%)**
Current Liabilities				
Accounts payable and other current liabilities	13.163	12.284	0.879	7.156%
Borrowings	13.625	13.625	0.000	0.000%
Advances from related parties	9.561	9.226	0.335	3.631%
Income tax payable	5.330	0.259	5.071	1,957.915%
Provision for litigation claims	47.770	47.770	0.000	0.000%
Advances from prospective shareholders	194.696	194.696	0.000	0.000%
Total current liabilities	**284.145**	**277.860**	**6.285**	**2.262%**
Non-current Liabilities				
Retirement benefits obligation	2.856	3.342	(0.486)	(14.542%)
Deferred income tax liabilities, net	130.489	158.057	(27.568)	(17.442%)
Total non-current liabilities	**133.345**	**161.399**	**(28.054)**	**(17.382%)**
Total liabilities	**417.490**	**439.259**	**(21.769)**	**(4.956%)**
Equity				
Share capital	975.534	975.534	0.000	0.000%

Treasury shares	(58.628)	(58.628)	0.000	0.000%
Deficit	(558.933)	(523.341)	(35.592)	6.801%
Non-controlling interest	210.865	191.522	19.343	10.100%
Total equity	**568.838**	**585.087**	**(16.249)**	**(2.777%)**
Total liabilities and equity	**986.328**	**1,024.346**	**(38.018)**	**(3.711%)**

Explanation to Accounts with Material Variance (December 2021 vs. December 2020)

Current Assets

Cash amounted to P171.837 million as of December 31, 2021 as compared to P212.751 million as of December 31, 2020 or a decrease of P40.9M or 19.23% attributed mainly due to release of funds to finance the ongoing construction and development of the affordable housing project.

Financial assets at fair value through profit or loss amounted to P202.744 million as of December 31, 2021 as compared to P251.620 million as of December 31, 2020, or a decrease of 19.42% or P48.9 million mainly due to recognition of unrealized loss on revaluation of securities as of end of December 2021.

Receivables and other current assets amounted to P88.7 million of December 31, 2021 as compared to P30.94 million as of December 31, 2020, or an increase of P57.75 million or 186.66% mainly due to increase in advances for the construction and development of the affordable housing project and the remaining receivables from the sale of two parcels of land amounting to P22.16 million.

Non-current Assets

Property and equipment, net amounted to P0.931 million as of December 31, 2021 as compared to P1.235 million as of December 31, 2020, or a decrease of 24.61% or P0.304 million mainly due to depreciation charges for the year net of additional acquisition.

Investment properties amounted to P522.127 million as of December 31, 2021 as compared to P527.800 million as of December 31, 2020, or a decrease of P5.673 million or 1.07% mainly due to the recognition of gain on fair value as a result of the appraisal of the properties offset by the decline in investment properties due to the sale of two parcel of lands during the year.

Current Liabilities

Accounts payable and other current liabilities amounted to P13.163 million as of December 31, 2021 as compared to P12.283 million as of December 31, 2020, or an increase of 7.16% or P0.879 million mainly due to accruals.

Income tax payable amounted to P5.33 million as of December 31, 2021 as compared to P0.258 million as of December 31, 2020, or an increase of 1960.89% or P5.071 million mainly due to income taxes attributable to the realized gain on sale of two parcels of land during the year.

Non-current Liabilities

Retirement benefit obligation amounted to P2.856 million as of December 31, 2021 as compared to P3.342 million as of December 31, 2020, or a decrease of P0.486 million or 14.542% due adjustment in the provision.

Deferred income tax liabilities, net amounted to P130.489 million as of December 31, 2021 as compared to P158.057 million as of December 31, 2020, or a decrease of P27.569 million or 17.44% due mainly to reduction in tax rates brought by the CREATE Law from 30% to 20-25%.

Equity
Retained Earnings (deficit) amounted to (P558.93 million) as of December 31, 2021 as compared to (P523.34 million) as of December 31, 2020, or an increase in Deficit of P35.59 million or 6.8% mainly due to the effect of net loss attributable to shareholders of the Parent company recognized for the year.

YEAR 2020 (VS. 2019)

Results of Financial Operations

January to December 2020 compared with January to December 2019

	Year Ended December 31		***2020 vs 2019***	
In Millions (PhP)	***2020***	***2019***	*Amount*	*%*
Income	99.752	103.533	(3.78)	(3.65%)
Expenses	17.513	258.394	(240.88)	(93.22%)
Income (loss) before income tax	82.239	(154.861)	237.10	(153.11%)
Income tax (expense) benefit	9.687	(50.158)	59.85	(119.31%)
Net Income (Loss) for the year	91.926	(205.019)	296.95	(144.84%)
Other comprehensive income for the year	0.000	0.000	0.00	0.00%
Total comprehensive income for the year	91.926	(205.019)	296.95	(144.84%)

A comparative review of the Registrant's financial operations for the year ended **December 31, 2020** vis-à-vis the same period last year showed the following:
Total revenues decreased by P3.78M or 3.65% mainly due to the unrealized gain on revaluation of financial assets at FVPL of P27.34M recognized in 2020 offset by decrease in other income from P5.4M in 2019 as compared to none in 2020. Net finance income registered at P2.8M with no finance costs in 2020 as compared to P23.13M in 2019. Interest income decreased by P20.2M with no finance costs and increase in net foreign exchange loss of P103K. Total expenses decreased by P240.88M or 93.22% mainly due to the one-time effect of the unrealized loss on revaluation of financial assets at FVPL amounting to P171.42M in 2019 as compared to none in 2020 and the loss on write-off of receivables booked in 2019.

Net income before income taxes registered at P82.24M for 2020 and net income for the year registered at P91.93M after income tax expense (benefit) provision.

There is no significant element of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Financial Position

In Millions (PhP)	***December 31***		***2020 vs 2019***	
	2020	***2019***	*Amount*	*%*
Current assets				
Cash	212.752	181.600	31.152	17.154%

Financial assets at FVPL	251.620	224.282	27.338	12.189%
Receivables and other current assets	30.939	67.205	(36.266)	(53.963%)
Total current assets	**495.311**	**473.087**	**22.224**	**4.698%**
Non-current Assets				
Property and equipment, net	1.235	1.570	(0.335)	(21.338%)
Investment properties	527.800	466.995	60.805	13.020%
Total non-current assets	**529.035**	**468.565**	**60.470**	**12.905%**
Total assets	**1,024.346**	**941.652**	**82.694**	**8.782%**
Current Liabilities				
Accounts payable and other current liabilities	12.284	12.168	0.116	0.953%
Borrowings	13.625	13.625	0.000	0.000%
Advances from related parties	9.226	9.002	0.224	2.488%
Income tax payable	0.259	0.085	0.174	204.706%
Provision for litigation claims	47.770	47.770	0.000	0.000%
Advances from prospective shareholders	194.696	194.696	0.000	0.000%
Total current liabilities	**277.860**	**277.346**	**0.514**	**0.185%**
Non-current Liabilities				
Retirement benefits obligation	3.342	3.004	0.338	11.252%
Deferred income tax liabilities, net	158.057	168.141	(10.084)	(5.997%)
Total non-current liabilities	**161.399**	**171.145**	**(9.746)**	**(5.695%)**
Total liabilities	**439.259**	**448.491**	**(9.232)**	**(2.058%)**
Equity				
Share capital	975.534	975.534	0.000	0.000%
Treasury shares	(58.628)	(58.628)	0.000	0.000%
Deficit	(523.341)	(587.193)	63.852	(10.874%)
Non-controlling interest	191.522	163.448	28.074	17.176%
Total equity	**585.087**	**493.161**	**91.926**	**18.640%**
Total liabilities and equity	**1,024.346**	**941.652**	**82.694**	**8.782%**

Explanation to Accounts with Material Variance (December 2020 vs. December 2019)

Current Assets
Cash amounted to P212.751 million as of December 31, 2020 as compared to P181.600 million as of December 31, 2019 or an increase of P31.2M or 17.15% attributed mainly due to collection of notes receivables from PIHI net of cash used for working capital.

Financial assets at fair value through profit or loss amounted to P251.620 million as of December 31, 2020 as compared to P224.282 million as of December 31, 2019, or an increase of 12.19% or P27.3 million mainly due to recognition of unrealized gain on revaluation of securities as of end of December 2020.

Receivables and other current assets - Notes receivable amounted to P-0-as of December 31, 2020 as compared to P60 million as of December 31, 2019, or a 100% decrease mainly due to collection in full of the notes receivable. Please refer to discussion in Note 5 to the Consolidated Financial Statements. Real estate held for sale amounting to P17.664 million as of December 31, 2020 is discussed further in Note 5 to the Consolidated Financial Statements. The account was reclassified to Advances in 2021 for financial statement presentation.

Non-current Assets
Property and equipment, net amounted to P1.235 million as of December 31, 2020 as compared to P1.570 million as of December 31, 2019, or a decrease of 21.33% or P0.335 million mainly due to acquisition net of depreciation charges for the year.

Investment properties amounted to P527.800 million as of December 31, 2020 as compared to P466.995 million as of December 31, 2019, or an increase of P60.805 million or 13% mainly due to the recognition of gain on fair value as a result of the appraisal of the properties.

Current Liabilities
Accounts payable and other current liabilities amounted to P12.283 million as of December 31, 2020 as compared to P12.168 million as of December 31, 2019, or an increase of 0.95% or P0.116 million mainly due to accruals.

Non-current Liabilities
Retirement benefit obligation amounted to P3.342 million as of December 31, 2020 as compared to P3.004 million as of December 31, 2019, or an increase of P0.338 million or 11.252% due adjustment in the provision.

Deferred income tax liabilities, net amounted to P158.057 million as of December 31, 2020 as compared to P168.141 million as of December 31, 2019, or a decrease of P10.08 million or 5.997% due mainly to deferred tax benefits recognized for the year.

Equity
Retained Earnings (deficit) amounted to (P523.34 million) as of December 31, 2020 as compared to (P587.193) million) as of December 31, 2019, or a decrease of P63.852 million or 10.874% mainly due to the effect of net income attributable to shareholders of the Parent company recognized for the year.

KEY PERFORMANCE AND FINANCIAL SOUNDNESS INDICATORS

Definition of Ratios

Net Profit Ratio	-	Consolidated Net Income (Loss) / Total Revenues
Return on Assets	-	Net Income / Total Assets
Return on Equity	-	Net Income / Total Stockholders' Equity
Current Ratio	-	Current Assets / Current Liabilities

Acid Test - Cash on hand and in banks + Financial Assets at Fair Value+ Notes and other receivables

Current Liabilities

Debt to Equity - Total Liabilities / Total Equity

Debt to Assets - Total Liabilities / Total Assets

Asset to Equity - Total Assets / Total Equity

Interest Coverage - Net Income Before Tax and Interest Expense / Interest Expense

Earnings (Loss) Per Share - Net Income Attributable to Equity Holders of Parent Co. / Average number of Outstanding Common Shares

Below are the comparative key performance indicators of the Company and its subsidiaries:

(%)	June 30, 2023	Dec. 31, 2022*	Dec. 31, 2021*	Dec. 31, 2020*
Net Profit Ratio	(6.8299)	(2.4922)	(0.5399)	0.9514
Return on Assets	(0.0398)	(0.0829)	(0.0165)	0.0897
Return on equity	(0.0710)	(0.1437)	(0.0286)	0.1571
Current ratio	1.2535	1.3969	1.6304	1.7826
Acid test ratio	1.2425	1.1421	1.3183	1.6713
Debt to equity	0.7851	0.7323	0.7339	0.7508
Debt to assets	0.4398	0.4227	0.4233	0.4288
Asset to equity	1.7851	1.7323	1.7339	1.7508
Interest coverage	-	-	-	-
Earnings (loss) per share	(0.0311)	(0.0742)	(0.0365)	0.0655

*Audited

In general, there are no material known trends, demands, commitments, events, transactions, arrangements or items of, by or involving the Company that would require a disclosure pursuant to Part III (A)(2)(A)(i) to (vii) of Annex "C" of the Implementing Rules and Regulations of the Securities Regulation Code, to wit:

- Other than those discussed in Note 19 to the 2022 Consolidated Financial Statements and Note 17 to the 2023 Second Quarter Financial Report, the Registrant is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

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

- ➢ No material commitments for capital expenditures had been contracted by the Registrant during the reporting period and subsequent thereof.

- ➢ There are no significant element of income or loss that did not arise from the Registrant's continuing operations.

- ➢ There are no seasonal factors that have materially affected the Financial Statements of the Registrant.

D. GENERAL NATURE AND SCOPE OF BUSINESS

Mabuhay Holdings Corporation (hereinafter "Registrant" or "MHC") was incorporated on April 6, 1988. It is a holding company principally engaged in the acquisition and disposition of investments in securities, stocks, real and personal properties, and of any kind of properties and of investments in other entities.

It was incorporated with an authorized capital of 200 million shares at a par value of P1 per share. It was listed at both the Makati and Manila stock exchanges in 1990. The Articles of Incorporation were amended in 1994 to increase the authorized capital to 4 billion shares at P1 par value per share. Currently, capital stock issued and subscribed total 1.2 billion shares, of which around P975 million have been paid out of the P1.2 billion subscriptions.

The Registrant currently holds offices at 35/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. Its last annual stockholders' meeting was on November 28, 2022 and the next will be on September 22, 2023.

As of December 31, 2022, the Registrant holds directly or indirectly investments in several corporations. Two of these are wholly-owned subsidiaries while the rest are investees in which MHC has sizeable claims and interests.

SUBSIDIARIES AND AFFILIATES

Major investees of the Registrant are the following:

1. **T & M Holdings, Inc. (100%-owned by the Registrant)**
T & M Holdings, Inc. (T&MHI) which was registered with the Commission on November 10, 1995, is a holding company engaged in investments in real properties, marketable securities and stocks of other companies, domestic or foreign.

2. **M & M Holdings Corporation (M&MHC) (100%-owned by the Registrant)**
Like T&MHI, M & M Holdings Corporation which was registered with the SEC on April 21, 1995, is a holding company engaged in the business of acquiring and disposing of interests in real and personal properties of any kind or description, marketable securities and shares of stocks. Currently, M&MHC has no substantial property except for some advances to its parent company, and a minimal amount of cash.

3. **Tagaytay Properties and Holdings Corporation (TPHC) (26.04%-owned by the Registrant)**

A real estate company established and registered with the SEC on April 13, 1998, TPHC owns a high potential and strategically-located land in Tagaytay City. This property was supposed to be developed into a mixed commercial and residential subdivision but such plans were postponed indefinitely as a result of changes in the zoning laws of the city.

4. **The Taal Company, Inc. (TTCI) (29.97%-owned by the Registrant)**
The Taal Company, incorporated on August 29, 1990, is a real estate company with property holdings in several parts of the Batangas province.

5. **The Angeles Corporation (TAC) (38.46%-owned by the Registrant)**
The Angeles Corporation is an investment company incorporated on October 14, 1994. Most of its assets are invested in shares of the Prosperity Taxi Cab Corporation (PTCC), which the Company sold to a third party in 2009.

6. **Mindanao Appreciation Corporation (MAC) (28.51%-owned by the Registrant)**
Mindanao Appreciation Corporation is an investment company incorporated and registered with the SEC on November 21, 1991. Most of its assets are invested in shares of Mabuhay Holdings Corporation and The Taal Company, Inc.

FOREIGN SALES.

Not applicable

COMPETITIVE BUSINESS CONDITION/COMPETITIVE POSITION IN THE INDUSTRY.

The competitiveness of the Registrant, given the nature of its business, is defined by the diversity of its interests. Most of the Registrant's affiliates are concentrated in the real estate business. Tagaytay Properties & Holdings Corporation and The Taal Co., Inc. each hold an inventory of real properties in strategic locations such as Tagaytay City, Batangas and Cavite. The aggregate landholdings of the Registrant's investees easily run to 17.8 hectares, many of which are in prime locations.

DEPENDENCE ON A FEW CUSTOMERS. This disclosure is currently not applicable to the Registrant's business and concerns.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES. The Registrant's transactions with its subsidiaries and affiliates mainly consist of the granting of advances to/from them. The Registrant exercises control and management over its investees.
NEED FOR GOVERNMENTAL APPROVAL OF PRODUCTS AND SERVICES. Aside from being regulated by the PSE and the SEC, the Registrant generally is not subject to any other specific government regulation.

EFFECT OF EXISTING OR PROBABLE GOVERNMENTAL REGULATIONS TO THE BUSINESS. This disclosure is currently not applicable to the Registrant's business and concerns.

ESTIMATE OF AMOUNT SPENT FOR RESEARCH AND DEVELOPMENT ACTIVITIES. This disclosure is currently not applicable to the Registrant's business and concerns.

COSTS AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS. This disclosure is currently not applicable to the Registrant's business and concerns.

TOTAL NUMBER OF EMPLOYEES AND NUMBER OF FULL TIME EMPLOYEES. As of July 31, 2023, the Registrant has 8 employees, all rendering administrative services. Of the Company's 8 employees, 5 render support services: 2 for accounting/bookkeeping work and 3 doing office services functions while the other 3 belong to the management and administration of the Company. There is no

Collective Bargaining Agreement between the employees and the Registrant and there has been no strikes or threats of strike for the past five (5) years. Aside from the statutory benefits prescribed by the labor code, the Registrant's employees enjoy Company-sponsored health insurance.

E. DIRECTORS AND OFFICERS - Pls. refer to SEC Form 20- IS

F. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY

Principal Market

The Registrant's shares of common stock are being traded at the Philippine Stock Exchange. Of the authorized capital stock of four billion shares, 1.2 billion have been subscribed. As of December 31, 2022, MHC has received P195 million as deposits for future stock subscription. This has been presented as liability in the Registrant's Statement of Financial Position only for the purpose of complying with Financial Reporting Bulletin No. 6 issued by SEC. It is the intention of Management to issue shares upon development of concrete plans on the improvement of the Company's operations.

Dividends

There are no dividend declarations made during the two recent fiscal years of the Registrant. There are no restrictions that limit the ability to pay dividends on common equity but the Registrant, as a general rule, shall only declare from surplus profits as determined by the Board of Directors as long as such declaration will not impair the capital of the Company.

The Company does not have a specific dividend payout policy yet as of report date.

Common Equity

The shares of MHC traded along the following bands during 2023, 2022 and 2021:

	2023		**2022**		**2021**	
	High	**Low**	**High**	**Low**	**High**	**Low**
First Quarter	0.238	0.225	0.38	0.325	0.79	0.43
Second Quarter	0.227	0.18	0.365	0.305	0.67	0.38
Third Quarter			0.236	0.226	0.58	0.42
Fourth Quarter			0.300	0.226	0.46	0.375

The listed price of MHC shares as of the latest trading date, August 10, 2023 is P0.188.

Stockholders

Stockholders of record as at July 31, 2023 total to one hundred ninety eight (198) in number, broken down as follows:

Citizen	**No. of shares**	**Percentage**	**No. of Holders**
Filipino	772,528,765	64.38%	186

American	908,000	0.08%	7
Chinese	105,050	0%	2
Malaysian	50	0%	1
Other Alien	426,458,135	35.54%	2
Total	**1,200,000,000**	**100%**	**198**

Top 20 Stockholders as at July 31, 2023 all holding Common Stock**:**

	Name of Stockholder	**No. of Shares Held**	**Percentage**
1.	PCD NOMINEE CORP. (NF)	426,458,134	35.54%
2.	PROKEY INVESTMENTS LTD.	351,289,763	29.27%
3.	PCD NOMINEE CORP. (F)	260,112,963	21.68%
4.	GUOCO SECURITIES (PHILS.), INC.	123,192,131	10.27%
5.	PAPA SECURITIES CORPORATION	13,550,000	1.13%
6.	MINDANAO APPRECIATION CORP.	10,183,000	0.85%
7.	AVESCO MARKETING	1,600,000	0.13%
8.	FOUR TREASURES DEVELOPMENT CORP.	1,200,000	0.10%
9.	PROSPERITY TAXI CAP CORP.	1,000,000	0.08%
10.	YAN, LUCIO W.	1,000,000	0.08%
11.	INTERNATIONAL POLYMER CORP.	900,000	0.08%
12.	CENTURY SPORTS PHILS., INC.	812,000	0.07%
13.	ZOSA, ROLANDO M.	800,000	0.07%
14.	UY, SAMSON	700,000	0.06%
15.	MENDOZA, ALBERTO &/OR JEANIE C. MENDOZA	650,000	0.05%
16.	SY, SILIMAN	546,000	0.05%
17.	SICKLING II, HERBERT WILLIAM	500,000	0.04%
18.	SOUTH CHINA HOLDINGS	432,000	0.04%
19.	DYHONGPO, CARLOS	330,000	0.03%

20.	DYHONGPO, VIVIAN	300,000	0.03%

There had been no sales of unregistered or exempt securities of the Registrant, or issuance of its securities constituting exempt transaction.

DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The Registrant is adopting the SEC Corporate Governance Self Rating Form as a tool to evaluate the level of compliance with its Manual on Corporate Governance. In addition, the Compliance Officer reviews on a periodic basis the level of compliance of its directors, officers and employees with the leading practices and principles on good corporate governance as embodied in the Registrant's Manual and the rules and regulations that the SEC and PSE issue from time to time.

There are no material deviations on the New Manual on Corporate Governance of the Company. Also, there have been no violations of the provisions of the Registrant's New Manual on Corporate Governance and no director, officer or employee has been sanctioned by reason thereof.

The Company will regularly conduct a review of the New Manual on Corporate Governance and will adopt appropriate changes as may be required or necessary under the circumstances to improve the corporate governance of the Company.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT IN SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

Mabuhay Holdings Corporation
35/F. Rufino Pacific Tower, 6784 Ayala Avenue
Makati City 1223
Attention: Ms. Gloria Georgia G. Garcia

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

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

1. For the Quarter Ended **June 30, 2023**

2. Commission Identification Number: **150014**

3. BIR Tax Identification Number: **047-000-473-206**

4. Exact Name of issuer as specified in its charter: **MABUHAY HOLDINGS CORPORATION**

5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**

6. Industry Classification Code: __________ (SEC Use Only)

7. Address of Principal Office: **35/F Rufino Pacific Tower, Ayala Avenue, Makati City**

8. Issuer's Telephone Number, Including Area Code: **(632) 750-2000**

9. Former Name, former address, former fiscal year, if changed from last report:

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

    Common shares **1,200,000,000**

11. Are any or all of these securities are listed on the Philippine Stock Exchange.

    Yes [✓] No [ ]

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

    Philippine Stock Exchange **Common stock**

12. Indicate by check mark whether the registrant:

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

    Yes [✓] No [ ]

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

    Yes [✓] No [ ]

TABLE OF CONTENTS

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND DECEMBER 31, 2022
(All amounts in Philippine Peso)

	Notes	Unaudited June 30, 2023	Audited December 31, 2022
ASSETS			
Current Assets			
Cash	2	₱67,857,088	₱83,241,547
Financial assets at fair value through profit or loss	3	156,236,878	179,709,295
Receivables and other current assets	4,12	64,993,199	58,678,903
Total current assets		289,087,165	321,629,745
Non-Current Assets			
Property and equipment, net	5	406,039	474,466
Investment properties	6	539,524,000	539,524,000
Total non-current assets		539,930,039	539,998,466
TOTAL ASSETS		₱829,017,204	₱861,628,211
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	7	₱12,975,009	₱12,810,290
Borrowings	8,12	13,624,642	13,624,642
Advances from related parties	12	9,246,797	8,992,396
Income tax payable		75,119	120,445
Advances from prospective shareholders	9	194,695,274	194,695,274
Total current liabilities		230,616,841	230,243,047
Non-Current Liabilities			
Provision for retirement benefits	15	2,582,111	2,582,111
Deferred income tax liabilities, net		131,420,549	131,420,549
Total non-current liabilities		134,002,660	134,002,660
Total Liabilities		364,619,501	364,245,707
EQUITY			
Attributable to Shareholders of the Parent Company			
Share capital	10	₱975,534,053	₱975,534,053
Treasury shares	10	(58,627,864)	(58,627,864)
Deficit		(661,678,871)	(631,295,740)
		255,227,318	285,610,449
Non-controlling interest		209,170,385	211,772,055
Total equity		464,397,703	497,382,504
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		₱829,017,204	₱861,628,211

See accompanying notes to consolidated financial statements.

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022

(All amounts in Philippine Peso)

Unaudited

	Equity Holders of the Company				
	Share Capital (Note 10)	Treasury Shares (Note 10)	Retained Earnings (Deficit)	Non-controlling Interest	Total
Balances as at December 31, 2021	₱975,534,053	(₱58,627,864)	(₱558,932,797)	₱210,865,440	₱568,838,832
Comprehensive Income (Loss)					
Net income (loss) for the period	-	-	(38,296,500)	(3,400,732)	(41,697,232)
Other comprehensive income	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	(38,296,500)	(3,400,732)	(41,697,232)
Balances as at June 30, 2022	₱975,534,053	(₱58,627,864)	(₱597,229,297)	₱207,464,708	₱527,141,600
Balances as at December 31, 2022	₱975,534,053	(₱58,627,864)	(₱631,295,740)	₱211,772,055	₱497,382,504
Comprehensive Income (Loss)					
Net income (loss) for the period	-	-	(30,383,131)	(2,601,670)	(32,984,801)
Other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	(30,383,131)	(2,601,670)	(32,984,801)
Balances as at June 30, 2023	₱975,534,053	(₱58,627,864)	(₱661,678,871)	₱209,170,385	₱464,397,703

See accompanying notes to consolidated financial statements.

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30, 2023 AND 2022
(All amounts in Philippine Peso)

Unaudited

	Jan 1 - June 30 2023	Jan 1 - June 30 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
INCOME (LOSS) BEFORE INCOME TAX	(₱32,639,995)	(₱40,863,949)
Adjustments for:		
Unrealized loss on revaluation of securities	25,327,467	36,984,669
Depreciation	229,142	265,666
Interest income	(436,368)	(396,483)
Dividend income	(240,379)	(179,409)
Operating profit (loss) before working capital changes	(7,760,133)	(4,189,506)
Decrease (increase) in:		
Receivables and other current assets	(6,314,296)	22,346,557
Increase (decrease) in:		
Accounts payable and other current liabilities	(225,413)	(5,573,379)
Advances from related parties	254,401	86,213
Cash provided by (used in) operating activities	(14,045,441)	12,669,885
Interest received	436,368	396,483
Dividend received	240,379	179,409
Net cash generated from (used in) operating activities	(13,368,694)	13,245,777
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(160,715)	(69,817)
Additional investment in securities	(1,855,050)	(12,201,605)
Net cash provided by (used in) investing activities	(2,015,765)	(12,271,422)
NET INCREASE (DECREASE) IN CASH	(15,384,459)	974,355
Cash at January 1	83,241,547	171,836,936
Cash at June 30	₱67,857,088	₱172,811,291

See accompanying notes to consolidated financial statements.

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED AGING OF RECEIVABLES (Note 4)
AS OF JUNE 30, 2023

	TOTAL	1-30 DAYS	31-60 DAYS	OVER 61 DAYS
Sta. Mesa Heights Holdings Corp.	574,872			574,872
Eduardo V. de Mesa	600,000			600,000
Castillo Laman Tan Pantaleon	100,404			100,404
Greenroof Corporation	57,445,681	500,794		56,944,887
Crawford & Company Philippines, Inc.	303,078	303,078		
Others	3,684,165	1,916,592		1,767,573
Totals	₱62,708,200	₱2,720,464	-	₱59,987,736

Mabuhay Holdings Corporation and Subsidiaries
Notes to Consolidated Financial Statements
As at June 30, 2023 and December 31, 2022
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - General information; status of operations

a) Corporate information

Mabuhay Holdings Corporation (the Company or Parent Company) was incorporated in the Philippines on April 6, 1988 primarily to engage in the acquisition of and disposal of investments in marketable securities, shares of stock and real estate properties. The Parent Company is 29.83% owned by Zenith Element Limited, a company incorporated and registered under the laws of the British Virgin Islands on April 17, 2018 as an investment holding company. The remaining 70.17% is owned by various individuals and corporations. The Parent Company's common shares were listed in the Philippine Stock Exchange (PSE) in 1990. Other than its share listing in 1990, there were no other share offerings subsequent thereto. The Parent Company is considered a public company under Rule 3.1 of the Implementing Rules and regulations of the Securities Regulation Code when it listed its shares in the PSE in 1990.

The Company's registered office and principal place of business is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

The Parent Company has 8 employees as at June 30, 2023 and December 31, 2022.

b) Status of operations

COVID-19 impact and assessment

In 2022, the Philippine economy continues to recover to its pre-pandemic levels with the imposition of less stringent community quarantine protocols, eased its border control and the lifting of the mandatory requirement to use face masks.

The Group has significant investments in traded equity instruments classified as financial assets at FVPL. The market values of these traded equity instruments are still heavily affected by the impact of the pandemic causing decline of 13% for the period ended June 30, 2023 and the year ended December 31, 2022 and resulted in a loss of P25.33 million and ₱35.24 million, respectively. The Group has acquired additional investments in listed equity shares amounting to P1.86 million. There are no disposals during the period.

Management is of the opinion that the Group's cash flows will continue to satisfy the Company's current working capital requirements for the next twelve months. The Subsidiaries in the Group are currently dormant and have no significant working capital requirement.

Current status of operations; future plans

The Group's activities are limited to preservation and maintenance of existing investment properties and development of low-cost housing project carried out by its Subsidiary. The project was completed on December 2022.

On November 18, 2020, the Group entered into an agreement for the development of an affordable housing project. As at December 31, 2022, construction and development of the project has been completed.

As for its investment properties, the Group sold two parcels of land in 2021 and has entered into a new lease contract with a new tenant for a period of three (3) years commencing on September 15, 2021.

The following comprise the Group's short-term and long-term plans:

1. To acquire developed properties with the intention of converting such properties for lease operations;
2. To acquire properties for development and to lease these properties;
3. To acquire properties for development of affordable housing units as part of our corporate social responsibility to contribute to the housing requirements of the country;
4. To continue to retain its investment in stocks of PIHI for capital appreciation and eventual cash flows from future dividend declarations, and to invest in stocks listed in the Philippine Stock Exchange on a broader scope; and
5. To continue to retain its investment properties for appreciation, and to plan for the possible development of the prime properties.

The planned acquisitions of rental yielding properties are expected to generate sustained cash inflows to support the Group's operations. Moreover, the remaining investment in PIHI is expected to generate substantial dividend yield in the future upon completion of PIHI’s real estate projects in Binangonan, and the construction and operation of the Makati Subway System under the Public-Private Partnership Program of the Makati City Government and other major projects.

The above plans will contribute to improve the results of operation of the Group in the future. Accordingly, the Group's consolidated financial statements have been prepared on a going concern basis.

Note 2 - Cash

The account at June 30 and December 31 consists of:

	June 30, 2023	Dec 31, 2022
Cash on hand	32,000	30,000
Cash in banks	67,825,088	83,211,547
	67,857,088	83,241,547

Cash in banks earn interest at the prevailing bank deposit rates.

Note 3 - Financial assets at fair value through profit or loss

Movements in financial assets at fair value through profit or loss (FVPL) for the period ended June 30, 2023 and the year ended December 31, 2022 are as follows:

	June 30, 2022	Dec 31, 2022
Balance as at beginning of period	179,709,295	202,743,583
Acquisitions	1,855,050	16,029,976
Disposals	-	(3,828,372)
Gain (loss) on revaluation of securities	(25,327,467)	(35,235,892)
Balance as at end of period	156,236,878	179,709,295

The account as at June 30, 2023 and December 31, 2022 consists of listed equity shares with fair value based on current bid prices in an active market (level 1 valuation). Changes in fair values of financial assets at fair value through profit or loss are recorded in unrealized gain (loss) on revaluation of securities in profit or loss.

In 2022, the Group acquired certain investments amounting to P16.03 million and sold certain equity shares with proceeds of P4.04 million resulting in a gain of P0.58 million. The gain from the disposal is presented in the statement of comprehensive income.

In 2023, the Group acquired additional investments in listed equity shares amounting to P1.86 million. There are no disposals during the period.

Dividends earned amounted to P240,379 for the period ended June 30, 2023 and P397,220 for the year ended December 31, 2022 credited to profit and loss.

Note 4 - Receivables and other current assets

The account at June 30 and December 31 consists of:

	June 30, 2023	Dec 31, 2022
Receivables:		
Advances to a contractor	57,445,681	48,861,909
Due from related parties	1,494,781	1,971,936
Advances to employees	1,916,592	1,698,884
Advances to third parties	965,536	1,128,843
Rent receivable	303,078	-
Other receivables	582,532	2,825,169
	62,708,200	56,486,741
Other current assets:		
Prepayments	2,284,999	2,192,162
	64,993,199	58,678,903

Advances to contractor pertain to payments made by the Group for the construction and development of a low-cost housing project. These are applied to progress billings received from the contractor.

Advances to third parties are cash advances made to third parties and are collectible in cash.
Prepayments mainly comprise of prepaid taxes and insurance.

Other receivables pertain to communication, utilities, repairs and maintenance billed to its tenants.

Note 5 - Property and equipment

Details of property and equipment as at and for the periods ended June 30, 2023 and December 31, 2022 follow:

	Furniture and fixtures	Office equipment	Communication and other equipment	Office condominium	Transportation equipment	Building improvements	Total
COST							
Balances as at December 31, 2022	1,662,116	1,136,569	191,423	13,746,305	6,118,393	3,859,242	26,714,048
Additions	-	160,715		-	-	-	160,715
Disposals	-	-	-	-	-	-	-
Balances as at June 30, 2023	1,662,116	1,297,284	191,423	13,746,305	6,118,393	3,859,242	26,874,763
ACCUMULATED DEPRECIATION							
Balances as at December 31, 2022	1,662,116	892,176	191,423	13,746,305	5,888,320	3,859,242	26,239,582
Additions	-	39,493	-	-	189,649	-	229,142
Disposals	-	-	-	-	-	-	-
Balances as at June 30, 2023	1,662,116	931,669	191,423	13,746,305	6,077,969	3,859,242	26,468,724
NET BOOK VALUES							
December 31, 2022	0	244,393	0	0	230,073	0	474,466
June 30, 2023	**0**	**365,615**	**0**	**0**	**40,424**	**0**	**406,039**

Depreciation expense of P229,142 for the period ended June 30, 2023 is charged to expenses. There were no disposals during the period.

Note 6 - Investment properties

The Group's investment properties include several parcels of land and condominium units held for lease. Land includes properties of The Taal Company, Inc. (TTCI) and Tagaytay Properties and Holdings Corporation (TPHC), subsidiaries, held for appreciation purposes, including those in Batangas and Tagaytay City with a total land area of 12.3 hectares. The condominium unit, which is located in Makati with a total floor area of 676 square meters, is being leased out to third parties by the Parent Company.

The changes in the fair value of investment properties presented in the statement of financial position as at June 30 and December 31 are summarized below:

	June 30, 2023	Dec 31, 2022
At January 1	539,524,000	522,127,000
Fair value gains	-	17,397,000
Disposals	-	-
	539,524,000	539,524,000

The fair value of investment properties is determined on the basis of appraisal made by an external appraiser duly certified by the management. Valuation methods employed by the appraisers mainly include the market data approach.

Movements in cumulative fair value gain for the periods ended June 30 and December 31 follow:

	June 30, 2023	Dec 31, 2022
At January 1	495,197,907	477,800,907
Fair value gains	-	17,397,000
Disposals	-	-
	495,197,907	495,197,907

On September 3, 2021, the Group sold two parcels of land in Batangas with carrying value of P27.79 million for P32.14 million resulting in gain of P4.36 million. Out of the total proceeds, P22.16 million is outstanding as at December 31, 2021 and is fully collected in the first quarter of 2022.

Note 7 – Accounts payable and other current liabilities

The account at June 30 and December 31 consists of:

	June 30, 2023	Dec 31, 2022
Accounts payable and other accrued expenses	8,938,957	8,795,838
Accrued interest on borrowings	2,879,506	2,879,506
Deferred rental income	1,063,615	1,063,615
Withholding taxes payable	92,931	71,331
	12,975,009	12,810,290

Accounts payable and accrued expenses represent third party payables and accruals on employee benefits, legal and other professional fees all payable on demand.

Note 8 - Borrowings

The outstanding borrowings, which are unsecured, non-interest bearing and with no definite repayment date, pertain to a loan from a related party amounting to P13.62 million as at June 30, 2023 and December 31, 2022.

The net debt reconciliation as at June 30 and December 31 is presented below:

	June 30, 2023	Dec 31, 2022
Borrowings as at end of period	13,624,642	13,624,642
Cash as at end of period	(67,857,088)	(83,241,547)
Net debt as at end of period	(54,232,446)	(69,616,905)

Note 9 - Advances from prospective shareholders

The account represents funds received from prospective shareholders which are expected to be settled by way of issuance of shares.

Note 10 - Equity

(a) Share capital

Share capital at June 30, 2023 and December 31, 2022 consist of:

Common shares – P1 par value	
Authorized	4,000,000,000
Subscribed and issued	1,200,000,000
Subscriptions receivable	(224,465,947)
Paid, issued and outstanding	975,534,053
Treasury shares	(58,627,864)
	916,906,189

(b) Treasury shares

Treasury shares represent investment of Mindanao Appreciation Corporation (MAC), a subsidiary, in the Parent Company's shares.

<u>Note 11 - Basic and diluted earnings per share</u>

The computation of basic earnings per share for the period ended June 30 and December 31 follows:

	2023	2022
Net income (loss) attributable to shareholders of the Parent Company	(₱30,383,131)	(₱72,362,944)
Divided by the average no. of outstanding common shares	975,534,053	975,534,053
Basic earnings per share	(0.03115)	(0.0742)

Basic and diluted earnings per share are the same due to the absence of dilutive potential common shares.

<u>Note 12- Related party transactions</u>

The Group's transactions with related parties include those with associates and other related parties described below:

a) Due from related parties
Details of the accounts at June 30 and December 31 follow:

	June 30, 2023	Dec 31, 2022
Entities under common control		
Intrinsic Value Management (IVM)		
Phil. Strategic International Holdings Inc. (PSIHI)		
South China Holdings Corporation (SCHC)	1,494,781	1,971,936

b) Due to related parties
This account is composed of advances from the following related parties which were obtained for working capital purposes:

	June 30, 2023	Dec 31, 2022
Borrowings from		
Entity under common control		
Intrinsic Value Management (IVM)	13,624,642	13,624,642
Advances from		
Entity under common control		
Intrinsic Value Management (IVM)		
Phil. Strategic International Holdings Inc. (PSIHI)	9,246,797	8,992,396

The above advances are non-interest bearing and are payable on demand thus, considered current.

<u>Note 13 - Leases - the Company as Lessor</u>

The Parent Company occupies a portion of its investment property and uses it as an office space. The portion which is owner-occupied is properly classified as property and equipment. The remaining portion is leased to other parties.

Note 14- Salaries and employee benefits

Salaries and employee benefits for the period January 1 to June 30, 2023 and 2022 consist of:

	June 30, 2023	June 30, 2022
Salaries and wages	2,398,918	2,235,816
SSS, Philhealth and HDMF	137,583	103,107
Others	1,124,124	891,682
	3,660,625	3,230,605

Note 15 – Provision for retirement benefits

The Group has yet to adopt a formal retirement plan and only provided for the retirement obligation based on minimum required retirement benefit under Republic Act (RA) 7641. Under RA 7641, otherwise known as the Retirement Pay Law, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five (5) years in a private company, may retire and shall be entitled to retirement pay equivalent to at least 1⁄2 month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year.

Note 16 – Other Operating expenses

Other operating expenses for the period January 1 to June 30, 2022 and 2021 consist of:

	June 30, 2023	June 30, 2022
Taxes and licenses	1,217,328	1,315,604
Transportation and travel	1,312,487	1,111,202
Communication, light and water	364,873	316,388
Other fees	250,000	250,000
Miscellaneous	4,559,373	3,920,919
	7,704,061	6,914,113

Note 17- Contingencies

In the normal course of business, the Group is a defendant of a case which is pending with the Court of Appeals. The case arose from a demand for payment of minimum guaranteed return on investment by corporation which was formerly a co-shareholder of the Parent Company. Details of this pending case follow:

The plaintiff (one of the co-shareholders) violated a number of the terms as stipulated under the agreement, including a direct purchase of the shares of the other shareholder without the consent of the Group. The agreement also contains a provision about guaranteed return.

In 1999, the plaintiff demanded full payment of the guaranteed return on its investment after audits of the fast craft business revealed a significant amount of loss, which demand was denied by the Group.

After divergent decisions by the arbitrator and regional trial court, the case was transferred to Court of Appeals for further proceedings. In 2013, a final decision has been rendered by the Court of Appeals, instructing the Company to pay the agreed guaranteed returns and arbitration costs including 12% interest calculated from the date of initial ruling amounting to P47,770,052 as shown in the statement of financial position under current liabilities.

On July 20, 2022, the Parent Company paid a total of P87.13 million for the settlement of litigation. The additional P39.40 million payment is recognized as loss on litigation in the statement of comprehensive income of 2022.

Note 18 - Financial risk and capital management

The Group’s activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.
The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance.

Management, under the direction of the Board of Directors of the Group is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group's financial performance due to the unpredictability of financial markets.

There were no changes in the Group's strategies and policies during the period.

18.1 Market risk

(a) Foreign exchange risk
The foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained to meet current commitments.

The reasonably possible movement in foreign currency exchange rates is based on projection by the Company using movement of the rates from the prior period.

(b) Price risk
The Group's exposure on price risk is minimal and limited only to investments classified as at fair value through profit or loss, investment properties and available-for-sale financial assets presented under other non-current assets in the consolidated statement of financial position. Changes in market prices of these investments are not expected to impact significantly the financial position or results of operations of the Group.

(c) Interest rate risk
Interest rate risk refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Groupis not exposed to interest rate risk as it has no interest-bearing financial instruments as at reporting dates.

18.2 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation.

Maximum exposure to credit risk
The Group's exposure to credit risk primarily relates to cash in banks and financial receivables.

18.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding through advances from related parties within the Group, extending payment terms for due to related parties, and an efficient collection of its notes receivables from third parties. The Group likewise regularly evaluates other financing instruments to broaden the Group's range of financing resources.

18.4 Fair value of financial assets and liabilities

The carrying amounts of financial assets and liabilities approximate fair values at reporting dates due to the short-term nature of financial assets and liabilities.

18.5 Fair value hierarchy

The Group follows the fair value measurement hierarchy to disclose the fair values of its financial assets and liabilities. As at June 30, 2023 and December 31, 2022, the Group's financial assets at fair value through profit or loss and available-for-sale financial assets are classified under Level 1 while investment properties are classified under Level 3 category. The Group uses the market approach for its investment properties. The value of the investment properties was based on sales and listings of comparable property registered within the vicinity premised on the factors of time, unit area/size, unit location, unit improvements, building location, building feature/amenities, bargaining allowance and others.

18.6 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to support the property development plans of IRC and to maintain an optimal capital structure to reduce the cost of capital. For this purpose, capital is represented by total equity as shown in the consolidated statement of financial position, as well as deposit for future share subscriptions presented under liabilities.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Group has fully complied with this requirement.

There are no external minimum capitalization requirements imposed to the Group.

Note 19 - Critical accounting estimate and judgment

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities.
Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable
under the circumstances.

19.1 Critical accounting estimate

Estimate of fair value of investment properties
The following are the significant assumptions used by the independent appraiser to calculate the
investment properties of the Group.

- current prices in an active market for properties of similar nature, condition or location, adjusted to reflect possible differences; and
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

Investment properties in 2023 and 2022 amounted to P539.524 million. Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment properties would have been P53.95 million higher or lower.

Retirement benefits
The present value of the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate and rates of salary increases. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

19.2 Critical accounting judgments

(a) Impairment of financial assets

The loss allowances for cash, and notes and other receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(b) Recognition of deferred income tax assets

Management reviews at each reporting date the carrying amounts of deferred income tax assets. The carrying amount of deferred income tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the related tax assets can be utilized.

(c) Entities in which the Group holds less than 50% interest

Management consider that the Parent Company has de facto control over TAC, MAC, TTCI and TPHC even though it has less than 50% of the voting rights. There is no history of other shareholders forming a group to exercise their votes collectively. Based on the absolute size of the Parent Company's shareholding and the relative size of the other shareholdings, management has concluded that the Parent Company has sufficiently dominant voting interest to have the power to direct the relevant activities of these entities. Consistent with PFRS 10, the entities have been fully consolidated into the Group's consolidated financial statements. Management has assessed the level of influence that the Group has on PIHI and determined that it has no significant influence with an ownership of 11.40% in 2019 and 2018 and control has not been established. Consequently, this investment previously classified as an associate has been reclassified to financial assets at FVPL in 2018.

(d) Impairment of investment properties
The Group's investment properties were tested for impairment where the recoverable amount was determined using the market approach. The value of the investment properties was based on sales and listings of comparable property

registered within the vicinity premised on the factors of time, unit area/size, unit location, unit improvements, building location, building feature/amenities, bargaining allowance and others which management believes are reasonable.

The carrying amount of investment properties amounted to P539.524 million as at June 30, 2023 and December 31, 2022. No impairment loss was recognized on investment properties for the period ended June 30, 2023 and the year ended December 31, 2022.

Note 20 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

20.1 Basis of preparation

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

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, investment properties and available-for-sale financial assets.

The preparation of consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements as disclosed in Note 19.

20.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

There are no new standards, amendments to existing standards and interpretations that are effective from January 1, 2021, adopted by the Group that have significant impact on the Group's consolidated financial statements.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards, amendments to existing standards and interpretations are effective for the Group's annual periods after January 1, 2022 and have not been early adopted nor applied by the Group in preparing these consolidated financial statements. None of these are expected to be relevant and have an effect on the consolidated financial statements of the Group, while the most relevant one is set out as follows:

- Classification of Liabilities as Current or Non-current - Amendments to PAS 1 (effective January 1, 2023). The amendments affect only the presentation of liabilities in the statement of financial position - not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. The amendments:
    - clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the 'right' to defer settlement by at least 12 months and make explicit that only rights in place 'at the end of the reporting period' should affect the classification of a liability;
    - clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
    - make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are not expected to have a material impact on the Group's classification of liabilities. The amendments provided clear guidance which will support the Group's assessment.

- Disclosure of Accounting Policies - Amendments to PAS 1 and PFRS Practice Statement 2 (effective January 1, 2023). The amendments in PAS 1 require entities to disclose the material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. It has further clarified that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, an amended PFRS Practice Statement 2 - Making Materiality Judgements provides guidance on how to apply the concept of materiality to accounting policy disclosures.

20.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at June 30, 2023 and December 31, 2022. The subsidiaries' financial statements are prepared for the same reporting year as the Parent Company. The Group uses uniform accounting policies, any difference between subsidiaries and the Parent Company are adjusted properly.

All subsidiaries are domestic companies registered and doing business in the Philippines and are principally engaged in the business of acquiring and disposing of interests in real and personal properties of any kind or description, marketable securities and shares of stock. The subsidiaries' registered office and principal place of business is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent Company do not differ from the proportion of ordinary shares held.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial reporting and operating policies by virtue of de facto control. De facto control may arise in circumstances where the size Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

TPHC holds interests in the companies listed above namely: (1) The Angeles Corporation, 57.69%;
(2) The Taal Company, Inc., 55.64%; and (3) Mindanao Appreciation Corporation, 53.68%.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions- that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

20.4 Cash

Cash consist of cash on hand and deposits at call with banks. They are stated at face value or nominal amount.

20.5 Financial instruments

20.5.1 Classification

The Group classifies its financial assets and liabilities according to the categories described below. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets and liabilities at initial recognition.

(a) Financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through OCI (FVOCI) or through profit or loss (FVPL), and

- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. The Group's financial assets at amortized cost comprise cash in bank and notes and other receivables.

(ii) Financial assets at FVPL

Financial assets at FVPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, these are classified as non-current.

The Group's financial assets at FVPL are classified under this category.

(b) Financial liabilities

The Group classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that designated at fair value); and financial liabilities at amortized cost.

The Group only has financial liabilities measured at amortized cost which include accounts payable and other current liabilities (excluding taxes payable and deferred rental income) and advances from related parties.

20.5.2 Recognition and measurement

(a) Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement of comprehensive income under profit or loss.

(b) Subsequent measurement

(i) Financial assets at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Significant impairment losses are presented as a separate line item in the statement of total comprehensive income under profit or loss.

(ii) Financial assets at FVPL

Gains or losses arising from changes in the fair value of financial assets and liabilities at fair value through profit or loss, including interest and dividend income and interest expense, are presented in profit or loss within fair value gain (loss) on financial assets at FVPL in the period in which these arise. Dividend income from financial assets at FVPL is recognized under profit or loss in the statement of total comprehensive income as a separate line item when the Group's right to receive payment is established.

(iii) Financial liabilities

Financial liabilities at fair value through profit or loss are subsequently carried at fair value. Financial liabilities at amortized cost are measured at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of financial liabilities at fair value through profit or loss, including interest expense, are presented in profit or loss within 'Unrealized gain (loss) on securities' in the period in which these arise.

20.5.3 Impairment

From January 1, 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by PFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Group's management noted that the assessment of expected credit loss based on PFRS 9 is not materially different with current policy of the Group. As a result, there was no adjustment on the Group's retained earnings (deficit) as at January 1, 2018 as a result of the adoption of PFRS 9.

20.5.4 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

20.5.5 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. As at June 30, 2023 and December 31, 2022, there are no financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

20.6 Receivables

Receivables including advances and other receivables and due from related parties are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

20.7 Prepayments

Prepayments are recognized in the event that payment has been made in advance of obtaining right of access to receipt of services and measured at the amount of cash paid, which is equal to its nominal amount. Prepayments are derecognized in the consolidated statement of financial position as these expire with the passage of time or consumed in operations.

Prepayments are included in current assets, except when the related services are expected to be received or rendered for more than twelve months after the end of the reporting period, in which case, these are classified as non-current assets.

20.8 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation, amortization and impairment, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation or amortization is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Furniture and fixtures	3 to 5 years
Office equipment	5 years
Office condominium	25 years
Communication and other equipment	5 years
Building improvements	10 years
Transportation equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost, appraisal increase and their related accumulated depreciation are removed from the accounts. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in profit or loss.

20.9 Investment properties

Investment property is defined as property held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for: (a) use in the production of supply of goods or services or for administrative purposes; or (b) sale in the common course of business.

Investment properties principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Group. Investment property is carried at fair value, representing open market value determined annually by external valuators. Changes in fair values are recorded in profit or loss as part of other income.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Removal of an item within investment property is triggered by a change in use, by sale or disposal. If an investment property becomes owner-occupied, it is reclassified as property and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Gain or loss arising on disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset. This is recognized in profit or loss.

Properties that are being constructed or developed for future capital appreciation are classified as investment properties.

20.10 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

The Group uses valuation techniques that are appropriate in the circumstances and applies the technique consistently.

Commonly used valuation techniques for non-financial assets are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group's financial assets at fair value through profit or loss and investment properties are classified under Level 1 and Level 2, respectively.

20.11 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, land - are not subject to amortization and are tested annually for impairment. Assets that have definite useful life are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which an impairment loss has been recognized are reviewed for possible reversal of the impairment at each reporting date. An allowance is set-up for any substantial and presumably permanent decline in value of investments.

20.12 Accounts payable and other liabilities

Accounts payable and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable and other liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Accounts payable and other liabilities are measured at the original invoice amount (as the effect of discounting is immaterial).

Relevant accounting policies for classification, recognition, measurement and derecognition of accounts payable and other liabilities and other financial liabilities are presented in Note 20.5.

20.13 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting date.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred.

20.14 Employee benefits

(a) *Retirement benefit obligation*

The Parent Company has less than 10 employees and has not yet formalized its employee retirement plan but it plans to provide retirement benefits. The retirement benefits under RA 7641 are considered as defined benefit plan. Defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The retirement obligation is equivalent to half-month compensation and calculated proportionately to the length of service of an employee.

(b) Other short-term benefits

The Parent Company recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves. The Parent Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Liabilities for short-term employee benefits are derecognized when the obligation is settled, cancelled or has expired.

20.15 Current and deferred income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Deferred income tax assets and liabilities are derecognized when related bases are realized or when it is no longer realizable.

20.16 Provisions

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

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

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

Provisions are derecognized when the obligation is settled, cancelled or has expired.

20.17 Equity

(a) Common shares

Share capital consists of common shares, which are stated at par value, that are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

(b) Share premium

Share premium is recognized for the excess proceeds of subscriptions over the par value of the shares issued.

(c) Treasury shares

Where any member of the Group purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Parent Company's shareholders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Parent Company's shareholders.

20.18 Earnings per share

Basic earnings per share is calculated by dividing net income attributable to the Parent Company by the weighted average number of common shares in issue during the year. Diluted earnings per share is computed in the same manner as basic earnings per share, however, profit attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

20.19 Income and expense recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow to the Group and specific criteria have been met for each of its activities as described below.

(a) Rental income

Rental income from operating leases (the Group is the lessor) is recognized as income on a straight-line basis over the lease term. When the Group provides incentives to its lessees, the cost of incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income.

(b) Interest income and expense

Interest income and expense are recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount future cash flows for the purpose of measuring impairment loss.

(c) Dividend income

Dividend income is recognized when the right to receive payment is established.

(d) Other income

Other income is recognized when earned.

(e) Expenses

Expenses are recognized when they are incurred.

20.20 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

20.21 Related party relationships and transactions

(a) ***Related party relationship***

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

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

(b) Related party transaction

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged or not.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Consolidated Financial Statements of the Registrant that are incorporated to this Report by reference. Such Consolidated Financial Statements have been prepared in accordance with Philippine Financial Reporting Standards.

On November 18, 2020, the Group entered into an agreement to develop a low-cost housing project. As at June 30, 2023, construction and development of the project has been completed.

As for its investment properties, the Group sold two parcels of land in 2021 and has entered into a new lease contract with a new tenant for a period of three (3) years commencing on September 15, 2021.

The Group plans to use the proceeds from the sale of PIHI shares and proceeds from the sale to acquire properties for rental purposes and concentrate on this as its main short-term operating activity. Management believes that this move is strategic and will be beneficial for the Group in the long run. The Group intends to become more liquid and flexible while pursuing bigger urban real property development projects together with its foreign business partners.

The following comprise the Group's short-term and long-term plans:

1. To acquire developed properties with the intention of converting such properties for lease operations;
2. To acquire properties for development and to lease these properties;
3. To acquire properties for development of affordable housing units as part of our corporate social responsibility to contribute to the housing requirements of the country;
4. To continue to retain its investment in stocks of PIHI for capital appreciation and eventual cash flows from future dividend declarations, and to invest in stocks listed in the Philippine Stock Exchange on a broader scope; and
5. To continue to retain its investment properties for appreciation, and to plan for the possible development of the prime properties.

The above plans will contribute to improve the results of operation of the Group in the following years.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Management, under the direction of the Board of Directors of the Group is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group's financial performance due to the unpredictability of financial markets.

The Company's equity position is in compliance with the minimum statutory requirements applicable to public companies. Given the very limited operating activities undertaken by the Group, it does not require intensive capitalization. The Group's main objective is to ensure it has adequate capital moving forward to pursue its land disposal plans at optimum gain.

Other than its gear towards opening projects on affordable housing, the Group does not anticipate other heavy requirement for working capital in 2022.

Financial Position

	June 30, 2023 (Unaudited)	**December 31, 2022 (Audited)**	**Increase (Decrease)**	**%**
Current Assets	289,087,165	321,629,745	(32,542,580)	(10.12%)
Non-current Assets	539,930,039	539,998,466	(68,427)	(0.01%)
Total Assets	829,017,204	861,628,211	(32,611,007)	(3.78%)
Current Liabilities	230,616,841	230,243,047	373,794	0.16%
Non-current Liabilities	134,002,660	134,002,660	-	0.00%
Equity	464,397,703	497,382,504	(32,984,801)	(6.63%)

Explanation to Accounts with Material Variance (June 2023 vs. December 2022)

Current Assets
Cash amounted to P67.857 million as of June 30, 2023 as compared to P83.241 million as of December 31, 2022, or a decrease of 18.48% or P15.4 million attributed mainly to cash used for working capital and for development of the affordable housing project.

Financial assets at fair value through profit or loss amounted to P156.237 million as of June 30, 2023 as compared to P179.709 million as of December 31, 2022, or a decrease of 13.06% or P23.472 million mainly due to recognition of unrealized loss on revaluation of securities as of end of June 2023 and additional investments of P1.855 million.

Receivables and other current assets amounted to P64.993 million as of June 30, 2023 as compared to P58.679 million as of December 31, 2022, or an increase of P6.314 million or 10.76% mainly due to additional receivables related to the development of affordable housing project.

Non-Current Assets
Property and equipment, net amounted to P0.406 million as of June 30, 2023 as compared to P0.474 million as of December 31, 2022, or a decrease of 14.42% or P68k mainly due to additions net of depreciation charges for the first two quarters of the year.

Investment properties amounted to P539.524 million as of June 30, 2023 and December 31, 2022. There is no increase in appraised value recognized during the first two quarters of 2023.

Current Liabilities
Accounts payable and other current liabilities amounted to P12.975 million as of June 30, 2023 as compared to P12.810 million as of December 31, 2022, or an increase of 1.29% or P165k mainly due to accruals.

Equity
Retained Earnings (Deficit) amounted to (P661.679 million) as of June 30, 2023 and (P631.296 million) as of December 31, 2022, or an increase in Deficit of P30.383 million attributed mainly to the net loss incurred by the Group for the first two quarters of the year.

Results of Financial Operations

January to June 2023 compared with January to June 2022

	Six Months Ended June 30			
	2023	**2022**	**Increase (Decrease)**	**%**
Income	4,829,491	7,076,500	(2,247,009)	(31.75%)
Expenses	37,469,486	47,940,449	(10,470,963)	(21.84%)
Net Income (loss)	(32,984,801)	(41,697,232)	8,712,431	(20.89%)

A comparative review of the Registrant's financial operations for the six-months period ended June 30, 2023 vis-à-vis the same period of prior year showed the following:

Total Income decreased by P2.247 million or 31.75% mainly due to decrease in management and service fees recognized during the period. Interest income recognized for the current period amounted to P436k and foreign exchange gains amounted to P0- as compared to P396k and P410k, respectively for the same period of 2022. Total expenses decreased by P10.471 million or 21.84% mainly due to lower unrealized loss on revaluation of securities of P25.327 million as of June 30, 2023 as compared to P36.985 million recognized in 2022.

Net loss before income taxes registered at P32.640 million for the first two quarters of 2023 and net loss after income tax provision amounted to P32.985 million.

April to June 2023 compared with April to June 2022

	Three Months Ended June 30			
	2023	**2022**	**Increase (Decrease)**	**%**
Income	2,033,441	3,526,979	(1,493,538)	(42.35%)
Expenses	23,806,806	8,050,782	15,756,024	195.71%
Net Income (loss)	(21,858,417)	(4,989,089)	(16,869,328)	338.12%

A comparative review of the Registrant's financial operations for the three-months period ended June 30, 2023 vis-à-vis the same period of prior year showed the following:

Total Income decreased by P1.493 million or 42.35% mainly due to decrease in management and service fees recognized during the period. Total expenses increased by P15.756 million or 195.71% mainly due to the unrealized loss on revaluation of securities amounting to P18.928 million for the period April to June 2023.

Net loss before income taxes registered at P21.773 million for the period April to June of 2023 and net loss after income tax provision amounted to P21.858 million.

There is no significant element of income that did not arise from the Registrant's continuing operations, neither is the Company's operations affected by any seasonality or cyclical trends.

Discussion of Material Events/Uncertainties Known to Management that would Address the Past and Impact on Future Operations

The Company does not have any material commitment for capital expenditures, in the short-term. It is not under any pressing obligation to pay its advances to affiliates. The Company has enough resources to cover payment of liabilities through the sale of some of its marketable securities. In the event that the Company will be required to settle its liabilities to third parties, it can do so by selling its listed securities and calling for payment of its notes and accounts receivable.

The Company does not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships with unconsolidated entities or other persons created during the reporting period.

ITEM 3 - KEY PERFORMANCE INDICATORS

The Company's key performance indicators are the following:

(In Percentage)

	June 30, 2023	Dec. 31, 2022
Net profit (loss) ratio	(6.8299)	(2.4922)
Return on assets	(0.0398)	(0.0829)
Return on equity	(0.0710)	(0.1437)
Current ratio	1.2535	1.3969
Acid test ratio	1.2425	1.1421
Debt to equity	0.7851	0.7323
Debt to asset	0.4398	0.4227
Asset to equity	1.7851	1.7323
Interest coverage	-	-
Earnings (loss) per share	(0.0311)	(0.0742)

Notes:
1) Net profit ratio is computed by getting the ratio of Consolidated Net Income (Loss) to Total Revenues.
2) Return on assets is derived at by dividing Net income by Total Assets.
3) Return on Equity is arrived at by dividing Net income by Total Stockholders' equity.
4) Current Ratio is expressed as Current Assets : Current Liabilities.
5) Acid Test Ratio is expressed as total of Cash on hand and in banks + Financial assets at fair value+ Receivables : Current Liabilities.
6) Debt to equity is computed by dividing Total liabilities by Total stockholders' equity.
7) Debt to assets is expressed as Total liabilities: Total assets
8) Asset to equity is computed by dividing Total assets over Total stockholders' equity.
9) Interest coverage is arrived at by dividing Operating income by Interest expense.
10) Earnings (loss) per share is arrived at by dividing the Consolidated Net Income (Loss) attributable to Equity Holders of the Parent Company over the average no. of the outstanding common shares.

PART II – OTHER INFORMATION

ITEM 4 - NON-APPLICABILITY OF OTHER SEC-REQUIRED NOTES

Notes required to be disclosed but are not applicable to the Registrant are indicated below:

a. Assets Subject to Lien and Restrictions on Sales of Assets
b. Changes in Accounting Principles and Practices
c. Defaults
d. Preferred Shares
e. Pension and Retirement Plans
f. Restrictions which Limit the Availability of Retained Earnings for Dividend Purposes
g. Significant Changes in Bonds, Mortgages and Similar Debt
h. Registration with the Board of Investments (BOI)
i. Foreign Exchange losses Capitalized as part of Property, Plant & Equipment
j. Deferred Losses Arising from Long-Term Foreign Exchange Liabilities
k. Segment Reporting
l. Disclosure not made under SEC Form 17-C: None

SIGNATURES

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

MABUHAY HOLDINGS CORPORATION
Issuer

ESTEBAN G. PEÑA SY
President
Date: July 21, 2023

GLORIA GEORGIA G. GARCIA
Treasurer & Chief Financial Officer
Date: July 21, 2023

SEC Registration Number

0	0	0	0	0	1	5	0	0	1	4

Company Name

MABUHAY HOLDINGS CORPORATION

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

35TH FLOOR
RUFINO PACIFIC TOWER
6784 AYALA AVENUE
MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, if applicable
17-Q		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number(s)	Mobile Number
mabuhayholdings@yahoo.com	7750-2000	

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
195	last Friday of April	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number(s)	Mobile Number
GLORIA GEORGIA G. GARCIA	ggg.mhc@gmail.com	7750-2000	09088941610

Contact Person's Address

35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City

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

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

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

1. For the Quarter Ended **March 31, 2023**

2. Commission Identification Number: **150014**

3. BIR Tax Identification Number: **047-000-473-206**

4. Exact Name of issuer as specified in its charter: **MABUHAY HOLDINGS CORPORATION**

5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**

6. Industry Classification Code: __________ (SEC Use Only)

7. Address of Principal Office: **35/F Rufino Pacific Tower, Ayala Avenue, Makati City**

8. Issuer's Telephone Number, Including Area Code: **(632) 750-2000**

9. Former Name, former address, former fiscal year, if changed from last report:

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

    Common shares **1,200,000,000**

11. Are any or all of these securities are listed on the Philippine Stock Exchange.

    Yes [✓] No [ ]

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

    Philippine Stock Exchange **Common stock**

12. Indicate by check mark whether the registrant:

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

    Yes [✓] No [ ]

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

    Yes [✓] No [ ]

TABLE OF CONTENTS

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2023 AND DECEMBER 31, 2022
(All amounts in Philippine Peso)

	Notes	Unaudited March 31, 2023	Audited December 31, 2022
ASSETS			
Current Assets			
Cash	2	₱71,041,592	₱83,241,547
Financial assets at fair value through profit or loss	3	175,164,953	179,709,295
Receivables and other current assets	4,12	65,002,800	58,678,903
Total current assets		311,209,345	321,629,745
Non-Current Assets			
Property and equipment, net	5	342,583	474,466
Investment properties	6	539,524,000	539,524,000
Total non-current assets		539,866,583	539,998,466
TOTAL ASSETS		₱851,075,928	₱861,628,211
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	7	₱12,880,019	₱12,810,290
Borrowings	8,12	13,624,642	13,624,642
Advances from related parties	12	9,246,946	8,992,396
Income tax payable		370,267	120,445
Advances from prospective shareholders	9	194,695,274	194,695,274
Total current liabilities		230,817,148	230,243,047
Non-Current Liabilities			
Provision for retirement benefits	15	2,582,111	2,582,111
Deferred income tax liabilities, net		131,420,549	131,420,549
Total non-current liabilities		134,002,660	134,002,660
Total Liabilities		364,819,808	364,245,707
EQUITY			
Attributable to Shareholders of the Parent Company			
Share capital	10	₱975,534,053	₱975,534,053
Treasury shares	10	(58,627,864)	(58,627,864)
Retained earnings (deficit)		(641,459,864)	(631,295,740)
		275,446,325	285,610,449
Non-controlling interest		210,809,795	211,772,055
Total equity		486,256,120	497,382,504
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		₱851,075,928	₱861,628,211

See accompanying notes to consolidated financial statements.

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME
FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(All amounts in Philippine Peso)

Unaudited

	Notes	Jan 1 - Mar 31 2023	Jan 1 - Mar 31 2022
INCOME			
Management and service fee		₱1,665,480	₱1,995,782
Rental income	6	993,235	952,336
Interest income		167,439	195,846
Foreign exchange gain, net		-	116,497
Others		61,556	289,060
		2,887,710	3,549,521
EXPENSES			
Unrealized loss on revaluation of securities		6,399,392	33,993,323
Salaries and employee benefits	14	2,095,371	1,667,131
Depreciation		131,883	133,645
Professional fees		204,271	300,342
Foreign exchange loss, net		163,009	-
Other operating expenses	16	4,760,414	3,795,226
		13,754,340	39,889,667
INCOME (LOSS) BEFORE INCOME TAX		(10,866,630)	(36,340,146)
PROVISION FOR INCOME TAX		259,754	367,997
NET INCOME (LOSS)		(11,126,384)	(36,708,143)
OTHER COMPREHENSIVE INCOME (LOSS)		-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		(₱11,126,384)	(₱36,708,143)
NET INCOME (LOSS) ATTRIBUTABLE TO:			
Shareholders of the Parent Company		(₱10,164,124)	(₱34,155,311)
Non-controlling interest		(962,260)	(2,552,832)
		(₱11,126,384)	(₱36,708,143)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:			
Shareholders of the Parent Company		(₱10,164,124)	(₱34,155,311)
Non-controlling interest		(962,260)	(2,552,832)
		(₱11,126,384)	(₱36,708,143)
Basic and diluted earnings (loss) per share attributable to shareholders of the Parent Company		(0.01042)	(0.03501)

See accompanying notes to consolidated financial statements.

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(All amounts in Philippine Peso)

Unaudited

	Equity Holders of the Company				
	Share Capital (Note 10)	**Treasury Shares (Note 10)**	**Retained Earnings (Deficit)**	**Non-controlling Interest**	**Total**
Balances at December 31, 2021	₱975,534,053	(₱58,627,864)	(₱558,932,797)	₱210,865,440	₱568,838,832
Comprehensive Income (Loss)					
Net income (loss) for the period	-	-	(34,155,311)	(2,552,832)	(36,708,143)
Other comprehensive income	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	(34,155,311)	(2,552,832)	(36,708,143)
Balances at March 31, 2022	₱975,534,053	(₱58,627,864)	(₱593,088,108)	₱208,312,608	₱532,130,689
Balances at December 31, 2022	₱975,534,053	(₱58,627,864)	(₱631,295,740)	₱211,772,055	₱497,382,504
Comprehensive Income (Loss)					
Net income (loss) for the period	-	-	(10,164,124)	(962,260)	(11,126,384)
Other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	(10,164,124)	(962,260)	(11,126,384)
Balances at March 31, 2023	₱975,534,053	(₱58,627,864)	(₱641,459,864)	₱210,809,795	₱486,256,120

See accompanying notes to consolidated financial statements.

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(All amounts in Philippine Peso)

Unaudited

	Jan 1 - Mar 31 2023	Jan 1 - Mar 31 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
INCOME (LOSS) BEFORE INCOME TAX	(₱10,866,630)	(₱36,340,146)
Adjustments for:		
Unrealized loss on revaluation of securities	6,399,392	33,993,323
Depreciation	131,883	133,645
Interest income	(167,439)	(195,846)
Dividend income	(61,556)	(8,778)
Operating profit (loss) before working capital changes	(4,564,350)	(2,417,802)
Decrease (increase) in:		
Receivables and other current assets	(6,323,897)	12,573,782
Increase (decrease) in:		
Accounts payable and other current liabilities	69,729	(247,366)
Advances from related parties	254,550	(818,979)
Cash provided by (used in) operating activities	(10,563,968)	9,089,635
Interest received	167,439	195,846
Dividend received	61,556	8,778
Income taxes paid	(9,932)	-
Net cash generated from (used in) operating activities	(10,344,905)	9,294,259
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in financial assets at FVTPL	(1,855,050)	-
Additions to property and equipment	-	(62,500)
Net cash used in investing activities	(1,855,050)	(62,500)
NET INCREASE (DECREASE) IN CASH	(12,199,955)	9,231,759
Cash at January 1	83,241,547	171,836,936
Cash at March 31	₱71,041,592	₱181,068,695

See accompanying notes to consolidated financial statements.

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED AGING OF RECEIVABLES (Note 5)
AS OF MARCH 31, 2023

	TOTAL	1-30 DAYS	31-60 DAYS	OVER 61 DAYS
Sta. Mesa Heights Holdings Corp.	574,872			574,872
Eduardo V. de Mesa	600,000			600,000
Castillo Laman Tan Pantaleon	120,404			120,404
Greenroof Corporation	57,368,342	7,947,071	228,262	49,193,009
Crawford & Company Philippines, Inc.	303,078	303,078		
Others	3,658,999	1,975,824		1,683,175
Totals	₱62,625,695	₱10,225,973	₱228,262	₱52,171,460

Note 1 - General information; status of operations

Mabuhay Holdings Corporation (the Company or Parent Company) was incorporated in the Philippines on April 6, 1988 primarily to engage in the acquisition of and disposal of investments in marketable securities, shares of stock and real estate properties. The Parent Company is 29.83% owned by Zenith Element Limited, a company incorporated and registered under the laws of the British Virgin Islands on April 17, 2018 as an investment holding company. The remaining 70.17% is owned by various individuals and corporations. The Parent Company's common shares were listed in the Philippine Stock Exchange (PSE) in 1990, there were no other share offerings subsequent thereto. Accordingly, the Company is considered a public company under Rule 3.1 of the Implementing Rules and regulations of the Securities Regulation Code when it listed its shares in the PSE in 1990.

The Parent Company's registered office and principal place of business is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

The Parent Company has 8 employees as at March 31, 2023 and December 31, 2022.

COVID-19 impact and assessment

In 2022, the Philippine economy continues to recover to its pre-pandemic levels with the imposition of less stringent community quarantine protocols, eased its border control and the lifting of the mandatory requirement to use face masks.

The Group has significant investments in traded equity instruments classified as financial assets at FVPL. The market values of these traded equity instruments are still heavily affected by the impact of the pandemic causing decline of 2.53% for the quarter ended March 31, 2023 and the year ended December 31, 2022 and resulted in a loss of P6.4 million and P33.99 million, respectively.

Management is of the opinion that the Group's cash flows will continue to satisfy the Company's current working capital requirements for the next twelve months. The Subsidiaries in the Group are currently dormant and have no significant working capital requirement.

Current status of operations; future plans

The Group's activities are limited to preservation and maintenance of existing investment properties and development of low-cost housing project carried out by its Subsidiary. The project was completed on December 2022.

On November 18, 2020, the Group entered into an agreement for the development of an affordable housing project. As at December 31, 2022, construction and development of the project has been completed.

As for its investment properties, the Group sold two parcels of land in 2021 and has entered into a new lease contract with a new tenant for a period of three (3) years commencing on September 15, 2021.

The Group plans to use the proceeds from the sale of PIHI shares and proceeds from the sale to acquire properties for rental purposes and concentrate on this as its main short-term operating activity. Management believes that this move is strategic and will be beneficial for the Group in the long run. The Group intends to become more liquid and flexible while pursuing bigger urban real property development projects together with its foreign business partners.

The following comprise the Group's short-term and long-term plans:
1. To acquire developed properties with the intention of converting such properties for lease operations;
2. To acquire properties for development and to lease these properties;
3. To acquire properties for development of affordable housing units as part of our corporate social responsibility to contribute to the housing requirements of the country;
4. To continue to retain its investment in stocks of PIHI for capital appreciation and eventual cash flows from future dividend declarations, and to invest in stocks listed in the Philippine Stock Exchange on a broader scope; and
5. To continue to retain its investment properties for appreciation, and to plan for the possible development of the prime properties.

The planned acquisitions of rental yielding properties are expected to generate sustained cash inflows to support the Group’s operations. Moreover, the remaining investment in PIHI is expected to generate substantial dividend yield in the future upon completion of PIHI’s real estate projects in Binangonan, and the construction and operation of the Makati Subway System under the Public-Private Partnership Program of the Makati City Government and other major projects.

The above plans will contribute to improve the results of operation of the Group in the future. Accordingly, the Group's consolidated financial statements have been prepared on a going concern basis.

Note 2 - Cash

The account at March 31 and December 31 consists of:

	March 31, 2023	Dec 31, 2022
Cash on hand	32,000	30,000
Cash in banks	71,009,592	83,211,547
	71,041,592	83,241,547

Cash in banks earn interest at the prevailing bank deposit rates.

Note 3 - Financial assets at fair value through profit or loss

Movements in financial assets at fair value through profit or loss (FVPL) for the period ended March 31, 2023 and the year ended December 31, 2022 are as follows:

	March 31, 2023	Dec 31, 2022
Balance as at beginning of period	179,709,295	202,743,583
Acquisitions	1,855,050	16,029,976
Disposal	-	(3,828,372)
Gain (loss) on revaluation	(6,399,392)	(35,235,892)
Balance as at end of period	175,164,953	179,709,295

The account as at March 31, 2023 and December 31, 2022 consists of listed equity shares with fair value based on current bid prices in an active market (level 1 valuation). Changes in fair values of financial assets at fair value through profit or loss are recorded in unrealized gain (loss) on revaluation of securities in profit or loss.

In 2022, the Group acquired certain investments amounting to P16.03 million and sold certain equity shares with proceeds of P4.04 million resulting in a gain of P0.58 million. The gain from the disposal is presented in the statement of comprehensive income.

Dividends earned amounted to P61,556 for the quarter ended March 31, 2023 and P397,220 for the year ended December 31, 2022 credited to profit and loss.

Note 4 - Receivables and other current assets

The account at March 31 and December 31 consists of:

	March 31, 2023	Dec 31, 2022
Receivables:		
Advances to a contractor	57,368,342	48,861,909
Due from related parties	1,410,382	1,971,936
Advances to employees	1,975,674	1,698,884
Advances to third parties	985,536	1,128,843
Rent receivable	303,078	-
Other receivables	582,683	2,825,169
	62,625,695	56,486,741
Other current assets:		
Prepayments	2,377,105	2,192,162
	65,002,800	58,678,903

Advances to a contractor pertain to payments made by the Group to Greenroof Corporation (GRC) for the construction and development of a low-cost housing project. These are applied to progress billings received from the contractor.

On November 18, 2020, the Group and GRC entered into a joint development agreement (JDA) for the purchase of land and low-cost housing development project owned and operated by GRC and for the continuous construction, development and completion of the project by GRC as the contractor.

On November 15, 2021, the Company and GRC agreed to certain amendments in the JDA as follows:

a. The Company to provide financing for the completion of the project; and
b. The Company will provide assistance in project management such as administrative work, sales and marketing services, procuring construction materials, and all other assistance in relation to the implementation of the project, assistance in documentation process for the approval and release of housing loans with PAG-IBIG Fund or other financing institution, and issuance of individual tax declaration and other documents related to the project. In return, the Company shall be paid a project management fee and a success or bonus fee for the realization of the desired profits from the project mutually agreed between the parties.

For the quarter ended March 31, 2023 and the year ended December 31, 2022, the Company has earned management and service fee arising from the revised arrangement amounting to P1.665 million and P5.129 million, respectively. These are recognized over time in profit or loss.

Advances to third parties are cash advances made to third parties and are collectible in cash.

Other receivables pertain to communication, utilities, repairs and maintenance billed to its tenants.

Prepayments mainly comprise of prepaid taxes and insurance.

Note 5 - Property and equipment

Details of property and equipment as at and for the periods ended March 31, 2023 and December 31, 2022 follow:

	Furniture and fixtures	Office equipment	Communication and other equipment	Office condominium	Transportation equipment	Building improvements	Total
COST							
Balances as at December 31, 2022	1,662,116	1,136,569	191,423	13,746,305	6,118,393	3,859,242	26,714,048
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balances as at March 31, 2023	1,662,116	1,136,569	191,423	13,746,305	6,118,393	3,859,242	26,714,048
ACCUMULATED DEPRECIATION							
Balances as at December 31, 2022	1,662,116	892,176	191,423	13,746,305	5,888,320	3,859,242	26,239,582
Additions	-	18,969	997	-	111,917	-	131,883
Disposals	-	-	-	-	-	-	-
Balances as at March 31, 2023	1,662,116	911,145	192,420	13,746,305	6,000,237	3,859,242	26,371,465
NET BOOK VALUES							
December 31, 2022	0	244,393	0	0	230,073	0	474,466
March 31, 2023	**0**	**225,424**	**(997)**	**0**	**118,156**	**0**	**342,583**

Depreciation expense of P131,883 for the quarter ended March 31, 2023 is charged to expenses. There were no disposals during the period.

Note 6 - Investment properties

The Group's investment properties include several parcels of land and condominium units held for lease. Land includes properties of The Taal Company, Inc. (TTCI) and Tagaytay Properties and Holdings Corporation (TPHC), subsidiairies, held for appreciation purposes, including those in Batangas and Tagaytay City with a total land area of 12.3 hectares. The condominium unit, which is located in Makati with a total floor area of 676 square meters, is being leased out to third parties by the Parent Company.

Note 7 – Accounts payable and other current liabilities

The account at March 31 and December 31 consists of:

	March 31, 2023	Dec 31, 2022
Accounts payable and other accrued expenses	8,765,153	8,795,838
Accrued interest on borrowings	2,879,506	2,879,506
Deferred rental income	1,063,615	1,063,615
Withholding taxes payable	171,745	71,331
	12,880,019	12,810,290

Accounts payable and accrued expenses represent third party payables and accruals on employee benefits, legal and other professional fees all payable on demand.

Note 8 - Borrowings

The outstanding borrowings, which are unsecured and non-interest bearing, pertain to a loan from a related party amounting to P13.62 million as at March 31, 2023 and December 31, 2022.

The net debt reconciliation as at March 31 and December 31 is presented below:

	March 31, 2023	Dec 31, 2022
Borrowings as at beginning of period	13,624,642	13,624,642
Cash as at end of period	(71,041,592)	(83,241,547)
Net debt as at end of period	(57,416,950)	(69,616,905)

Note 9 - Advances from prospective shareholders

The account represents funds received from third parties which is expected to be settled by way of issuance of shares.

Note 10 - Equity

(a) Share capital

Share capital at March 31, 2023 and December 31, 2022 consist of:

Common shares – P1 par value	
Authorized	4,000,000,000
Subscribed and issued	1,200,000,000
Subscriptions receivable	(224,465,947)
Paid, issued and outstanding	975,534,053
Treasury shares	(58,627,864)

(b) Treasury shares

Treasury shares represent investment of Mindanao Appreciation Corporation (MAC), a subsidiary, in the Parent Company's shares.

Note 11 - Basic and diluted earnings per share

The computation of basic earnings per share for the period ended March 31 and December 31 follows:

	2023	2022
Net income (loss) attributable to shareholders of the Parent Company	(₱10,164,124)	(₱72,362,944)
Divided by the average no. of outstanding common shares	975,534,053	975,534,053
Basic earnings per share	(0.01042)	(0.0742)

Basic and diluted earnings per share are the same due to the absence of dilutive potential common shares.

Note 12- Related party transactions

The Group's transactions with related parties include those with associates and other related parties described below:

a) Due from related parties

Details of the accounts at March 31 and December 31 follow:

	March 31, 2023	Dec 31, 2022
Entities under common control		
Intrinsic Value Management (IVM)		
Phil. Strategic International Holdings Inc. (PSIHI)		
South China Holdings Corporation (SCHC)	1,410,382	1,971,936

b) Due to related parties

This account is composed of advances from the following related parties which were obtained for working capital purposes:

	March 31, 2023	Dec 31, 2022
Borrowings from		
Entity under common control		
Intrinsic Value Management (IVM)	13,624,642	13,624,642
Advances from		
Entity under common control		
Intrinsic Value Management (IVM)		
Phil. Strategic International Holdings Inc. (PSIHI)	9,246,946	8,992,396

The above advances are non-interest bearing and are payable on demand thus, considered current.

Note 13 - Leases - the Company as lessor

The Parent Company occupies a portion of its investment property and uses it as an office space. The portion which is owner-occupied is properly classified as property and equipment. The remaining portion is leased to third parties.

Note 14- Salaries and employee benefits

Salaries and employee benefits for the period January 1 to March 31, 2023 and 2022 consist of:

	March 31, 2023	March 31, 2022
Salaries and wages	1,189,947	1,103,342
SSS, Philhealth and HDMF	68,792	50,940
Others	824,030	512,849
	2,082,769	1,667,131

Note 15 – Provision for retirement benefits

The Group has yet to adopt a formal retirement plan and only provided for the retirement obligation based on minimum required retirement benefit under Republic Act (RA) 7641. Under RA 7641, otherwise known as the Retirement Pay Law, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five (5) years in a private company, may retire and shall be entitled to retirement pay equivalent to at least 1⁄2 month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year.

Note 16 – Other Operating expenses

Other operating expenses for the period January 1 to March 31, 2023 and 2022 consist of:

	March 31, 2023	March 31, 2022
Taxes and licenses	1,217,007	1,205,489
Transportation and travel	724,115	521,606
Communication, light and water	194,290	123,956
Other fees	250,000	250,000
Miscellaneous	2,375,002	1,694,175
	4,760,414	3,795,226

Note 17- Provision for litigation claims

In the normal course of business, the Group is a defendant of a case which is pending with the Court of Appeals. The case arose from a demand for payment of minimum guaranteed return on investment by a former co-shareholder of the Parent Company in a fast craft shipping business.

The plaintiff (one of the co-shareholders) violated a number of the terms as stipulated under the agreement, including a direct purchase of the shares of the other shareholder without the consent of the Group. The agreement also contains a provision about guaranteed return.

In 1999, the plaintiff demanded full payment of the guaranteed return on its investment after audits of the fast craft business revealed a significant amount of loss, which demand was denied by the Group.

After divergent decisions by the arbitrator and regional trial court, the case was transferred to the Court of Appeals for further proceedings. In 2013, the Parent Company recorded additional provision amounting to P21.61 million to reflect the final decision rendered by the Court of Appeals instructing the Parent Company to pay the agreed guaranteed returns and arbitration costs including 12% interest calculated from the date of initial ruling totaling to P47.77 million as shown in the statement of financial position as at December 31, 2021.

On July 20, 2022, the Parent Company paid a total of P87.13 million for the settlement of litigation. The additional P39.40 million payment is recognized as loss on litigation in the statement of comprehensive income of 2022.

Note 18 - Financial risk and capital management

The Group’s activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.
The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance.

Management, under the direction of the Board of Directors of the Group is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group’s financial performance due to the unpredictability of financial markets.

There were no changes in the Group’s strategies and policies during the period.

18.1 Market risk

(a) Foreign exchange risk
The foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained to meet current commitments.

The reasonably possible movement in foreign currency exchange rates is based on projection by the Company using movement of the rates from the prior period.

(b) Price risk
The Group's exposure on price risk is minimal and limited only to investments classified as at fair value through profit or loss, investment properties and available-for-sale financial assets presented under other non-current assets in the consolidated statement of financial position. Changes in market prices of these investments are not expected to impact significantly the financial position or results of operations of the Group.

(c) Interest rate risk
Interest rate risk refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Groupis not exposed to interest rate risk as it has no interest-bearing financial instruments as at reporting dates.

18.2 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation.

Maximum exposure to credit risk
The Group's exposure to credit risk primarily relates to cash in banks and financial receivables.

18.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding through advances from related parties within the Group, extending payment terms for due to related parties, and an efficient collection of its notes receivables from third parties. The Group likewise regularly evaluates other financing instruments to broaden the Group's range of financing resources.

18.4 Fair value of financial assets and liabilities

The carrying amounts of financial assets and liabilities approximate fair values at reporting dates due to the short-term nature of financial assets and liabilities.

18.5 Fair value hierarchy

The Group follows the fair value measurement hierarchy to disclose the fair values of its financial assets and liabilities. As at March 31, 2023 and December 31, 2022, the Group's financial assets at fair value through profit or loss and available-for-sale financial assets are classified under Level 1 while investment properties are classified under Level 3 category. The Group uses the market approach for its investment properties. The value of the investment properties was based on sales and listings of comparable property registered within the vicinity premised on the factors of time, unit area/ size, unit location, unit improvements, building location, building feature/amenities, bargaining allowance and others.

18.6 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to support the property development plans of IRC and to maintain an optimal capital structure to reduce the cost of capital. For this purpose, capital is represented by total equity as shown in the consolidated statement of financial position, as well as deposit for future share subscriptions presented under liabilities.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Group has fully complied with this requirement.

There are no external minimum capitalization requirements imposed to the Group.

Note 19 - Critical accounting estimate and judgment

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities.
Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable
under the circumstances.

19.1 Critical accounting estimate

Estimate of fair value of investment properties
The following are the significant assumptions used by the independent appraiser to calculate the investment properties of the Group.

- current prices in an active market for properties of similar nature, condition or location, adjusted to reflect possible differences; and
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

Investment properties in 2023 and 2022 amounted to P539.524 million. Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment properties would have been P53.95 million higher or lower.

Retirement benefits
The present value of the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate and rates of salary increases. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

19.2 Critical accounting judgments

(a) Impairment of financial assets
The loss allowances for cash, and notes and other receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(b) Recognition of deferred income tax assets
Management reviews at each reporting date the carrying amounts of deferred income tax assets. The carrying amount of deferred income tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the related tax assets can be utilized.

(c) Entities in which the Group holds less than 50% interest
Management consider that the Parent Company has de facto control over TAC, MAC, TTCI and TPHC even though it has less than 50% of the voting rights. There is no history of other shareholders forming a group to exercise their votes collectively. Based on the absolute size of the Parent Company's shareholding and the relative size of the other shareholdings, management has concluded that the Parent Company has sufficiently dominant voting interest to have the power to direct the relevant activities of these entities. Consistent with PFRS 10, the entities have been fully consolidated into the Group's consolidated financial statements. Management has assessed the level of influence that the Group has on PIHI and determined that it has no significant influence with an ownership of 11.40% in 2019 and 2018 and control has not been established. Consequently, this investment previously classified as an associate has been reclassified to financial assets at FVPL in 2018.

(d) Impairment of investment properties
The Group's investment properties were tested for impairment where the recoverable amount was determined using the market approach. The value of the investment properties was based on sales and listings of comparable property registered within the vicinity premised on the factors of time, unit area/size, unit location, unit improvements, building location, building feature/amenities, bargaining allowance and others which management believes are reasonable.

The carrying amount of investment properties amounted to P539.524 million as at March 31, 2023 and December 31, 2022. No impairment loss was recognized on investment properties for the period ended March 31, 2023 and the year ended December 31, 2022.

Note 20 - Summary of significant accounting policies
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, investment properties and available-for-sale financial assets.

The preparation of consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements as disclosed in Note 19.

20.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

There are no new standards, amendments to existing standards and interpretations that are effective from January 1, 2021, adopted by the Group that have significant impact on the Group's consolidated financial statements.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards, amendments to existing standards and interpretations are effective for the Group's annual periods after January 1, 2022 and have not been early adopted nor applied by the Group in preparing these consolidated financial statements. None of these are expected to be relevant and have an effect on the consolidated financial statements of the Group, while the most relevant one is set out as follows:

- Classification of Liabilities as Current or Non-current - Amendments to PAS 1 (effective January 1, 2023). The amendments affect only the presentation of liabilities in the statement of financial position - not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. The amendments:
    - clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the 'right' to defer settlement by at least 12 months and make explicit that only rights in place 'at the end of the reporting period' should affect the classification of a liability;
    - clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
    - make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are not expected to have a material impact on the Group's classification of liabilities. The amendments provided clear guidance which will support the Group's assessment.

- Disclosure of Accounting Policies - Amendments to PAS 1 and PFRS Practice Statement 2 (effective January 1, 2023). The amendments in PAS 1 require entities to disclose the material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. It has further clarified that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, an amended PFRS Practice Statement 2 - Making Materiality Judgements provides guidance on how to apply the concept of materiality to accounting policy disclosures.

20.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at March 31, 2023 and December 31, 2022. The subsidiaries' financial statements are prepared for the same reporting year as the Parent Company. The Group uses uniform accounting policies, any difference between subsidiaries and the Parent Company are adjusted properly.

All subsidiaries are domestic companies registered and doing business in the Philippines and are principally engaged in the business of acquiring and disposing of interests in real and personal properties of any kind or description, marketable securities and shares of stock. The subsidiaries' registered office and principal place of business is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent Company do not differ from the proportion of ordinary shares held.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial reporting and operating policies by virtue of de facto control. De facto control may arise in circumstances where the size Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred,
non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

TPHC holds interests in the companies listed above namely: (1) The Angeles Corporation, 57.69%;
(2) The Taal Company, Inc., 55.64%; and (3) Mindanao Appreciation Corporation, 53.68%.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions- that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

20.4 Cash

Cash consist of cash on hand and deposits at call with banks. They are stated at face value or nominal amount.

20.5 Financial instruments

20.5.1 Classification
The Group classifies its financial assets and liabilities according to the categories described below. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets and liabilities at initial recognition.

(a) Financial assets
The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through OCI (FVOCI) or through profit or loss (FVPL), and

- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Financial assets at amortized cost
Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. The Group's financial assets at amortized cost comprise cash in bank and notes and other receivables.

(ii) Financial assets at FVPL
Financial assets at FVPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, these are classified as non-current.

The Group's financial assets at FVPL are classified under this category.

(b) Financial liabilities
The Group classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that designated at fair value); and financial liabilities at amortized cost.

The Group only has financial liabilities measured at amortized cost which include accounts payable and other current liabilities (excluding taxes payable and deferred rental income) and advances from related parties.

20.5.2 Recognition and measurement

(a) Initial recognition and measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement of comprehensive income under profit or loss.

(b) Subsequent measurement
(i) Financial assets at amortized cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Significant impairment losses are presented as a separate line item in the statement of total comprehensive income under profit or loss.

(ii) Financial assets at FVPL
Gains or losses arising from changes in the fair value of financial assets and liabilities at fair value through profit or loss, including interest and dividend income and interest expense, are presented in profit or loss within fair value gain (loss) on financial assets at FVPL in the period in which these arise. Dividend income from financial assets at FVPL is recognized under profit or loss in the statement of total comprehensive income as a separate line item when the Group's right to receive payment is established.

(iii) Financial liabilities
Financial liabilities at fair value through profit or loss are subsequently carried at fair value. Financial liabilities at amortized cost are measured at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of financial liabilities at fair value through profit or loss, including interest expense, are presented in profit or loss within 'Unrealized gain (loss) on securities' in the period in which these arise.

20.5.3 Impairment
From January 1, 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by PFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Group's management noted that the assessment of expected credit loss based on PFRS 9 is not materially different with current policy of the Group. As a result, there was no adjustment on the Group's retained earnings (deficit) as at January 1, 2018 as a result of the adoption of PFRS 9.

20.5.4 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

20.5.5 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. As at March 31, 2022 and December 31, 2021, there are no financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

20.6 Receivables

Receivables including advances and other receivables and due from related parties are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

20.7 Prepayments

Prepayments are recognized in the event that payment has been made in advance of obtaining right of access to receipt of services and measured at the amount of cash paid, which is equal to its nominal amount. Prepayments are derecognized in the consolidated statement of financial position as these expire with the passage of time or consumed in operations.

Prepayments are included in current assets, except when the related services are expected to be received or rendered for more than twelve months after the end of the reporting period, in which case, these are classified as non-current assets.

20.8 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation, amortization and impairment, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation or amortization is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Furniture and fixtures	3 to 5 years
Office equipment	5 years
Office condominium	25 years
Communication and other equipment	5 years
Building improvements	10 years
Transportation equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost, appraisal increase and their related accumulated depreciation are removed from the accounts. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in profit or loss.

20.9 Investment properties

Investment property is defined as property held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for: (a) use in the production of supply of goods or services or for administrative purposes; or (b) sale in the common course of business.

Investment properties principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Group. Investment property is carried at fair value, representing open market value determined annually by external valuators. Changes in fair values are recorded in profit or loss as part of other income.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Removal of an item within investment property is triggered by a change in use, by sale or disposal. If an investment property becomes owner-occupied, it is reclassified as property and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Gain or loss arising on disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset. This is recognized in profit or loss.

Properties that are being constructed or developed for future capital appreciation are classified as investment properties.

20.10 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

The Group uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques for non-financial assets are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group's financial assets at fair value through profit or loss and investment properties are classified under Level 1 and Level 2, respectively.

20.11 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, land - are not subject to amortization and are tested annually for impairment. Assets that have definite useful life are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which an impairment loss has been recognized are reviewed for possible reversal of the impairment at each reporting date. An allowance is set-up for any substantial and presumably permanent decline in value of investments.

20.12 Accounts payable and other liabilities

Accounts payable and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable and other liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Accounts payable and other liabilities are measured at the original invoice amount (as the effect of discounting is immaterial).

Relevant accounting policies for classification, recognition, measurement and derecognition of accounts payable and other liabilities and other financial liabilities are presented in Note 20.5.

20.13 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting date.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred.

20.14 Employee benefits

(a) *Retirement benefit obligation*
The Parent Company has less than 10 employees and has not yet formalized its employee retirement plan but it plans to provide retirement benefits. The retirement benefits under RA 7641 are considered as defined benefit plan. Defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The retirement obligation is equivalent to half-month compensation and calculated proportionately to the length of service of an employee.

(b) Other short-term benefits
The Parent Company recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves. The Parent Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Liabilities for short-term employee benefits are derecognized when the obligation is settled, cancelled or has expired.

20.15 Current and deferred income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary
difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Deferred income tax assets and liabilities are derecognized when related bases are realized or when it is no longer realizable.

20.16 Provisions

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

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

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

Provisions are derecognized when the obligation is settled, cancelled or has expired.

20.17 Equity

(a) Common shares
Share capital consists of common shares, which are stated at par value, that are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

(b) Share premium
Share premium is recognized for the excess proceeds of subscriptions over the par value of the shares issued.

(c) Treasury shares
Where any member of the Group purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Parent Company's shareholders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Parent Company's shareholders.

20.18 Earnings per share

Basic earnings per share is calculated by dividing net income attributable to the Parent Company by the weighted average number of common shares in issue during the year. Diluted earnings per share is computed in the same manner as basic earnings per share, however, profit attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

20.19 Income and expense recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow to the Group and specific criteria have been met for each of its activities as described below.

(a) Rental income

Rental income from operating leases (the Group is the lessor) is recognized as income on a straight-line basis over the lease term. When the Group provides incentives to its lessees, the cost of incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income.

(b) Interest income and expense

Interest income and expense are recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount future cash flows for the purpose of measuring impairment loss.

(c) Dividend income
Dividend income is recognized when the right to receive payment is established.

(d) Other income
Other income is recognized when earned.

(e) Expenses
Expenses are recognized when they are incurred.

20.20 Foreign currency transactions and translation

(a) Functional and presentation currency
Items included in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

20.21 Related party relationships and transactions

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

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

(b) Related party transaction
Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged or not.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Consolidated Financial Statements of the Registrant that are incorporated to this Report by reference. Such Consolidated Financial Statements have been prepared in accordance with Philippine Financial Reporting Standards.

On November 18, 2020, the Group purchased a low-cost housing development project. As at March 31, 2022, construction and development of the project has been completed.

As for its investment properties, the Group sold two parcels of land in 2021 and has entered into a new lease contract with a new tenant for a period of three (3) years commencing on September 15, 2021.

The Group plans to use the proceeds from the sale of PIHI shares and proceeds from the sale to acquire properties for rental purposes and concentrate on this as its main short-term operating activity. Management believes that this move is strategic and will be beneficial for the Group in the long run. The Group intends to become more liquid and flexible while pursuing bigger urban real property development projects together with its foreign business partners.

The following comprise the Group's short-term and long-term plans:

1. To acquire developed properties with the intention of converting such properties for lease operations;
2. To acquire properties for development and to lease these properties;
3. To acquire properties for development of affordable housing units as part of our corporate social responsibility to contribute to the housing requirements of the country;
4. To continue to retain its investment in stocks of PIHI for capital appreciation and eventual cash flows from future dividend declarations, and to invest in stocks listed in the Philippine Stock Exchange on a broader scope; and
5. To continue to retain its investment properties for appreciation, and to plan for the possible development of the prime properties.

The above plans will contribute to improve the results of operation of the Group in the following years.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Management, under the direction of the Board of Directors of the Group is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group's financial performance due to the unpredictability of financial markets.

The Company's equity position is in compliance with the minimum statutory requirements applicable to public companies. Given the very limited operating activities undertaken by the Group, it does not require intensive capitalization. The Group's main objective is to ensure it has adequate capital moving forward to pursue its land disposal plans at optimum gain.

Other than its gear towards opening projects on affordable housing, the Group does not anticipate other heavy requirement for working capital in 2023.

Financial Position

	March 31, 2023 (Unaudited)	**December 31, 2022 (Audited)**	**Increase (Decrease)**	**%**
Current Assets	311,209,345	321,629,745	(10,420,400)	(3.24%)
Non-current Assets	539,866,583	539,998,466	(131,883)	(0.02%)
Total Assets	851,075,928	861,628,211	(10,552,283)	(1.22%)
Current Liabilities	230,817,148	230,243,047	574,101	0.25%
Non-current Liabilities	134,002,660	134,002,660	0	0.00%
Equity	486,256,120	497,382,504	(11,126,384)	(2.24%)

Explanation to Accounts with Material Variance (March 2023 vs. December 2022)

Current Assets

Cash amounted to P71.042 million as of March 31, 2023 as compared to P83.241 million as of December 31, 2022, or a decrease of 14.66% or P12.2 million attributed mainly to cash used for working capital and for development of the affordable housing project.

Financial assets at fair value through profit or loss amounted to P175.165 million as of March 31, 2022 as compared to P179.709 million as of December 31, 2022, or a decrease of 2.53% or P4.544 million mainly due to recognition of unrealized loss on revaluation of securities as of end of March 2023 and additional investments of P1.855 million.

Receivables and other current assets amounted to P65.003 million as of March 31, 2023 as compared to P58.679 million as of December 31, 2022, or an increase of P6.324 million or 10.78% mainly due to additional receivables related to the development of affordable housing project.

Non-Current Assets
Property and equipment, net amounted to P0.343 million as of March 31, 2023 as compared to P0.474 million as of December 31, 2022, or a decrease of 27.8% or P132k mainly due to depreciation charges for the first quarter.

Investment properties amounted to P539.524 million as of March 31, 2023 and December 31, 2022. There is no increase in appraised value recognized during the first quarter of 2023.

Current Liabilities
Accounts payable and other current liabilities amounted to P12.880 million as of March 31, 2023 as compared to P12.810 million as of December 31, 2022, or an increase of 0.54% or P70k mainly due to accruals.

Equity
Retained Earnings (Deficit) amounted to (P641.460 million) as of March 31, 2023 and (P631.296 million) as of December 31, 2022, or an increase in Deficit of P10.164 million attributed mainly to the net loss incurred by the Group for the first quarter.

Results of Financial Operations

January to March 2023 compared with January to March 2022

	Three Months Ended March 31			
	2023	**2022**	**Increase (Decrease)**	**%**
Income	2,887,710	3,549,521	(661,811)	(18.65%)
Expenses	13,754,340	39,889,667	(26,135,327)	(65.52%)
Net Income (loss)	(11,126,384)	(36,708,143)	25,581,759	(69.69%)

A comparative review of the Registrant's financial operations for the quarter ended March 31, 2022 vis-à-vis the same period of prior year showed the following:

Total Income decreased by P0.662 million or 18.65% mainly due to lower management and service fees recorded during the current period and lower dividend income received. Interest income is slightly lower during the current period by P28k or 14.5%. Foreign exchange gains in for the first quarter of 2023 is zero as compared to P116K in the same period of 2022.

Total expenses decreased by P26.135 million or 65.52% mainly due to lower unrealized loss on revaluation of securities of P6.399 million during the first quarter as compared to P33.993 million recognized in the same period of 2022.

Net loss before income taxes registered at P10.867 million for the first quarter of 2023 and net loss after income tax provision amounted to P11.126 million.

There are no significant elements of income that did not arise from the Registrant's continuing operations, neither is the Company's operations affected by any seasonality or cyclical trends.

Discussion of Material Events/Uncertainties Known to Management that would Address the Past and Impact on Future Operations

The Company does not have any material commitment for capital expenditures, in the short-term. It is not under any pressing obligation to pay its advances to affiliates. The Company has enough resources to cover payment of liabilities through the sale of some of its marketable securities. In the event that the Company will be required to settle its liabilities to third parties, it can do so by selling its listed securities and calling for payment of its notes and accounts receivable.

The Company does not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships with unconsolidated entities or other persons created during the reporting period.

ITEM 3 - KEY PERFORMANCE INDICATORS

The Company's key performance indicators are the following:

(In Percentage)

	March 31, 2023	Dec. 31, 2022
Net profit (loss) ratio	(3.8530)	(2.4922)
Return on assets	(0.0131)	(0.0829)
Return on equity	(0.0229)	(0.1437)
Current ratio	1.3483	1.3969
Acid test ratio	1.3380	1.1421
Debt to equity	0.7503	0.7323
Debt to asset	0.4287	0.4227
Asset to equity	1.7503	1.7323
Interest coverage	-	-
Earnings (loss) per share	(0.0104)	(0.0742)

Notes:
1) Net profit ratio is computed by getting the ratio of Consolidated Net Income (Loss) to Total Revenues.
2) Return on assets is derived at by dividing Net income by Total Assets.
3) Return on Equity is arrived at by dividing Net income by Total Stockholders' equity.
4) Current Ratio is expressed as Current Assets : Current Liabilities.
5) Acid Test Ratio is expressed as total of Cash on hand and in banks + Financial assets at fair value+ Receivables : Current Liabilities.
6) Debt to equity is computed by dividing Total liabilities by Total stockholders' equity.
7) Debt to assets is expressed as Total liabilities: Total assets
8) Asset to equity is computed by dividing Total assets over Total stockholders' equity.
9) Interest coverage is arrived at by dividing Operating income by Interest expense.
10) Earnings (loss) per share is arrived at by dividing the Consolidated Net Income (Loss) attributable to Equity Holders of the Parent Company over the average no. of the outstanding common shares.

PART II – OTHER INFORMATION

ITEM 4 - NON-APPLICABILITY OF OTHER SEC-REQUIRED NOTES

Notes required to be disclosed but are not applicable to the Registrant are indicated below:

a. Assets Subject to Lien and Restrictions on Sales of Assets
b. Changes in Accounting Principles and Practices
c. Defaults
d. Preferred Shares
e. Pension and Retirement Plans
f. Restrictions which Limit the Availability of Retained Earnings for Dividend Purposes
g. Significant Changes in Bonds, Mortgages and Similar Debt
h. Registration with the Board of Investments (BOI)
i. Foreign Exchange losses Capitalized as part of Property, Plant & Equipment
j. Deferred Losses Arising from Long-Term Foreign Exchange Liabilities
k. Segment Reporting
l. Disclosure not made under SEC Form 17-C: None

SIGNATURES

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

MABUHAY HOLDINGS CORPORATION
Issuer

ESTEBAN G. PEÑA SY
President
Date: May 9, 2023

GLORIA GEORGIA G. GARCIA
Treasurer & Chief Financial Officer
Date: May 9, 2023

www.pwc.com/ph

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Financial Statements
As at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022

pwc

Isla Lipana & Co.

MABUHAY
HOLDINGS CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **MABUHAY HOLDINGS CORPORATION and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2022 and 2021,** in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud of error.

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

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

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

Isla Lipana & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ROBERTO V. SAN JOSE
Chairman of the Board

ESTEBAN G. PEÑA SY
President

GLORIA GEORGIA G. GARCIA
Chief Financial Officer

Signed this 14th day of April 2023

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

APR 17 2023

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this_________ day of _______________, affiants exhibiting to me their Community Tax Certificates/Passports/Driver's license, as follows:

Affiant	CTC No. / DL/SC Passport No.	Date of Issue/Place of Issue/Expiry
Roberto V. San Jose	Sr. Citizen ID 2957	September 29, 2008 /Muntinlupa City
Esteban G. Peña Sy	P8276657A	August 09, 2018/DFA NCR Central
Gloria Georgia G. Garcia	P8316836A	August 11, 2018/DFA-NCR North East

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 9563522 Jan. 3, 2023/ Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

Doc. No. 488
Page No. 99
Book No. XVII
Series of 2023

Independent Auditor's Report

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Mabuhay Holdings Corporation (the "Parent Company") and Subsidiaries (together, the "Group") as at December 31, 2022 and 2021, and the financial performance and cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2022 and 2021;
- the consolidated statements of comprehensive income for each of the three years in the period ended December 31, 2022;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2022;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2022; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audits in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is as follow:

Key Audit Matter	How our audit addressed the Key Audit Matter
Estimation of fair value of investment properties Refer to Note 7 to the consolidated financial statements for the details of the investment properties and Note 22.1 for discussion on critical accounting estimates and assumptions. This is a key audit matter mainly due to the materiality of the account and volatility of the market in relation to the determination of the fair value of the investment properties. As at December 31, 2022, total investment properties, carried at fair value amounts to P539.52 million. An annual fair value assessment is performed based on the requirements of PFRS 13, Fair Value Measurement, and Philippine Accounting Standards (PAS) 40, Investment Property. In 2022, the Group recognized a fair value gain amounting to P17.40 million. This is based on the report prepared by an independent appraiser engaged by the Group using the market approach. This approach uses sales and listing of comparable properties registered within the vicinity premised on the factors of time, unit area or size, unit location, unit improvements, building location, building features or amenities, bargaining allowance, and others.	We addressed the matter by obtaining the appraisal report prepared by third party experts and reviewing the appropriateness of the method and reasonableness of the significant assumptions and estimates used in calculating the fair value and assessed in accordance with PFRS 13 requirements. In particular, audit evidence over the reliability of the appraiser report was obtained through independent verification of certain fair value assumptions (i.e., similar market listing in the area) over the Group's properties. We evaluated competence, capabilities and objectivity of the independent appraiser by reviewing their profile, qualifications, client portfolio and business relationship with the Group. We also reviewed the accounting policy adopted by the Group's management on fair value measurement of investment properties in accordance with PFRS 13 and PAS 40.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A (Annual Report) for the year ended December 31, 2022, but do not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A (Annual Report) are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each entity within the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an entity within the Group to cease to continue as a going concern.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Zaldy D. Aguirre.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 9, 2023, Makati City
SEC A.N. (individual) as general auditors 105660-SEC, Category A;
valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
TIN 221-755-698
BIR A.N. 08-000745-077-2020, issued on December 14, 2020; effective until December 13, 2023
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 14, 2023

Isla Lipana & Co.

Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

We have audited the consolidated financial statements of Mabuhay Holdings Corporation (Parent Company) and Subsidiaries as at and for the year ended December 31, 2022, on which we have rendered the attached report dated April 14, 2023. The supplementary information shown in the Map of the Group of Companies within which the Reporting Entity Belongs and the Reconciliation of Retained Earnings Available for Dividend Declaration, as additional components required by Rule 68 of the SRC, and Schedules A, B, C, D, E, F, and G, as required by Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the consolidated financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in the audit of the consolidated financial statements. In our opinion, the supplementary information have been prepared in accordance with Rule 68 of the SRC.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 9, 2023, Makati City
SEC A.N. (individual) as general auditors 105660-SEC, Category A;
valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
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Makati City
April 14, 2023

Isla Lipana & Co.

Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Mabuhay Holdings Corporation (the "Parent Company") and Subsidiaries (together, the "Group") as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 14, 2023. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of the operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2022 and 2021 and no material exceptions were noted.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 9, 2023, Makati City
SEC A.N. (individual) as general auditors 105660-SEC, Category A;
valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
TIN 221-755-698
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BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 14, 2023

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2022 and 2021
(All amounts in Philippine Peso)

	Notes	2022	2021
ASSETS			
Current assets			
Cash	2	83,241,547	171,836,936
Financial assets at fair value through profit or loss (FVPL)	3	179,709,295	202,743,583
Receivables and other current assets	5	58,678,903	88,689,173
Total current assets		321,629,745	463,269,692
Non-current assets			
Property and equipment, net	6	474,466	930,927
Investment properties	7	539,524,000	522,127,000
Total non-current assets		539,998,466	523,057,927
Total assets		861,628,211	986,327,619
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other current liabilities	8	12,810,290	13,162,963
Borrowings	9	13,624,642	13,624,642
Advances from related parties	15	8,992,396	9,560,485
Income tax payable		120,445	5,329,825
Provision for litigation claims	19	-	47,770,052
Advances from prospective shareholders	10	194,695,274	194,695,274
Total current liabilities		230,243,047	284,143,241
Non-current liabilities			
Retirement benefits obligation	18	2,582,111	2,856,914
Deferred income tax liabilities, net	13	131,420,549	130,488,632
Total non-current liabilities		134,002,660	133,345,546
Total liabilities		364,245,707	417,488,787
Equity			
Attributable to shareholders of the Parent Company			
Share capital	11	975,534,053	975,534,053
Treasury shares	11	(58,627,864)	(58,627,864)
Deficit		(631,295,740)	(558,932,797)
		285,610,449	357,973,392
Non-controlling interest		211,772,055	210,865,440
Total equity		497,382,504	568,838,832
Total liabilities and equity		861,628,211	986,327,619

The notes on pages 1 to 33 are an integral part of these consolidated financial statements.

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income
For each of the three years in the period ended December 31, 2022
(All amounts in Philippine Peso)

	Notes	2022	2021	2020
Income				
Gain on fair value change in investment properties	7	17,397,000	22,112,050	60,804,950
Management and service fee	5	5,128,725	1,943,558	-
Rental income	7	3,935,158	1,601,914	8,242,891
Foreign exchange gain	21.1	515,837	278,089	-
Interest income	2,4	442,308	894,422	3,133,894
Dividend income	3	397,220	77,385	232,482
Unrealized gain on revaluation of financial assets at FVPL	3	-	-	27,337,604
Gain on disposal of investment properties	7	-	4,358,661	-
Gain on sale of securities		575,628	-	-
Other income	8	280,282	-	-
		28,672,158	31,266,079	99,751,821
Expenses				
Loss on litigation	19	39,358,145	-	-
Unrealized loss on revaluation of financial assets at FVPL	3	35,235,892	48,876,118	-
Meeting expenses		6,347,595	2,229,554	3,082,500
Salaries and employee benefits	17	6,237,419	6,085,182	6,277,940
Professional fees		1,907,670	3,683,795	1,296,050
Depreciation	6	531,989	539,077	477,757
Foreign exchange loss, net	21.1	-	-	293,630
Other expenses	12	8,795,913	7,820,085	6,085,319
		98,414,623	69,233,811	17,513,196
(Loss) income before income tax		(69,742,465)	(37,967,732)	82,238,625
Income tax (expense) benefit	13	(1,713,865)	21,719,456	9,687,379
Net (loss) income for the year		(71,456,330)	(16,248,276)	91,926,004
Other comprehensive income for the year		-	-	-
Total comprehensive (loss) income for the year		(71,456,330)	(16,248,276)	91,926,004
Basic and diluted (loss) earnings per share attributable to shareholders of the Parent Company	14	(0.0742)	(0.0365)	0.0655
Net (loss) income attributable to:				
Shareholders of the Parent Company		(72,362,944)	(35,591,866)	63,852,518
Non-controlling interest		906,614	19,343,590	28,073,486
		(71,456,330)	(16,248,276)	91,926,004
Total comprehensive (loss) income attributable to:				
Shareholders of the Parent Company		(72,362,944)	(35,591,866)	63,852,518
Non-controlling interest		906,614	19,343,590	28,073,486
		(71,456,330)	(16,248,276)	91,926,004

The notes on pages 1 to 33 are an integral part of these consolidated financial statements.

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2022
(All amounts in Philippine Peso)

	Shareholders of the Parent Company				
	Share capital (Note 11)	Treasury shares (Note 11)	Deficit	Non-controlling interest	Total
Balances as at January 1, 2020	975,534,053	(58,627,864)	(587,193,449)	163,448,364	493,161,105
Comprehensive income					
Net income for the year	-	-	63,852,519	28,073,487	91,926,005
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	63,852,519	28,073,487	91,926,005
Balances as at December 31, 2020	975,534,053	(58,627,864)	(523,340,930)	191,521,851	585,087,110
Comprehensive income (loss)					
Net income (loss) for the year	-	-	(35,591,866)	19,343,590	(16,248,276)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	(35,591,866)	19,343,590	(16,248,276)
Balances as at December 31, 2021	975,534,053	(58,627,864)	(558,932,796)	210,865,441	568,838,834
Comprehensive income (loss)					
Net income (loss) for the year	-	-	(72,362,944)	906,614	(71,456,330)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	(72,362,944)	906,614	(71,456,330)
Balances as at December 31, 2022	975,534,053	(58,627,864)	(631,295,740)	211,772,055	497,382,504

The notes on pages 1 to 33 are an integral part of these consolidated financial statements.

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2022
(All amounts in Philippine Peso)

	Notes	2022	2021	2020
Cash flows from operating activities				
Income (loss) before income tax		(69,742,465)	(37,967,732)	82,238,625
Adjustments for:				
Unrealized loss (gain) on revaluation of financial assets at FVPL	3	35,235,892	48,876,118	(27,337,604)
Depreciation	6	531,989	539,077	477,757
Gain on disposal of financial assets at FVPL	3	(575,628)	-	-
Dividend income	3	(397,220)	(77,385)	(232,482)
Unrealized foreign exchange gain	21.1	(515,837)	(278,089)	(138,128)
Provision for (reversal of) retirement obligation	18	(274,803)	(485,435)	338,179
Interest income	2,4	(442,308)	(894,422)	(3,133,894)
Gain on disposal of investment properties	7	-	(4,358,661)	-
Gain on fair value change in investment properties	7	(17,397,000)	(22,112,050)	(60,804,950)
Operating loss before working capital changes		(53,577,380)	(16,758,579)	(8,592,497)
Increase (decrease) in:				
Receivables and other current assets		30,009,447	(58,269,623)	(23,733,939)
Increase (decrease) in:				
Advances from related parties		(568,089)	334,816	223,402
Accounts payable and other current liabilities		(5,675,329)	878,670	116,364
Provision for litigation claim		(47,770,052)	-	-
Cash absorbed by operations		(77,581,403)	(73,814,716)	(31,986,670)
Interest received		442,308	894,422	3,133,894
Dividend received		397,220	77,385	232,482
Income tax paid		(667,847)	(258,618)	(223,189)
Net cash used in operating activities		(77,409,722)	(73,101,527)	(28,843,483)
Cash flows from investing activities				
Proceeds from disposal of financial assets at FVPL	3	4,404,000	-	-
Acquisitions of financial assets at FVPL	3	(16,029,976)	-	-
Proceeds from disposal investment properties	7	-	32,143,661	-
Collection of notes receivable	4	-	-	58,350,678
Interest received	4	-	-	1,649,322
Acquisitions of property and equipment	6	(75,528)	(235,140)	(142,889)
Net cash provided by (used in) investing activities		(11,701,504)	31,908,521	59,857,111
Net increase (decrease) in cash for the year		(89,111,226)	(41,193,006)	31,013,628
Cash as at January 1		171,836,936	212,751,853	181,600,097
Effect of exchange rates on cash		515,837	278,089	138,128
Cash as at December 31	2	83,241,547	171,836,936	212,751,853

The notes on pages 1 to 33 are an integral part of these consolidated financial statements.

Mabuhay Holdings Corporation and Subsidiaries

Notes to the Consolidated Financial Statements
As at December 31, 2022 and 2021 and
for each of the three years in the period ended December 31, 2022
(In the Notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - General information; status of operations

Mabuhay Holdings Corporation (the "Parent Company") was incorporated in the Philippines on April 6, 1988 primarily to engage in the acquisition and disposal of investments in marketable securities, shares of stock and real estate properties. The Parent Company is 29.83% owned by Zenith Element Limited, a company incorporated and registered under the laws of the British Virgin Islands on April 17, 2018 as an investment holding company. The remaining 70.17% is owned by various individuals and corporations. The Parent Company's common shares were listed in the Philippines Stock Exchange (PSE) in 1990. Other than its share listing in 1990, there were no other share offerings subsequent thereto. Accordingly, the Parent Company is considered a public company under Rule 3.1 of the Implementing Rules and Regulations of the Securities Regulation Code.

The consolidated financial statements include the financial information of the Parent Company and its Subsidiaries (the Group) detailed in Note 23.3.

The Parent Company's registered office and principal place of business is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

The Parent Company has 8 employees as at December 31, 2022 and 2021.

The Group's activities are limited to preservation and maintenance of existing investment properties and development of low-cost housing project carried out by its Subsidiary. The project was completed on December 2022.

In 2021, the Group sold two parcels of land classified as investment properties (Note 7) and has entered into a new lease contract with a new tenant for a period of three (3) years commencing on September 15, 2021 (Note 16).

The following comprise the Group's short-term and long-term plans:

1. To acquire and develop properties for lease purposes;
2. To acquire properties for development of affordable housing units as part of our corporate social responsibility to contribute to the housing requirements of the country; and,
3. To continue to retain its investment properties for appreciation, and to plan for the possible development of the prime properties.

The planned acquisitions of rental yielding properties are expected to generate sustained cash inflows to support the Group's operations.

COVID-19 pandemic

In 2022, the Philippine economy continues to recover to its pre-pandemic levels with the imposition of less stringent community quarantine protocols, eased its border control and the lifting of the mandatory requirement to use face masks.

The Group has significant investments in traded equity instruments classified as financial assets at FVPL. The market values of these traded equity instruments are still heavily affected by the impact of the pandemic causing decline of 13% for the year ended December 31, 2022 or a loss of P44.24 million. In 2022, the Company has acquired and disposed certain shares amounting to P16.03 million and P3.83 million, respectively (Note 3).

On July 20, 2022, the Parent Company paid P87.13 million for the settlement of case filed by a former co-shareholder of the Company in a fast craft shipping business. Relative to this, the Company incurred additional loss on litigation amounting to P39.36 million (Note 19).

Management is of the opinion that the Group's cash flows will continue to satisfy the Group's current working capital requirements for the next twelve months. The Subsidiaries in the Group are currently dormant and have no significant working capital requirements.

The consolidated financial statements have been approved and authorized for issue by the Board of Directors (BOD) on April 14, 2023.

Note 2 - Cash

Cash as at December 31 consist of:

	2022	2021
Cash on hand	30,000	30,000
Cash in bank	83,211,547	171,806,936
	83,241,547	171,836,936

Cash in bank earns interest at the prevailing bank deposit rates. Interest income from cash in bank for the year ended December 31, 2022 amounted to P0.44 million (2021 -P0.89 million; 2020 - P3.13 million).

Note 3 - Financial assets at fair value through profit or loss (FVPL)

Movements in financial assets at FVPL for the years ended December 31 follow:

	Note	2022	2021
At January 1		202,743,583	251,619,701
Acquisitions		16,029,976	-
Disposal		(3,828,372)	-
Loss on revaluation	1	(35,235,892)	(48,876,118)
At December 31		179,709,295	202,743,583

The account consists of equity shares listed in Philippine Stock Exchange with fair value based on current bid prices in an active market (Level 1 valuation). Changes in fair value are recorded in unrealized gain (loss) on revaluation of financial assets at FVPL in profit or loss amounting to P35.24 million loss for the year ended December 31, 2022 (2021 - P48.88 million loss; 2020 - P27.34 million gain).

In 2022, the Group acquired certain investments amounting to P16.03 million and sold certain equity shares with proceeds of P4.04 million resulting in a gain of P0.58 million. The gain from the disposal is presented in the statement of comprehensive income.

Dividends earned for the year ended December 31, 2022 amounted to P0.40 million (2021- P0.08 million; 2020 - P0.23 million) credited to profit or loss.

Note 4 - Notes receivable

In 2019, the Group had long outstanding receivables from Philippine Infradev Holdings Inc. (PIHI) amounting to P120.80 million in notes and interest receivables and P3.78 million in rent receivables totaling P124.58 million. On June 12, 2020, the Group and PIHI entered into a final settlement agreement and collected P60.00 million as full settlement, which resulted in a loss on write-off of uncollected receivables for the year ended December 31, 2019 amounting to P64.58 million.

The amounted collected represents principal and interest amounting P58.35 million and P1.65 million, respectively.

Note 5 - Receivables and other current assets

The account as at December 31 consist of:

	Notes	2022	2021
Advances to a contractor		48,861,909	57,753,944
Receivables	7	2,825,169	22,157,698
Prepayments		2,192,162	4,070,320
Advances to third parties		1,128,843	2,910,533
Advances to employees		1,698,884	1,154,568
Due from other related parties	15	1,971,936	490,746
Dividend receivable		-	149,966
Other receivables		-	1,398
		58,678,903	88,689,173

Advances to a contractor pertain to payments made by the Group through its Subsidiary to Greenroof Corporation (GRC) for the construction and development of a low-cost housing project. These are collectible in cash and are billed periodically as agreed between the Group and GRC.

Some of the salient provisions of the agreement provide for the Subsidiary to finance for the completion of the project not exceeding P64.02 million and provide assistance in project management such as administrative work, sales and marketing services, procuring construction materials, and all other assistance in relation to the implementation of the project. In return, the Subsidiary shall be paid a fixed project management fee and service fee as a return of its investment plus margin for the realization of the desired profits from the project that will be mutually agreed between the parties.

For the year ended December 31, 2022, the Group has earned management and service fee arising from the arrangement amounting to P5.13 million (2021- P1.94 million).

Prepayments mainly comprise of prepaid taxes and insurance.

Advances to third parties represent cash advances that are collectible in cash.

Other receivables pertain to communication, utilities, repairs and maintenance billed to its tenants.

Note 6 - Property and equipment, net

Details and movements of property and equipment as at and for the years ended December 31 follow:

	Office condominium	Building improvements	Office equipment	Transportation equipment	Communication and other equipment	Furniture and fixtures	Total
Cost							
January 1, 2021	13,746,305	3,859,242	903,481	6,047,054	185,182	1,662,116	26,403,380
Additions	-	-	157,560	71,339	6,241	-	235,140
December 31, 2021	13,746,305	3,859,242	1,061,041	6,118,393	191,423	1,662,116	26,638,520
Additions	-	-	75,528	-	-	-	75,528
December 31, 2022	13,746,305	3,859,242	1,136,569	6,118,393	191,423	1,662,116	26,714,048
Accumulated depreciation							
January 1, 2021	13,746,305	3,859,242	746,491	4,973,948	180,414	1,662,116	25,168,516
Charges during the year	-	-	73,444	459,994	5,639	-	539,077
December 31, 2021	13,746,305	3,859,242	819,935	5,433,942	186,053	1,662,116	25,707,593
Charges during the year	-	-	72,241	454,378	5,370	-	531,989
December 31, 2022	13,746,305	3,859,242	892,176	5,888,320	191,423	1,662,116	26,239,582
Net book values							
December 31, 2021	-	-	241,106	684,451	5,370	-	930,927
December 31, 2022	-	-	244,393	230,073	-	-	474,466

As at December 31, 2022 and 2021, management assessed that there were no indicators present that would otherwise require an assessment and subsequent recognition of impairment for its property and equipment.

There are no property and equipment pledged as collateral for borrowings as at December 31, 2022 and 2021.

Note 7 - Investment properties

The Group's investment properties include several parcels of land and a commercial unit held for lease. Land includes properties of The Taal Company, Inc. (TTCI) and Tagaytay Properties and Holdings Corporation (TPHC), subsidiaries, held for appreciation purposes, including those in Batangas and Tagaytay City with a total land area of 29 hectares. The condominium unit, which is located in Makati with a total floor area of 676 square meters, is being leased out to a third party by the Parent Company (Note 16).

The changes in the fair value of investment properties presented in the statement of financial position as at December 31 are summarized below:

	2022	2021	2020
At January 1	522,127,000	527,799,950	466,995,000
Fair value gains	17,397,000	22,112,050	60,804,950
Disposals	-	(27,785,000)	-
At December 31	539,524,000	522,127,000	527,799,950

The fair value of investment properties is determined on the basis of appraisal made by an external appraiser duly certified by the management (Level 2 valuation). Valuation methods employed by the appraisers mainly include the market data approach (Note 23.10).

Movements in cumulative fair value gain for the years ended December 31 follow:

	2022	2021	2020
At January 1	477,800,907	482,351,025	421,546,075
Fair value gains	17,397,000	22,112,050	60,804,950
Disposals	-	(26,662,168)	-
At December 31	495,197,907	477,800,907	482,351,025

On September 3, 2021, the Group sold two parcels of land in Batangas with carrying value of P27.79 million for P32.14 million resulting in gain of P4.36 million. Out of the total proceeds, P22.16 million is outstanding as at December 31, 2021 and is fully collected in first quarter of 2022 (Note 5). There were no similar transaction occurred in 2022.

The following income earned and expenses incurred from these properties have been recognized in profit or loss:

	Notes	2022	2021	2020
Rental income	16	3,935,158	1,601,914	8,242,891
Operating expenses arising from investment properties that generate rental income	12	(2,958,112)	(3,773,729)	(1,147,395)
		977,046	(2,171,815)	7,095,496

Direct expenses are recorded in communication, light and water, repairs and maintenance, association dues, taxes and licenses, and insurance under other expenses (Note 12).

Note 8 - Accounts payable and other current liabilities

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

	Note	2022	2021
Accounts payable and accrued expenses		8,795,838	9,064,039
Accrued interest on borrowings	15	2,879,506	2,879,506
Deferred rental income		1,063,615	1,063,615
Withholding taxes		71,331	155,803
		12,810,290	13,162,963

Accounts payable and accrued expenses represent third party payables and accruals on employee benefits, legal and other professional fees all payable on demand.

There were no write-offs in 2022 and 2021.

Note 9 - Borrowings

The outstanding borrowings, which are unsecured, non-interest bearing and with no definite repayment date, pertain to a loan from a related party amounting to P13.62 million as at December 31, 2022 and 2021 (Note 15).

The net debt reconciliation as at December 31 is presented below:

	Notes	2022	2021
Borrowings	15	13,624,642	13,624,642
Cash	2	(83,241,547)	(171,836,936)
Net debt		(69,616,905)	(158,212,294)

Note 10 - Advances from prospective shareholders

The account represents funds received from prospective shareholders which are expected to be settled by way of issuance of shares.

Note 11 - Equity

Share capital as at December 31, 2022 and 2021 consist of:

	Amount
Common shares - P1 par value	
Authorized (4,000,000,000 shares)	4,000,000,000
Subscribed (1,200,000,000 shares)	1,200,000,000
Subscribed	1,200,000,000
Subscriptions receivable	(224,465,947)
Paid, issued and outstanding	975,534,053
Treasury shares (58,627,864 shares)	(58,627,864)

Treasury shares represent investment of Mindanao Appreciation Corporation (MAC), a subsidiary, in the Parent Company's shares.

No collection occurred during 2022 and 2021 regarding the outstanding subscription receivable.

As at December 31, 2022 and 2021, there are 187 shareholders each owning more than one hundred (100) shares of the Parent Company.

Note 12 - Other expenses

Details of other expenses for the years ended December 31 follow:

	2022	2021	2020
Transportation and travel	2,473,244	1,829,525	1,709,560
Taxes and licenses	1,515,841	1,533,859	1,464,624
Communication, light and water	828,184	510,493	667,068
Association dues	770,779	1,162,333	368,964
Office supplies	633,955	663,980	820,453
Repairs and maintenance	535,031	387,595	175,309
Security services	435,427	427,196	427,196
Insurance	167,979	179,449	194,446
Postage	41,346	20,190	19,545
Penalties	-	426,088	-
Miscellaneous	1,394,127	679,377	238,154
	8,759,913	7,820,085	6,085,319

Note 13 - Income taxes

Details of income tax expense (benefit) for the years ended December 31 follow:

	2022	2021	2020
Current	781,946	5,849,367	396,503
Deferred	931,919	(27,568,823)	(10,083,882)
	1,713,865	(21,719,456)	(9,687,379)

The net deferred income tax liabilities as at December 31 consist of:

	2022	2021
Deferred income tax liabilities		
Fair value gain on investment properties	130,712,309	129,641,468
Unrealized gain on revaluation of financial assets at FVPL	1,490,712	1,757,774
Unrealized foreign exchange gain, net	128,960	69,523
	132,331,981	131,468,765
Deferred income tax assets		
Retirement benefits obligation	(645,528)	(714,229)
Deferred rental income	(265,904)	(265,904)
	(911,432)	(980,133)
	131,420,549	130,488,632

On March 26, 2021, Republic Act No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises or CREATE Act, was signed into law. The CREATE Act will take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation. Among the salient provisions of CREATE include changes to the corporate income tax as follows:

- lowering of regular corporate income tax (RCIT) rate to 20% from 30% for domestic corporations with net taxable income not exceeding P5 million and with total assets not exceeding P100 million (excluding land on which the business entity's office, plant and equipment are situated) from July 1, 2020;
- lowering of regular corporate income tax (RCIT) to 25% from 30% for all other domestic and foreign corporations from July 1, 2020; and
- for the period beginning July 1, 2020 until June 30, 2023, the MCIT rate shall be 1%, instead of 2%.

In compliance with the National Internal Revenue Code (NIRC) of 1997, NOLCO is carried forward annually and can be applied to taxable income for three (3) succeeding taxable years. In 2020, Republic Act No. 11494 or the Bayanihan to Recover As One Act is enacted. Under the Bayanihan Act, net operating loss of a business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Deferred income tax assets are recognized to the extent that the realization of the related tax benefit through the future taxable profits is probable. The Group incurred net operating loss carry-over (NOLCO) for the year ended December 31, 2022 amounting to P51.42 million (2021 - P10.27 million; 2020 - P7.92 million). However, the related deferred income tax asset of P12.86 million (2021 - P2.56 million; 2020 - P2.38 million) was not recognized since the probability that those benefits would be utilized through future taxable profits is uncertain.

Details of net operating loss carry-over (NOLCO) as at December 31, which could be carried over as deductible expense from taxable income for three (3) to five (5) consecutive years following the year of incurrence follow:

Year of incurrence	Year of expiration	2022	2021
2022	2025	51,423,234	-
2021	2026	10,273,991	10,273,991
2020	2025	7,922,733	7,922,732
2019	2022	48,108,398	48,108,398
2018	2021	-	48,996,318
Total NOLCO		117,728,356	115,301,439
Applied during the year		-	(5,908,835)
Expired during the year		(48,108,398)	(47,426,831)
		69,619,958	61,965,773
Deferred income tax assets not recognized		12,862,995	2,559,507

In compliance with the Tax Reform Act of 1997, the Group is required to pay the (MCIT) or the normal income tax, whichever is higher. The details of the MCIT that can be carried forward on an annual basis and credited against normal income tax payable within three (3) immediately succeeding years from the period when the MCIT was paid are presented below:

Year of incurrence	Year of expiration	2022	2021
2022	2025	42,153	
2021	2024	26,655	26,655
2020	2023	139,588	139,588
2019	2022	524,700	524,700
2018	2021	-	521,243
Total MCIT		733,096	1,212,186
Expired during the year		(524,700)	(521,243)
Unrecognized MCIT		208,396	690,943

In 2022, the MCIT amounting to P0.04 million (2021 - P0.03 million; 2020 - P0.14 million) was charged to current income tax. The MCIT is unrecognized in the expectation that the Group will not be able to generate sufficient future taxable income against which this can be applied.

The reconciliations of income tax expense on pre-tax income computed at the statutory income tax rate to the effective provision for (benefit from) income tax follow:

	2022	2021	2020
Income (loss) before income tax	(69,742,465)	(37,967,732)	82,238,625
Tax on pretax income at 25%	(19,243,340)	(13,297,711)	24,671,588
Effects of change in enacted tax rate	-	(25,926,159)	-
Non-taxable income	(208,719)	(242,835)	(581,716)
Unrecognized NOLCO and MCIT	10,481,468	1,094,541	11,361,660
Non-deductible expenses	1,586,349	1,878,890	702,777
Adjustment for income subjected to lower tax rates	2,448,680	5,838,872	(2,879,041)
Difference in tax rate on unrealized fair value loss on shares	6,649,426	8,934,946	(42,811,903)
Others	-	-	(150,744)
	1,713,865	(21,719,456)	(9,687,379)

Note 14 - Basic and diluted earnings (loss) per share

The information used in the computation of basic and diluted earnings (loss) per share for the years ended December 31 follow:

	2022	2021	2020
Net income (loss) attributable to the shareholders of Parent Company	(72,362,944)	(35,591,866)	63,852,518
Divided by the average number of outstanding common shares	975,534,053	975,534,053	975,534,053
Earnings (loss) per share - basic and diluted	(0.0742)	(0.0365)	0.0655

Basic and diluted earnings (loss) per share are the same due to the absence of dilutive potential common shares.

Note 15 - Related party transactions and balances

The table below summarizes the Group's transactions and balances with its related parties as at and for the year ended December 31, 2022.

		2022		
	Notes	Transactions	Outstanding Balances	Terms and conditions
Due from other related parties Intrinsic Value Management (IVM) Philippine Strategic International Holdings, Inc.(PSIHI) South China Holdings Corporation (SCHC)	5	1,481,190	1,971,936	Unsecured, non-interest bearing and collectible in cash on demand.
Borrowings from IVM	9	-	13,624,642	Unsecured, non-interest bearing and payable in cash on demand.
Interest on borrowings		-		
IVM	8	-	2,879,506	Interest on borrowings represent interest accrued in prior years on its borrowing from a related party. Interest is discontinued starting 2014 upon mutual agreement of both parties.
Advances from IVM, PSIHI		-	9,002,267	Unsecured, non-interest bearing and payable in cash on demand.
Other related party		-	(85,659)	
Salaries and employee benefits Key management personnel		3,180,000	-	These are determined based on contract of employment and payable in cash in accordance with the Group's payroll period. These were fully paid at reporting date.

The table below summarizes the Group's transactions and balances with its related parties as at and for the year ended December 31, 2021.

		2021		
	Notes	Transactions	Outstanding balances	Terms and conditions
Due from other related parties Intrinsic Value Management (IVM) Philippine Strategic International Holdings, Inc.(PSIHI) South China Holdings Corporation (SCHC)	5	(167,179)	490,746	Unsecured, non-interest bearing and collectible in cash on demand.
Borrowings from IVM	9	-	(13,624,642)	Unsecured, non-interest bearing and payable in cash on demand.
Interest on borrowings IVM	8	-	(2,879,506)	Interest on borrowings represent interest accrued in prior years on its borrowing from a related party. Interest is discontinued starting 2014 upon mutual agreement of both parties.
Advances from IVM, PSIHI		(334,099)	(9,474,826)	Unsecured, non-interest bearing and payable in cash on demand.
Other related party		-	(85,659)	
Salaries and employee benefits Key management personnel		3,120,000	-	These are determined based on contract of employment and payable in cash in accordance with the Group's payroll period. These were fully paid at reporting date.

Intercompany balances eliminated in 2022 amount to P610.40 million (2021 - P580.95 million).

Based on management's assessment, the carrying values of receivables from related parties are deemed collectible.

Note 16 - Leases - the Company as lessor

The Parent Company occupies a portion of its investment property and uses it as an office space. The portion which is owner-occupied is properly classified as property and equipment (Note 6). The remaining portion is leased to third parties.

The Parent Company (as a lessor) has lease agreements with third parties under operating lease as follows:

a. Two (2) units of office space for a period of three (3) years from September 15, 2021 until September 14, 2024 with monthly rate of P685 per square meter for first two (2) years and P719 per square meter for the final year.
b. Seven (7) car parking rights lease renewable annually until September 14, 2023 with monthly rate of P29,960.

In 2022, rental income from investment in a commercial unit amounted to P3.94 million (2021 - P1.60 million; 2020 - P8.24 million) (Note 7).

As at December 31, the minimum aggregate rental receivables for future years follow:

	2022	2021	2020
Within one (1) year	4,073,446	3,646,544	218,988
After one (1) year but not more than five (5) years	2,704,973	6,394,951	-
	6,778,419	10,041,495	218,988

Note 17 - Salaries and employee benefits

Details of salaries and employee benefits for the years ended December 31 follow:

	Note	2022	2021	2020
Salaries and wages		4,449,572	4,364,828	3,619,765
Employee benefits	18	1,365,956	1,315,886	2,108,627
Bonus and allowances		200,000	200,650	371,425
SSS, Philhealth and HDMF		221,891	203,818	178,123
		6,237,419	6,085,182	6,277,940

Note 18 - Retirement benefits obligation

The Group has yet to adopt a formal retirement plan and only provided for the retirement obligation based on minimum required retirement benefit under Republic Act (RA) 7641. Under RA 7641, otherwise known as the Retirement Pay Law, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five (5) years in a private company, may retire and shall be entitled to retirement pay equivalent to at least ½ month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year.

The movements in the unfunded retirement benefit obligation for the years ended December 31 follow:

	2022	2021
At January 1	2,856,914	3,342,349
Current service cost	442,852	454,940
Impact of discount	(717,655)	(940,375)
At December 31	2,582,111	2,856,914

The retirement income is included under salaries and employee benefits (Note 19) in profit or loss.

The principal assumptions made as at December 31 follow:

	2022	2021
Discount rate	6.85%	4.85%
Expected future salary increase	3.00%	3.00%

Discount rate assumption is based on the theoretical spot yield curve calculated from Bloomberg market yields by stripping the coupons from government bonds to create virtual zero coupon bonds as of the valuation date, while considering the average years of remaining working life of the employees as the estimated term of the employee.

Note 19 - Provision for litigation claims

In the normal course of business, the Parent Company is a defendant on a case which is pending with the Court of Appeals. The case arose from a demand for payment of minimum guaranteed return on investment by a former co-shareholder of the Parent Company in a fast craft shipping business.

The plaintiff (one of the co-shareholders) violated a number of the terms as stipulated under the agreement, including a direct purchase of the shares of the other shareholder without the consent of the Parent Company. The agreement also contains a provision about guaranteed return.

In 1999, the plaintiff demanded full payment of the guaranteed return on its investment after audits of the fast craft business revealed a significant amount of loss, which demand was denied by the Parent Company.

After divergent decisions by the arbitrator and regional trial court, the case was transferred to the Court of Appeals for further proceedings. In 2013, the Parent Company recorded additional provision amounting to P21.61 million to reflect the final decision rendered by the Court of Appeals instructing the Parent Company to pay the agreed guaranteed returns and arbitration costs including 12% interest calculated from the date of initial ruling totaling to P47.77 million as shown in the statement of financial position as at December 31, 2021.

On July 20, 2022, the Parent Company paid a total of P87.13 million for the settlement of litigation. The additional P39.40 million payment is recognized as loss on litigation in the statement of comprehensive income.

Note 20 - Segment information

The Group has only one segment as it derives its revenues primarily from rental and capital appreciation of investment properties.

The operating segment is reported in a manner consistent with the internal reporting provided by the chief operating decision maker, the chief executive officer of the Group.

All revenues are from domestic entities incorporated in the Philippines, hence, the Group did not present geographical information required by PFRS 8, *Operating Segments*.

There are no revenues derived from a single external customer above 10% of total revenue in 2022 and 2021.

There is no need to present reconciliation since measure of segment assets, liabilities and results of operations are consistent with those of the consolidated financial statements.

There are no changes in the Group's reportable segment and related strategies and policies in 2022 and 2021.

Note 21 - Financial risk and capital management

21.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Management, under the direction of the Board of Directors of the Group, is responsible for the management of financial risks. Its objective is to minimize the adverse impact on the Group's financial performance due to the unpredictability of financial markets.

There were no changes in the Group's strategies and policies during 2022 and 2021.

21.1.1 Market risk

(a) Foreign exchange risk

The foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained to meet current commitments.

The Group's foreign currency denominated monetary asset and liabilities for the years ended December 31 follow:

	2022	2021
	In USD	In USD
Cash in bank	96,398	97,771
Exchange rates	56.12	50.77
Peso equivalent	5,409,856	4,963,834

Details of net foreign exchange (losses) gains for the years ended December 31 follow:

	2022	2021	2020
Realized	-	-	(431,758)
Unrealized	515,837	278,089	138,128
	515,837	278,089	(293,630)

The table below presents the impact of possible movements of Philippine Peso against the US Dollar, with all other variables held constant, on the Group's net income after tax. There is no impact on the Group's equity other than those already affecting net income after tax.

	Change in exchange rate	Impact on income after tax
US Dollar		
December 31, 2022	+/-10.54%	+/-427,557
December 31, 2021	+/-5.69%	+/-211,890

The reasonably possible movement in foreign currency exchange rates is based on the projection by the Group using movement of the rates from the prior period.

(b) Price risk

The Group's exposure on price risk is minimal and limited only to financial assets at FVPL (Note 3) in the statement of financial position. Changes in market prices of these investments are expected to impact significantly the financial position or results of operations of the Group.

As at December 31, 2022, the impact of 1% increase (decrease) in the bid share prices of the Group's financial assets at fair value through profit or loss based on management's assessment of historical movements in price, with all variable held constant, would have an impact of possible increase (decrease) of P0.72 million (2021 - P0.86 million) in profit or loss.

(c) Interest rate risk

Interest rate risk refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group is not exposed to interest rate risk as it has no interest-bearing financial instruments as at December 31, 2022 and 2021.

21.1.2 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation.

Maximum exposure to credit risk

The Group's exposure to credit risk primarily relates to cash in bank and financial receivables.

The table below shows the credit quality of significant financial assets (i.e., cash in banks and financial receivables) as at December 31:

	Current and fully performing	Past due and underperforming
2022		
Cash in bank	83,211,547	-
Receivables and other current assets*	51,687,078	4,799,663
	134,898,625	4,799,663
2021		
Cash in bank	171,806,936	-
Receivables and other current assets*	79,911,642	4,707,211
	251,718,578	4,707,211

**excluding prepayments*

Fully performing financial assets are fully recoverable with no overdue balances and with no history of credit losses. Underperforming financial assets are with long overdue balances and with exposure to credit losses. Both categories of financial assets are subjected to lifetime expected credit loss allowance assessment.

(i) Cash in bank

The Group deposits its cash balances in a universal bank to minimize the credit risk exposure. The Company assessed no significant credit risk.

(ii) Receivables and other current assets (excluding prepayments)

Advances, due from related parties and other receivables reported under receivables and other current assets totaling P55.48 million as at December 31, 2022 (2021 - 84.62 million) are monitored on an ongoing basis which normally results in an assessment that the Group's exposure to bad debts is not material. There were no historical losses recognized on these balances.

21.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding through advances from related parties within the Group, extending payment terms for due to related parties, and an efficient collection of its notes receivables from third parties. The Group likewise regularly evaluates other financing instruments to broaden the Group's range of financing resources.

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances, as the impact of discounting is not significant.

	0 - 180 days	181 - 360 days	Total
As at December 31, 2022			
Borrowings	-	13,624,642	13,624,642
Accounts payable and other current liabilities*	5,472,571	6,202,772	11,675,343
Advances from related parties	-	8,992,396	8,992,396
Advances from prospective shareholders	-	194,695,274	194,695,274
	5,472,571	223,515,084	228,987,655
As at December 31, 2021			
Borrowings	-	13,624,642	13,624,642
Accounts payable and other current liabilities *	5,598,285	6,345,260	11,943,545
Advances from related parties	-	9,560,485	9,560,485
Advances from prospective shareholders	-	194,695,274	194,695,274
	5,598,285	224,225,661	229,823,946

**excludes taxes payable, deposits from customer and deferred rental income*

All financial assets and liabilities are classified as current as at reporting dates.

21.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. For this purpose, capital is represented by total equity as shown in the consolidated statement of financial position, as well as advances from prospective shareholders presented under liabilities as follows:

	2022	2021
Total equity	497,382,504	568,838,832
Advances from prospective shareholders	194,695,274	194,695,274
	692,077,778	763,534,106

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the minor development activities undertaken by the Group, it does not require intensive capitalization as at December 31, 2022 and 2021. The Group's main objective is the development of an existing prime property comprising of investment property held for rental and capital appreciation.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Group has fully complied with this requirement.

There are no external minimum capitalization requirements imposed to the Group.

There were no changes in the Group's strategies and policies during 2022 and 2021.

21.3 Fair value of financial assets and liabilities

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities as at December 31 as follows:

	2022		2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Fair value through profit or loss	179,709,295	179,709,295	202,743,583	202,743,583
Fair value at amortized cost				
Cash	83,241,547	83,241,547	171,836,936	171,836,936
Receivables and other current assets*	56,486,741	56,486,741	84,618,853	84,618,853
Total assets	319,437,583	319,437,583	459,199,372	459,199,372
Financial liabilities at amortized cost				
Borrowings	13,624,642	13,624,642	13,624,642	13,624,642
Accounts payable and other current liabilities**	11,675,344	11,675,344	11,943,545	11,943,545
Advances from related parties	4,787,468	4,787,468	9,560,485	9,560,485
Advances from prospective shareholders	194,695,274	194,695,274	194,695,274	194,695,274
Total liabilities	224,782,728	224,782,728	229,823,946	229,823,946

**excludes prepayments*
***excludes taxes payable, deposits from customer and deferred rental income*

These carrying amounts approximate fair values at reporting dates due to the short-term nature of financial assets and liabilities.

21.4 Fair value hierarchy

The Group follows the fair value measurement hierarchy to disclose the fair values of its financial assets and liabilities. As at December 31, 2022 and 2021, the Group's financial assets at FVPL are classified under Level 1 while investment properties are classified under Level 2 category. The Group uses the market approach for its investment properties. The value of the investment properties was based on sales and listings of comparable property registered within the vicinity premised on the factors of time, unit area/size, unit location, unit improvements, building location, building features/amenities, bargaining allowance and others.

Note 22 - Critical accounting estimate and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

22.1 Critical accounting estimates and assumptions

(a) Estimate of fair value of investment properties (Note 7)

The Group's investment properties have an estimated market value of P237,000 per square meter (2021 - P227,000 per square meter) for the commercial unit and P380 to P4,300 per square meter (2021 – P350 to P4,000 per square meter) for the land as at December 31, 2022 based on the following significant assumptions used by the independent appraiser:

- current prices in an active market for properties of similar nature, condition or location, adjusted to reflect possible differences on the factors of time, unit area or size, unit location, unit improvements, building location, building features or amenities, bargaining allowance and others; and
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

Investment properties in 2022 amounted to P539.52 million (2021 - P522.13 million). Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment properties would have been P53.95 million (2021 - P52.21 million) higher or lower.

(b) Retirement benefits (Note 18)

The present value of the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate and rates of salary increases. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The sensitivities of the defined benefit obligation to changes in the principal assumptions as at December 31 follow:

Assumptions	2022	2021
Discount rate		
1% decrease	288,118	355,871
1% increase	(256,906)	(313,619)
Rate of salary increase		
1% decrease	393,619	471,949
1% increase	(179,974)	(211,924)

22.2 Critical accounting judgments

(a) Recognition of deferred income tax assets (Note 13)

Management reviews at each reporting date the carrying amounts of deferred income tax assets. The carrying amount of deferred income tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the related tax assets can be utilized.

Management believes that the non-recognition of deferred income tax assets from NOLCO and MCIT amounting to P17.40 million and P0.21 million, respectively, (2021 - P15.49 million and P0.69 million), respectively) is appropriate due to the Group's limited capacity to generate sufficient taxable income in the immediately succeeding three to five years given current development activities.

(b) Entities in which the Group holds less than 50% interest (Note 23.3)

Management consider that the Parent Company has de facto control over TAC, MAC, TTCI and TPHC even though it has less than 50% of the voting rights. There is no history of other shareholders forming a group to exercise their votes collectively. Based on the absolute size of the Parent Company's shareholding and the relative size of the other shareholdings, management has concluded that the Parent Company has sufficiently dominant voting interest to have the power to direct the relevant activities of these entities. Consistent with PFRS 10, the entities have been fully consolidated into the Group's consolidated financial statements.

(c) Provision for litigation claims (Note 19)

The Parent Company is a party to certain lawsuits or claims arising from the ordinary course of business. The provision for litigation claims is based on the final decision rendered by the Court of Appeals. The Parent Company's management and legal counsel believe that the liabilities under these lawsuits or claims will not have a material impact on the Group's consolidated financial statements.

On July 20, 2022, the Parent Company paid P87.13 million for the settlement of litigation.

The Group's provision for litigation claims amounted to nil as at December 31, 2022 (2021 - 47.77 million) is shown as a separate line item in the statement of financial position.

Note 23 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

23.1 Basis of preparation

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

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVPL and investment properties.

The preparation of consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements as disclosed in Note 22.

23.2 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

There are no new standards, amendments to existing standards and interpretations that are effective from January 1, 2022, adopted by the Group that have significant impact on the Group's consolidated financial statements.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards, amendments to existing standards and interpretations are effective for the Group's annual periods after January 1, 2023 and have not been early adopted nor applied by the Group in preparing these consolidated financial statements. None of these are expected to be relevant and have an effect on the consolidated financial statements of the Group, while the most relevant one is set out as follows:

- PAS 1: Classification of Liabilities as Current or Non-current

  The narrow-scope amendments clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waver or a breach of covenant). The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company does not expect the amendments to have a significant impact on the Company's financial statements.

- PAS 1 and PFRS Practice Statement 2: Disclosure of Accounting Policies

  The amendments require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company does not expect the amendments to have a significant impact on the Company's financial statements.

- PAS 8: Definition of Accounting Estimates

  The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company does not expect the amendments to have a significant impact on the Company's financial statements.

- PAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

  The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

  - right-of-use assets and lease liabilities, and
  - decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

  The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate. PAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company does not expect the amendments to have a significant impact on the Company's financial statements.

There are no other relevant standards, amendments or interpretations that are effective beginning on or after January 1, 2023 that are expected to have a material impact on the Company's financial statements.

23.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2022 and 2021. The Subsidiaries' financial statements are prepared for the same reporting year as the Parent Company. The Group uses uniform accounting policies, any difference between subsidiaries and the Parent Company are adjusted properly.

Details of subsidiaries follow:

Subsidiaries	Percentage of ownership in 2022 and 2021 Direct	Indirect	Total
T&M Holdings, Inc. (TMHI)	100%	-	100%
M&M Holdings Corporation (MMHC)	100%	-	100%
The Angeles Corporation (TAC)*	38.46%	15.02%	53.48%
The Taal Company, Inc. (TTCI)*	29.97%	14.49%	44.46%
Mindanao Appreciation Corporation (MAC)*	28.50%	13.98%	42.49%
Tagaytay Properties and Holding Corporation (TPHC)*	26.04%	-	26.04%

**With control or power to govern*

All subsidiaries are domestic companies registered and doing business in the Philippines and are principally engaged in the business of acquiring and disposing of interests in real and personal properties of any kind or description, marketable securities and shares of stock. The Subsidiaries' registered office and principal place of business is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent Company do not differ from the proportion of ordinary shares held.

The summarized financial information of subsidiaries with significant non-controlling interest as at and for the years ended December 31 follow:

2022	TPHC	MAC	TTCI	TAC
	(In thousands of Pesos)			
Total current assets	14,536	33,649	25,136	1,893
Total non-current assets	396,942	-	8,420	-
Total assets	411,478	33,649	33,556	1,893
Total current liabilities	43,046	32,262	4,896	10,751
Total non-current liabilities	89,082	-	1,630	-
Total liabilities	132,128	32,262	6,526	10,751
Net assets (liabilities)	279,350	1,387	27,030	(8,858)
Income	10,013	-	654	2
Expenses	(2,480)	(9,147)	(270)	(57)
Income (loss) before income tax	7,533	(9,147)	384	(55)
Provision for income tax	101	107	469	-
Net income (loss) for the year	7,634	(9,040)	853	(55)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income (loss) for the year	7,634	(9,040)	853	(55)
Cash flows from:				
Operating activities	4,921	(48)	(135)	(40)
Investing activities	-	-	-	-

2021	TPHC	MAC	TTCI	TAC
	(In thousands of Pesos)			
Total current assets	17,143	42,780	30,401	1,932
Total non-current assets	386,937	-	7,787	-
Total assets	404,080	42,780	38,188	1,932
Total current liabilities	43,180	32,245	9,911	10,735
Total non-current liabilities	89,182	108	2,099	-
Total liabilities	132,362	32,353	12,010	10,735

	TPHC	MAC	TTCI	TAC
Net assets (liabilities)	271,718	10,427	26,178	(8,803)
Income	22,908	-	3,207	2
Expenses	(1,636)	(10,513)	(4,211)	(57)
Income (loss) before tax	21,272	(10,513)	(1,004)	(55)
Provision for income tax	13,220	191	638	-
Net income (loss) for the year	34,492	(10,322)	(366)	(55)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income (loss) for the year	34,492	(10,322)	(366)	(55)
Cash flows from:				
Operating activities	(7,118)	(9)	(17,344)	(40)
Investing activities	9,056	-	23,087	-

	TPHC	MAC	TTCI	TAC	Total
	(In thousands of Pesos)				
Accumulated balance of non-controlling interest					
December 31, 2022	197,320	115	19,047	(4,710)	211,772
December 31, 2021	191,674	5,315	18,560	(4,684)	210,865
Non-controlling interest share in total comprehensive income (loss)					
December 31, 2022	5,646	(5,200)	487	(26)	907
December 31, 2021	25,510	(5,938)	(203)	(26)	19,343

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial reporting and operating policies by virtue of de facto control. De facto control may arise in circumstances where the size Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions-that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

23.4 Cash

Cash consist of cash on hand and deposits at call with banks. These are stated at face value or nominal amount.

23.5 Financial instruments

23.5.1 Classification

The Group classifies its financial assets and liabilities according to the categories described below. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets and liabilities at initial recognition.

(a) Financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through OCI (FVOCI) or through profit or loss (FVPL), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Financial assets at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Significant impairment losses are presented as a separate line item in profit or loss.

These are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. The Group's financial assets at amortized cost comprise cash (Note 2) and receivables and other current assets (except prepayments) (Note 5).

(ii) Financial assets at FVPL

Investment in equity instruments that are held for trading are measured at fair value. Gains and losses for these financial assets are recorded in profit or loss. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, these are classified as non-current.

The Group's financial assets at FVPL (Note 3) are classified under this category.

(b) Financial liabilities

The Group classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that designated at fair value); and financial liabilities at amortized cost.

The Group only has financial liabilities measured at amortized cost which include accounts payable and other current liabilities (excluding payable to government agencies and deposits from customer) (Note 8), advances from related parties (Note 15) and advances from prospective shareholders (Note 10).

23.5.2 Recognition and measurement

(a) Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(b) Subsequent measurement

(i) Financial assets at amortized cost

Financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method, less provision for impairment.

(ii) Financial assets at FVPL

Gains or losses arising from changes in the fair value of financial assets at FVPL, including interest , are presented in profit or loss within fair value gain (loss) on financial assets at FVPL in the period in which these arise. Dividend income from financial assets at FVPL is recognized in profit or loss as a separate line item when the Company's right to receive payment is established.

(iii) Financial liabilities

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

23.5.3 Impairment

The Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables. This did not result in any increase of the loss allowance for receivables in 2022 and 2021.

To measure the expected credit losses, notes receivable, advances and other receivables and due to related parties have individually specific assessed credit risk characteristics and the days past due. When a receivable remains uncollectible after the Group has exerted all legal remedies, it is written-off against an allowance account.

As at December 31, 2022 and 2021, all receivables are assessed as fully collectible based on the reasonable credit worthiness of the debtor, collection history and the Group's legal remedies.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss. Subsequent recoveries of amounts previously written-off are credited against operating expenses in profit or loss.

23.5.4 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

23.5.5 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. As at December 31, 2022 and 2021, there are no financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

23.6 Receivables

Receivables including advances and other receivables and due from related parties are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Relevant accounting policies for classification, recognition, measurement and derecognition of receivables are presented in Note 23.5.

23.7 Prepayments

Prepayments are recognized in the event that payment has been made in advance of obtaining right of access to receipt of services and measured at the amount of cash paid, which is equal to its nominal amount.

Prepayments are included in current assets, except when the related services are expected to be received or rendered for more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

Prepayments are derecognized upon expiration with the passage of time or consumed in operations.

23.8 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation, amortization and impairment, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which these are incurred.

Depreciation or amortization is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Office condominium	25 years
Building improvements	10 years
Office equipment	5 years
Communication and other equipment	5 years
Transportation equipment	5 years
Furniture and fixtures	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use (Note 23.11).

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost, appraisal increase and their related accumulated depreciation are removed from the accounts. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in profit or loss.

23.9 Investment properties

Investment properties are defined as property held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for: (a) use in the production of supply of goods or services or for administrative purposes; or (b) sale in the common course of business.

Investment properties, principally comprising of land and a commercial unit, are held for long-term rental yields and are not occupied by the Group. Investment properties are carried at fair value, representing open market value determined annually by external valuators. Changes in fair values are recorded in profit or loss.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the period in which these are incurred.

Removal of an item within investment properties is triggered by a change in use, by sale or disposal. If investment properties become owner-occupied, they are reclassified as property and equipment, and the fair value at the date of reclassification becomes the cost for accounting purposes. Gain or loss arising on disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset. This is recognized in profit or loss.

Properties that are being constructed or developed for future capital appreciation are classified as investment properties.

Impairment of investment properties is presented in Note 23.11.

23.10 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.
The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

The Group uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques for non-financial assets follow:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group's financial assets at FVPL are classified under Level 1 category. Investment properties are classified under Level 2 category.

23.11 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that have a definite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

23.12 Accounts payable and other current liabilities

Accounts payable and other current liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable and other current liabilities are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, these are presented as non-current liabilities.

Accounts payable and other current liabilities are measured at the original invoice amount as the effect of discounting is immaterial.

Relevant accounting policies for classification, recognition, measurement and derecognition of accounts payable and other current liabilities and financial liabilities at amortized cost are presented in Note 23.5.

23.13 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting date.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred.

23.14 Deposits from customer

Deposits from customer are recognized for any cash received from buyers of the low-cost housing units These are derecognized and applied to the agreed transaction price under the contract, upon completion and transfer of title. The development and construction of the units is estimated not to exceed one year.

23.15 Current and deferred income tax

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

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associate. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized.

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

Deferred income tax assets and liabilities are derecognized when related bases are realized or when it is no longer realizable.

23.16 Employee benefits

(a) Retirement benefit obligation

The Group has less than 10 employees and has not yet formalized its employee retirement plan but it plans to provide retirement benefits. The retirement benefits under RA 7641 are considered as defined benefit plan. Defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The retirement obligation is equivalent to half-month compensation and calculated proportionately to the length of service of an employee.

(b) Other short-term benefits

The Group recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Liabilities for short-term employee benefits are derecognized when the obligation is settled, cancelled or has expired.

23.17 Provisions

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

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

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

Provisions are derecognized when the obligation is settled, cancelled or has expired.

23.18 Equity

(a) Common shares

Share capital consists of common shares, which are stated at par value, that are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

(b) Share premium

Share premium is recognized for the excess proceeds of subscriptions over the par value of the shares issued.

(c) Treasury shares

Where any member of the Group purchases its own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Parent Company's shareholders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Parent Company's shareholders.

(d) Retained earnings (deficit)

Retained earnings (deficit) include current and prior years' results of operations, net of transactions with shareholders and dividends declared, if any.

23.19 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net income attributable to the Parent Company by the weighted average number of common shares in issue during the year.

Diluted earnings (loss) per share is computed in the same manner as basic earnings per share, however, profit attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

23.20 Income and expense recognition

(a) Management and service fee income

Management and service fee income are recognized when services are rendered, and amounts are mutually agreed by the contracting parties.

(b) Rental income

Rental income from operating leases (the Group is the lessor) is recognized as income on a straight-line basis over the lease term in accordance with PFRS 16. When the Group provides incentives to its lessees, the cost of incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income.

(c) Interest income and expense

Interest income and expense are recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount future cash flows for the purpose of measuring impairment loss.

(d) Dividend income

Dividend income is recognized when the right to receive payment is established.

(e) Other income

Other income is recognized when earned.

(d) Expenses

Expenses are recognized when these are incurred.

23.21 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

23.22 Related party relationships and transactions

(a) Related party relationship

A related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its shareholders.
In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

(b) Related party transaction

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged or not.

Mabuhay Holdings Corporation and Subsidiaries

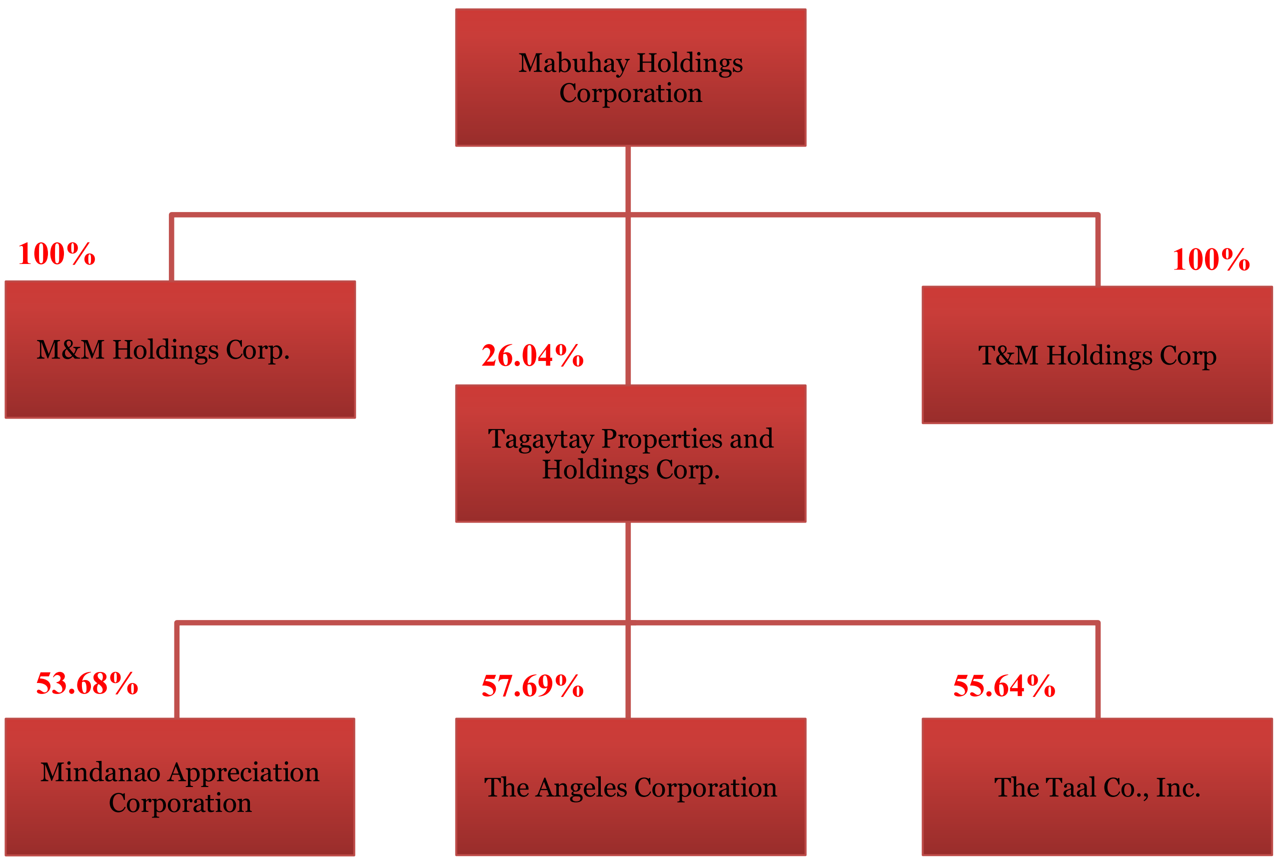
Additional Components of Financial Statements
Schedule of Financial Soundness Indicators
As at and for years ended December 31, 2022 and 2021

Ratio	Formula		2022	2021
Current ratio	Total current assets divided by total current liabilities		1.3969:1	1.6304:1
	Total current assets	321,629,745		
	Divide by: total current liabilities	230,243,047		
	Current ratio	1.3969		
Quick asset ratio	Quick assets (*total current assets less prepayments and other current assets)* divided by total current liabilities		1.1421:1	1.3183:1
	Total current assets	321,629,745		
	Less: Prepayments and other current assets	(58,678,903)		
	Quick assets	262,950,842		
	Divide by: total current liabilities	230,243,047		
	Quick asset ratio	1.1421		
Solvency ratio	[Net loss after tax plus non-cash expenses (e.g depreciation)] divided by total liabilities		(0.1947):1	(0.0376):1
	Net loss after tax	(71,456,330)		
	Add: depreciation and amortization	531,989		
		(70,924,341)		
	Divided by: total liabilities	364,245,707		
	Solvency ratio	(0.1947)		
Debt-to-asset ratio	Total liabilities divided by total asset		0.4227:1	0.4233:1
	Total liabilities	364,245,707		
	Divided by: total asset	861,628,211		
	Debt-to-asset ratio	0.4227		
Debt-to-equity ratio	Total liabilities divided by total equity		0.7323:1	0.7339:1
	Total liabilities	364,245,707		
	Divided by: total equity	497,382,504		
	Debt-to-equity ratio	0.7323		
Asset-to-equity ratio	Total assets divided by total equity		1.7323:1	1.7339:1
	Total Assets	861,628,211		
	Divided by: total equity	497,382,504		
	Asset-to-equity ratio	1.7323		

Ratio	Formula	2022	2021
Interest rate coverage ratio	Net loss before interest and tax divided by interest expense Net loss before interest and tax (69,742,465) Divided by: interest expense - Interest rate coverage ratio -	-	-
Return on equity	Net loss after tax divided by total equity Net loss after tax (71,456,330) Divided by: total equity 497,382,504 Return on equity (0.1437)	(0.1437)	(0.0286)
Return on asset	Net loss after tax divided by total assets Net loss after tax (71,456,330) Divided by: total assets 861,628,211 Return on asset (0.0829)	(0.0829)	(0.0165)
Net profit (loss) ratio	Net loss after tax divided by total income Net loss after tax (71,456,330) Divided by: total income 27,714,013 Net profit (loss) ratio (2.5783)	(2.5783)	(0.5399)
Earnings per share	Net loss attributable to the Parent divided by number of common stock outstanding Net loss after tax (72,362,944) Divided by: number of common stock outstanding 975,534,053 Earnings per share (0.0742)	P(0.0742)	P(0.0365)

Mabuhay Holdings Corporation and Subsidiaries

Additional Components of Financial Statements
Map of the Group of Companies within which the Reporting Entity Belongs
As at December 31, 2022



Mabuhay Holdings Corporation and Subsidiaries

Schedule A - Financial Assets
As at December 31, 2022
(All amounts in thousand Philippine Peso)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Philippine Infradev Holdings, Inc.	170,947,589	157,271,782	157,271,782	-
Bank of the Philippine Islands	64,110	6,539,220	6,539,220	-
Ayala Land Inc.	153,800	4,737,040	4,737,040	-
Philippine Long Distance	1,050	1,382,500	1,382,500	-
Basic Energy Corp.	1,110,000	310,800	310,800	-
Phil. Realty A	2,023,428	374,300	374,300	-
Greenergy H./Musx Corp.	62,300	115,273	115,273	-
Filinvest Land, Inc.	84,250	75,825	75,825	-
Ayala Corporation	5,069	3,522,955	3,522,955	-
Cosco Capital Inc.	5,000	23,350	23,350	-
BDO Unibank, Inc.	147	15,538	15,538	-
GMA Network,Inc.	1,000	11,220	11,220	-
Global/F-Estate Land Inc.	6,850	6,370	6,370	-
United P. Mining Corp.	750,000	4,050	4,050	-
Swift Food Inc.	44,621	3,436	3,436	-
National Reinsurance Corp.	5,000	2,900	2,900	-
Swift Food Inc. (Preference)	1,759	135	135	-
Filipino Fund Inc.	330	1,208	1,208	-
The Philodrill Corporation	128,100	1,255	1,255	-
Mla Mining Corp. "B"	4,345	42	42	-
Mla Mining Corp. "A"	9,551	96	96	-
AREIT, Inc.	150,000	5,310,000	5,310,000	-
Total	175,558,299	179,709,295	179,709,295	-

Mabuhay Holdings Corporation and Subsidiaries

Schedule B - Amounts Receivable from Directors, Officers,
Employees, Related Parties and Principal Shareholders
(Other than Related Parties)
As at December 31, 2022
(All amounts in thousand Philippine Peso)

Name of Employee	Balance at beginning of year	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at end of year
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Mabuhay Holdings Corporation and Subsidiaries

Schedule C - Amounts Receivable from Related Parties
which are Eliminated during the Consolidation of Financial Statements
As at December 31, 2022
(All amounts in thousand Philippine Peso)

Name and Designation of Debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written-off	Current	Not Current	Balance at end of period
Mabuhay Holdings Corporation	34,017,470	62,317	(3,591,804)	-	30,487,983	-	-
Mindanao Appreciation Corporation	18,523,641	-	-	-	18,523,641	-	-
M&M Holdings Corporation	68,271,461	-	-	-	68,271,461	-	-
The Angeles Corporation	-	-	-	-	-	-	-
T&M Holdings, Inc.	2,462,189	34,358,864	-	-	36,821,053	-	-
Tagaytay Properties Holdings Corporation	6,090,746	-	(1,382,491)	-	4,708,255	-	-
The Taal Company, Inc.	2,276,864	-		-	2,276,864	-	-
Total	131,642,371	34,421,181	(4,974,295)	-	161,089,257	-	-

Mabuhay Holdings Corporation and Subsidiaries

Schedule D - Long-Term Debt
As at December 31, 2022
(All amounts in thousand Philippine Peso)

Title of issue and Type of obligation	Amount authorized by indenture	Amount shown under caption “current portion of long-term debt” in related balance sheet	Amount shown under caption “Long-term Debt” in related balance sheet
N/A	N/A	N/A	N/A

Mabuhay Holdings Corporation and Subsidiaries

Schedule E - Indebtedness to Related Parties
(Long-Term Loans from Related Companies)
As at December 31, 2022
(All amounts in thousand Philippine Peso)

Name of related party	Balance at beginning of period	Balance at end of period
N/A	N/A	N/A

Mabuhay Holdings Corporation and Subsidiaries

Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2022
(All amounts in thousand Philippine Peso)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

Mabuhay Holdings Corporation and Subsidiaries

Schedule G - Capital Stock
As at December 31, 2022

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related balance sheet caption	Numbers of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common	4,000,000,000	1,200,000,000	N/A	58,278,400	1,592	1,141,720,008

Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue, Makati City

Reconciliation of Parent Company's Retained Earnings for Dividend Declaration
For the year ended December 31, 2022
(All amounts in Philippine Peso)

Deficit, as per audited financial statements, beginning		(931,525,748)
Adjustments		
Cumulative fair value change on financial assets at FVPL		47,307,915
Cumulative fair value change on investment property gain		(86,430,730)
Unappropriated Deficit, as adjusted to available for dividend distribution, beginning of the year		(970,648,563)
Net loss during the period closed to Deficit	(63,941,825)	
Less: Non-actual/unrealized income net of tax		
Equity in Net income of associate/joint venture		
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)		
Fair value adjustment (mark-to-market gains)		
Fair value adjustment of Investment Property resulting to gain		
Adjustment due to deviation from PFRS - gain		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS		
Subtotal		
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)		
Unrealized foreign exchange loss - net except (Cash and Cash Equivalents)		
Adjustment due to deviation from PFRS/GAAP - loss		
Unrealized fair value adjustment (mark-to-market loss)	14,410,858	
Loss on fair value adjustment of investment property (after tax)		
Subtotal	14,410,858	
Net loss actually incurred during the period		(49,530,967)
Add (Less):		
Dividend declarations during the period		
Appropriations of Retained Earnings during the period		
Reversals of appropriations		
Treasury shares		
Subtotal		
Total Deficit, end of the year		(1,020,179,530)

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Mabuhay Holdings Corporation

Separate Financial Statements
As at and for the years ended December 31, 2022 and 2021

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Isla Lipana & Co.

Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

Report on the Audits of the Separate Financial Statements

Our Opinion

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial positions of Mabuhay Holdings Corporation (the "Company") as at December 31, 2022 and 2021, and its financial performances and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The separate financial statements of the Company comprise:

- the statements of financial position as at December 31, 2022 and 2021;
- the statements of comprehensive income for the years ended December 31, 2022 and 2021;
- the statements of changes in equity for the years ended December 31, 2022 and 2021;
- the statements of cash flows for the years ended December 31, 2022 and 2021; and
- the notes to the separate financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Separate Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the separate financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 24 to the separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic separate financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Zaldy D. Aguirre.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 9, 2023, Makati City
SEC A.N. (individual) as general auditors 105660-SEC, Category A;
valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
TIN 221-755-698
BIR A.N. 08-000745-077-2020, issued on December 14, 2020; effective until December 13, 2023
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 14, 2023

Isla Lipana & Co.

Statement Required by Section 8-A, Revenue Regulation No. V-1

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

None of the partners of the firm has any financial interest in Mabuhay Holdings Corporation or any family relationships with its president, managers, or shareholders.

The supplementary information on taxes and licenses is presented in Note 23 to the separate financial statements.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 105660
P.T.R. No. 0024447, issued on January 6, 2022, Makati City
SEC A.N. (individual) as general auditors 105660-SEC, Category A,
valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
TIN 221-755-698
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BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
April 14, 2023

Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

We have audited the separate financial statements of Mabuhay Holdings Corporation (the “Company”) as at and for the year ended December 31, 2022, on which we have rendered the attached report dated April 14, 2023.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary, the Company has one hundred eighty-seven (187) shareholders owning 100 or more shares as at December 31, 2022.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 105660
P.T.R. No. 0024447, issued on January 6, 2022, Makati City
SEC A.N. (individual) as general auditors 105660-SEC, Category A,
valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
TIN 221-755-698
BIR A.N. 08-000745-77-2020, issued on December 14,2020; effective until December 13, 2023
BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
April 14, 2023

Mabuhay Holdings Corporation

Statements of Financial Position
December 31, 2022 and 2021
(All amounts in Philippine Peso)

	Notes	2022	2021
ASSETS			
Current assets			
Cash	2	5,988,910	71,574,518
Financial assets at fair value through profit or loss (FVPL)	3	71,644,346	86,055,204
Due from related parties	15	26,305,072	34,046,691
Other current assets	4	4,732,599	3,969,152
Total current assets		108,670,927	195,645,565
Non-current assets			
Investments in and advances to subsidiaries, net	5	99,006,627	99,006,627
Investment property	6	160,200,000	153,441,000
Property and equipment, net	7	427,871	869,837
Total non-current assets		259,634,498	253,317,464
Total assets		368,305,425	448,963,029
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other current liabilities	8	13,463,147	13,871,484
Borrowings	9, 15	12,393,900	12,393,900
Advances from related parties	15	125,407,117	95,401,128
Advances from prospective shareholders	10	194,695,274	194,695,274
Provision for litigation claims	19	-	47,770,052
Total current liabilities		345,959,438	364,131,838
Non-current liabilities			
Retirement benefits obligation	18	2,582,111	2,856,914
Deferred income tax liabilities, net	13	39,697,394	37,965,971
Total non-current liabilities		42,279,505	40,822,885
Total liabilities		388,238,943	404,954,723
Equity			
Share capital	11	975,534,053	975,534,053
Deficit		(995,467,571)	(931,525,747)
Total equity		(19,933,518)	44,008,306
Total liabilities and equity		368,305,425	448,963,029

The notes on pages 1 to 30 are an integral part of these separate financial statements.

Mabuhay Holdings Corporation

Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(All amounts in Philippine Peso)

	Notes	2022	2021
Income			
Gain on fair value change in investment property	6	6,759,000	676,050
Rental income	6,16	3,935,158	1,601,914
Foreign exchange gain	20.1	515,837	278,089
Interest income	2	186,483	371,875
Dividend income	3	132,332	37,385
Other income	3	280,282	-
		11,809,092	2,965,313
Expenses			
Loss on litigation	19	39,358,145	-
Unrealized loss on revaluation of securities	3	14,410,858	20,335,856
Salaries and employee benefits	17	6,237,419	6,085,182
Professional fees		887,311	3,088,138
Provision for impairment loss of investments in subsidiaries	5	-	2,721,483
Meeting expenses		6,347,595	2,229,554
Transportation and travel		2,426,135	1,791,623
Depreciation	7	517,492	527,689
Others	12	3,792,384	3,484,298
		73,977,339	40,263,823
Loss before income tax		(62,168,247)	(37,298,510)
Income tax (expense) benefit	13	(1,773,577)	7,513,939
Net loss for the year		(63,941,824)	(29,784,571)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(63,941,824)	(29,784,571)
Basic and diluted loss per share	14	(0.066)	(0.031)

The notes on pages 1 to 30 are an integral part of these separate financial statements.

Mabuhay Holdings Corporation

Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(All amounts in Philippine Peso)

	Share capital (Note 11)	Deficit	Total
Balances as at January 1, 2021	975,534,053	(901,741,176)	73,792,877
Comprehensive loss			
Net loss for the year	-	(29,784,571)	(29,784,571)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(29,784,571)	(29,784,571)
Balances as at December 31, 2021	975,534,053	(931,525,747)	44,008,306
Comprehensive loss			
Net loss for the year	-	(63,941,824)	(63,941,824)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(63,941,824)	(63,941,824)
Balances as at December 31, 2022	975,534,053	(995,467,571)	(19,933,518)

The notes on pages 1 to 30 are an integral part of these separate financial statements.

Mabuhay Holdings Corporation

Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(All amounts in Philippine Peso)

	Notes	2022	2021
Cash flows from operating activities			
Loss before income tax		(62,168,247)	(37,298,510)
Adjustments for:			
Loss on litigation	19	39,358,145	-
Unrealized loss on revaluation of financial assets at FVPL	3	14,410,858	20,335,856
Provision for impairment loss of investments in subsidiaries	5	-	2,721,483
Depreciation	7	517,492	527,689
Dividend income	3	(132,332)	(37,385)
Unrealized foreign exchange gains	20.1	(515,837)	(278,089)
Interest income	2	(186,483)	(371,875)
Reversal of retirement obligation	18	(274,803)	(485,434)
Other income		(280,282)	-
Gain on fair value change in investment property	6	(6,759,000)	(676,050)
Operating loss before working capital changes		(16,030,489)	(15,988,403)
(Increase) decrease in:			
Other current assets		(805,601)	1,661,288
(Decrease) increase in:			
Accounts payable and other current liabilities		(128,055)	2,155,973
Advances from related parties		30,005,989	1,401,475
Provision for litigation claims		(87,128,197)	-
Cash absorbed by operations		(74,086,353)	(10,769,667)
Interest received		186,483	371,875
Dividend received		132,332	37,385
Net cash used in operating activities		(73,767,538)	(10,360,407)
Cash flows from investing activity			
Acquisitions of property and equipment	7	(75,526)	(162,661)
Net cash used in investing activities		(75,526)	(162,661)
Cash flows from financing activity			
Collection of principal amount of notes receivable	4	7,741,619	-
Net cash provided by financing activity		7,741,619	-
Net decrease in cash for the year		(66,101,445)	(10,523,068)
Cash as at January 1		71,574,518	81,819,497
Effect of exchange rates on cash		515,837	278,089
Cash as at December 31	2	5,988,910	71,574,518

The notes on pages 1 to 30 are an integral part of these separate financial statements.

Mabuhay Holdings Corporation

Notes to the Separate Financial Statements
As at and for the years ended December 31, 2022 and 2021
(In the Notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - General information; status of operations

Mabuhay Holdings Corporation (the "Company") was incorporated in the Philippines on April 6, 1988 primarily to engage in the acquisition and disposal of investments in marketable securities, shares of stock and real estate properties. The Company is 29.83% owned by Zenith Element Limited, a company incorporated and registered under the laws of the British Virgin Islands on April 17, 2018 as an investment holding company. The remaining 70.17% is owned by various individuals and corporations.

The Company's common shares were listed in the Philippines Stock Exchange (PSE) in 1990. Other than its share listing in 1990, there were no other share offerings subsequent thereto. Accordingly, the Company is considered a public company under Rule 3.1 of the Implementing Rules and Regulations of the Securities Regulation Code.

The Company and its Subsidiaries have no significant commercial operations for the years ended December 31, 2022 and 2021. The subsidiaries' operations consist mainly of preservation and maintenance of existing investment properties. On November 18, 2020, one of the Company's subsidiaries entered into an agreement to finance the development of an affordable housing project. The project was completed on December 2022.

The Company's registered office and principal place of business is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

The Company has 8 employees as at December 31, 2022 and 2021.

COVID-19 pandemic

In 2022, the Philippine economy continues to recover to its pre-pandemic levels with the imposition of less stringent community quarantine protocols, eased its border control and the lifting of the mandatory requirement to use face masks.

The Company has significant investments in traded equity instruments classified as financial assets at FVPL. The market values of these traded equity instruments are still heavily affected by the impact of the pandemic causing decline of 17% for the year ended December 31, 2022 or in a loss of P14.41 million (Note 3). The Company has not acquired or disposed any listed equity shares in 2022.

As for its investment properties, the Company entered into a new lease contract for half of the 35th Floor for a period of three (3) years commencing on September 15, 2021 (Note 16).

On July 2022, the Company paid P87.13 million for the settlement of case filed by a former co-shareholder of the Company. The Company incurred additional loss on litigation amounting to P39.36 million (Note 19).

Management is of the opinion that the Company's cash flows will continue to satisfy the Company's current working capital requirements for the next twelve months. Its subsidiaries have no significant working capital requirements and most are currently dormant.

The separate financial statements have been approved and authorized for issue by the Board of Directors (BOD) on April 14, 2023.

Note 2 - Cash

Cash as at December 31 consist of:

	2022	2021
Cash on hand	15,000	15,000
Cash in bank	5,973,910	71,559,518
	5,988,910	71,574,518

Cash in bank earns interest at the prevailing bank deposit rate. Interest income from cash in bank for the year ended December 31, 2022 amounted to P186,483 (2021 - P371,875).

Note 3 - Financial assets at fair value through profit or loss (FVPL)

Movements in financial assets at FVPL for the years ended December 31 follow:

	Note	2022	2021
January 1		86,055,204	106,391,060
Loss on revaluation	1	(14,410,858)	(20,335,856)
December 31		71,644,346	86,055,204

The account as at December 31, 2022 and 2021 consists of equity shares listed in Philippine Stock Exchange with fair value based on current bid prices in an active market (Level 1 valuation). Changes in fair values are recorded in unrealized loss on revaluation of securities in profit or loss.

In 2022 and 2021, the Company has not acquired nor sold any listed equity shares.

Dividends earned for the year ended December 31, 2022 amounts to P132,332 (2021 - P37,385).

Note 4 - Other current assets

Other current assets as at December 31 consist of:

	2022	2021
Prepayments	1,957,702	1,882,815
Advances to employees	1,698,884	919,242
Advances to third parties	120,000	129,716
Dividend receivables	-	149,966
Other receivables	956,013	887,413
	4,732,599	3,969,152

Prepayments mainly comprise of prepaid taxes and prepaid insurance.

Other receivables pertain to communication, utilities, repairs and maintenance billed to its tenants.

Note 5 - Investments in and advances to subsidiaries, net

Investments in and advances to subsidiaries, net as at December 31 consist of:

		Amount	
	Ownership %	2022	2021
Acquisition costs			
M&M Holdings Corporation (MMHC)	100.00	80,630,518	80,630,518
Tagaytay Properties and Holdings Corporation (TPHC)	26.04	41,390,450	41,390,450
The Taal Company, Inc. (TTCI)	44.46	23,200,000	23,200,000
Mindanao Appreciation Corporation (MAC)	42.49	20,000,000	20,000,000
The Angeles Corporation (TAC)	53.48	1,000,000	1,000,000
T&M Holdings, Inc. (TMHI)	100.00	100,000	100,000
		166,320,968	166,320,968
Advances to TMHI		417,397,503	417,397,503
		583,718,471	583,718,471
Allowance for impairment losses		(484,711,844)	(484,711,844)
		99,006,627	99,006,627

All subsidiaries are domestic companies registered and doing business in the Philippines and are principally engaged in the business of acquiring and disposing of interests in real and personal properties of any kind or description, marketable securities and shares of stock. The subsidiaries' registered office and principal place of business is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

The Company takes effective and absolute control over key decisions, operating strategies, and key policies of TAC, TPHC, TTCI and MAC. In compliance with the provisions of PAS 27, "Consolidated and Separate Financial Statements", the investments in subsidiaries is accounted for using the cost method in these separate financial statements.

In 2021, the Company recognized additional impairment of its investment in MMHC amounting to P2.72 million considering the current results of operation and financial position of MMHC.

In 2020, the Company recognized full impairment of its investment in and advances to TMHI totaling P0.46 million considering the current results of operation and financial position of TMHI.

There are no significant restrictions on the ability of the Subsidiaries to transfer cash assets, pay dividend or pay advances to the Company and between Subsidiaries. Since most of the Subsidiaries are not operational, the Company provides financial support to its Subsidiaries.

The details of allowance for impairment losses as at December 31 follow:

	2022	2021
Advances to TMHI	417,497,503	417,497,503
TPHC	25,267,900	25,267,900
MAC	13,246,230	13,246,230
MMHC	15,606,108	15,606,108
TTCI	12,094,103	12,094,103
TAC	1,000,000	1,000,000
	484,711,844	484,711,844

The summarized financial information of subsidiaries with significant non-controlling interest as at and for the year ended December 31, 2022 follows:

	TPHC	MAC	TTCI	TAC
		(In thousands of Pesos)		
Total current assets	14,536	33,649	25,136	1,893
Total non-current assets	396,942	-	8,420	-
Total assets	411,478	33,649	33,556	1,893
Total current liabilities	43,046	32,262	4,896	10,751
Total non-current liabilities	89,082	-	1,630	-
Total liabilities	132,128	32,262	6,526	10,751
Net assets (liabilities)	279,350	1,387	27,030	(8,858)
Non-controlling interest share in net assets (liabilities)	206,607	798	15,421	(4,121)
Income	10,013	-	654	2
Expenses	(2,480)	(9,147)	(270)	(57)
Income (loss) before income tax	7,533	(9,147)	384	(55)
Income tax benefit	101	107	469	-
Net income (loss) for the year	7,634	(9,040)	853	(55)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the year	7,634	(9,040)	853	(55)
Non-controlling interest share in total comprehensive income (loss) for the year	5,646	(5,200)	487	(26)
Cash flows (used in) provide by:				
Operating activities	4,921	(48)	(135)	(40)
Investing activities	-	-	-	-

The summarized financial information of subsidiaries with significant non-controlling interest as at and for the year ended December 31, 2021 follows:

	TPHC	MAC	TTCI	TAC
		(In thousands of Pesos)		
Total current assets	17,288	42,780	30,770	1,932
Total non-current assets	386,937	-	7,787	-
Total assets	404,225	42,780	38,557	1,932
Total current liabilities	43,325	32,245	10,280	10,735
Total non-current liabilities	89,182	108	2,099	-
Total liabilities	132,507	32,353	12,379	10,735
Net assets (liabilities)	271,718	10,427	26,178	(8,803)
Non-controlling interest share in net assets (liabilities)	200,963	5,997	14,539	(4,095)
Income	22,908	-	3,207	2
Expenses	(1,636)	(10,513)	(4,211)	(57)
Income (loss) before income tax	21,272	(10,513)	(1,004)	(55)
Income tax expense	13,220	191	638	-
Net income (loss) for the year	34,492	(10,322)	(366)	(55)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the year	34,492	(10,322)	(366)	(55)
Non-controlling interest share in total comprehensive income (loss) for the year	25,510	(5,358)	(203)	(26)
Cash flows used in:				
Operating activities	(7,118)	(9)	(17,344)	(40)
Investing activities	9,056	-	23,087	-

Note 6 - Investment property

The Company's investment property pertains to a commercial unit held for lease. The commercial unit, which is located in Makati with a total floor area of 676 square meters, is being leased out to third parties (Note 16). In 2022, income from this property amounting to P3.94 million (2021 - P1.60 million) was presented as rental income in profit or loss. Direct expenses incurred for this investment property amounted to P2.18 million (2021 - P2.73 million) which were recorded in communication, light and water, repairs and maintenance, association dues, taxes and licenses, and insurance under other expenses (Note 12).

The changes in the fair value of investment property as at December 31 are summarized below:

	2022	2021
January 1	153,441,000	152,764,950
Fair value gains	6,759,000	676,050
December 31	160,200,000	153,441,000

The fair value of an investment property is determined on the basis of appraisal made by an external appraiser duly certified by the management (Level 2 valuation). Valuation methods employed by the appraisers mainly include the market data approach.

Movements in cumulative fair value gain for the year ended December 31 follow:

	2022	2021
January 1	114,492,807	113,816,757
Fair value gains	6,759,000	676,050
December 31	121,251,807	114,492,807

Note 7 - Property and equipment, net

Details and movements of property and equipment, net as at and for the years ended December 31 follow:

	Office condominium	Building improvements	Office equipment	Transportation equipment	Communication and other equipment	Furniture and fixtures	Total
Cost							
January 1, 2021	13,746,305	3,859,242	903,481	6,047,054	185,182	1,662,116	26,403,380
Additions	-	-	85,081	71,339	6,241	-	162,661
December 31, 2021	13,746,305	3,859,242	988,562	6,118,393	191,423	1,662,116	26,566,041
Additions	-	-	75,526	-	-	-	75,526
December 31, 2022	13,746,305	3,859,242	1,064,088	6,118,393	191,423	1,662,116	26,641,567
Accumulated depreciation							
January 1, 2021	13,746,305	3,859,242	746,491	4,973,948	180,413	1,662,116	25,168,515
Charges during the year	-	-	62,056	459,994	5,639	-	527,689
December 31, 2021	13,746,305	3,859,242	808,547	5,433,942	186,052	1,662,116	25,696,204
Charges during the year	-	-	57,743	454,378	5,371	-	517,492
December 31, 2022	13,746,305	3,859,242	866,290	5,888,320	191,423	1,662,116	26,213,696
Net book values							
December 31, 2021	-	-	180,015	684,451	5,371	-	869,837
December 31, 2022	-	-	197,798	230,073	-	-	427,871

As at December 31, 2022 and 2021, management assessed that there were no indicators present that would otherwise require an assessment and recognition of impairment for its property and equipment.

There are no property and equipment pledged as collateral as at December 31, 2022 and 2021.

Note 8 - Accounts payable and other current liabilities

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

	2022	2021
Accounts payable and accrued expenses	6,310,690	6,661,900
Subscriptions payable	3,136,500	3,136,500
Accrued interest on borrowings	2,879,506	2,879,506
Deferred rental income	1,063,615	1,063,615
Payable to government agencies	72,836	129,963
	13,463,147	13,871,484

Accounts payable and accrued expenses represent third party payables and accruals on employee benefits, legal and other professional fees all payable on demand.

Accrued interest represents interest charged in prior years on its loan from a related party (Note 9). Interest was discontinued starting 2014 upon mutual agreement of both parties.

Note 9 - Borrowings

Borrowings, which are unsecured, non-interest bearing and with no definite repayment date, pertain to a loan from a related party amounting to P12.39 million as at December 31, 2022 and 2021 (Note 15).

The net debt reconciliation as at December 31 is presented below:

	Notes	2022	2021
Borrowings as at December 31	15	12,393,900	12,393,900
Cash as at December 31	2	(5,988,910)	(71,574,518)
Net debt as at December 31		6,404,990	(59,180,618)

Note 10 - Advances from prospective shareholders

The account represents funds received from prospective shareholders which are expected to be settled by way of issuance of shares.

Note 11 - Equity

Share capital as at December 31, 2022 and 2021 consists of:

	Amount
Common shares - P1 par value	
Authorized (4,000,000,000 shares)	4,000,000,000
Subscribed (1,200,000,000 shares)	1,200,000,000
Subscribed	1,200,000,000
Subscriptions receivable	(224,465,947)
Paid, issued and outstanding	975,534,053

No collection occurred during 2022 and 2021 with regard to the outstanding subscription receivable.

As at December 31, 2022 and 2021, there are 187 shareholders each owning more than one hundred (100) shares.

Note 12 - Other expenses

Details of other expenses for the years ended December 31 follow:

	2022	2021
Association dues	667,854	1,075,644
Communication, light and water	620,387	402,248
Office supplies	601,145	601,777
Repairs and maintenance	479,658	336,114
Taxes and licenses	260,477	327,848
Insurance	152,911	163,457
Postage	32,832	20,047
Magazines and periodicals	10,912	3,108
Penalties	-	426,088
Miscellaneous	966,206	127,967
	3,792,384	3,484,298

Note 13 - Income taxes

Details of income tax expense (benefit) for the years ended December 31 relate to the following:

	2022	2021
Current	42,154	26,655
Deferred	1,731,423	(7,540,594)
	1,773,577	(7,513,939)

The net deferred income tax liabilities as at December 31 consist of:

	2022	2021
Deferred income tax liabilities		
Fair value gain on investment property	40,050,000	38,360,250
Unrealized gain on revaluation of securities	429,866	516,331
Unrealized foreign exchange gain, net	128,960	69,523
	40,608,826	38,946,104
Deferred income tax assets		
Retirement benefits obligation	(645,528)	(714,229)
Deferred rental income	(265,904)	(265,904)
	(911,432)	(980,133)
Net liabilities	39,697,394	37,965,971

Movements in net deferred income tax liabilities for the years ended December 31 follow:

	2022	2021
January 1	37,965,971	45,506,565
Charged (credited) to profit or loss	1,731,423	(7,540,594)
December 31	39,697,394	37,965,971

Deferred income tax assets are recognized to the extent that the realization of the related tax benefit through the future taxable profits is probable.

On March 26, 2021, Republic Act No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises or CREATE Act, was signed into law. The CREATE Act will take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation. Among the salient provisions of CREATE include changes to the corporate income tax as follows:

- lowering of regular corporate income tax (RCIT) rate to 20% from 30% for domestic corporations with net taxable income not exceeding P5 million and with total assets not exceeding P100 million (excluding land on which the business entity's office, plant and equipment are situated) from July 1, 2020;
- lowering of regular corporate income tax (RCIT) to 25% from 30% for all other domestic and foreign corporations from July 1, 2020; and
- for the period beginning July 1, 2020 until June 30, 2023, the MCIT rate shall be 1%, instead of 2%.

In compliance with the National Internal Revenue Code (NIRC) of 1997, NOLCO is carried forward annually and can be applied to taxable income for three (3) succeeding taxable years. In 2020, Republic Act No. 11494 or the Bayanihan to Recover As One Act is enacted. Under the Bayanihan Act, net operating loss of a business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Details of net operating loss carry-over (NOLCO) as at December 31, which could be carried over as deductible expense from taxable income for three (3) to five (5) consecutive years following the year of incurrence follow:

Year of incurrence	Year of expiration	2022	2021
2022	2025	49,002,361	-
2021	2026	10,094,183	10,094,183
2020	2025	6,035,829	6,035,829
2019	2022	45,286,756	45,286,756
2018	2021	-	47,241,090
Total NOLCO		110,419,129	108,657858
Expired during the year		(45,286,756)	(47,241,090)
		65,132,373	61,416,768
Deferred income tax asset not recognized at 25%		16,283,093	15,354,192

Details of the assessment on the non-recognition of deferred income tax assets from NOLCO are disclosed in Note 21.2.

In compliance with the Tax Reform Act of 1997, the Company is required to pay the MCIT or the normal income tax, whichever is higher. This can be carried forward as tax credits against regular corporate income tax payable for the succeeding three (3) taxable years.

The details of MCIT for the years ended December 31 follow:

Year of incurrence	Year of expiration	2022	2021
2022	2025	42,154	-
2021	2024	26,655	26,655
2020	2023	139,587	139,587
2019	2022	-	524,700
Total MCIT		208,396	690,943
Unrecognized		(208,396)	(690,943)
Recognized MCIT		-	-

As at December 31, 2022, the MCIT amounting to P42,154 (2021 - P26,655) was charged to income tax expense. Details of the assessment on the non-recognition of MCIT as part of deferred income tax asset are disclosed in Note 21.2.

The reconciliations of income tax expense on pre-tax income computed at the statutory income tax rate to the effective income tax expense follow:

	2022	2021
Loss before income tax	(62,168,247)	(37,298,510)
Tax on pretax income at 25%	(15,542,062)	(9,324,628)
Adjustment for income subject to lower tax rate	3,516,250	4,961,949
Unrecognized NOLCO	12,250,590	2,523,546
Non-deductible expenses	1,586,349	1,878,890
Unrecognized MCIT	42,154	26,655
Non-taxable income	(33,083)	(9,346)
Income subjected to final tax	(46,621)	(92,969)
Effect of change in enacted tax rate	-	(7,478,036)
	1,773,577	(7,513,939)

Note 14 - Basic and diluted loss per share

The information used in the computation of basic and diluted loss per share for the years ended December 31 follows:

	2022	2021
Net loss available to common shares	(63,941,824)	(29,784,571)
Divide by the average number of outstanding common shares	975,534,053	975,534,053
Loss per share - basic and diluted	(0.066)	(0.031)

Basic and diluted loss per share are the same due to the absence of dilutive potential common shares.

Note 15 - Related party transactions

Related companies in the financial statements refer to the Company's group of companies and the key management personnel. In the normal course of business, the Company transacts with companies which are considered related parties. The table below summarizes these transactions and outstanding balances as at and for the years ended December 31:

		2022		
	Notes	Transactions	Outstanding receivables (payables)	Terms and conditions
Advances to				
Subsidiaries (MAC,TAC, TTCI, TMHI,MMHC,TPHC)	4	(7,741,619)	26,305,072	Unsecured, non-interest bearing and collectible in cash on demand.
Borrowings from				
Entity under common control	9	-	(12,393,900)	Unsecured, non-interest bearing and payable in cash on demand.
Advances from				
Subsidiaries (TAC, MMHC, TPHC)		(30,005,989)	(125,321,458)	Unsecured, non-interest bearing and payable on demand.
Other related party		-	(85,659)	
			(125,407,117)	
Salaries and employee benefits				
Key management personnel		3,180,000	-	These are determined based on contract of employment and payable in cash in accordance with the Company's payroll period. These were fully paid at reporting date.

The table below summarizes the Company's transactions and balances with its related parties as at and for the year ended December 31, 2021.

		2021		
	Notes	Transactions	Outstanding receivables (payables)	Terms and conditions
Advances to				
Subsidiaries (MAC,TAC, TTCI, TMHI,MMHC,TPHC)	4	(65,025)	34,046,691	Unsecured, non-interest bearing and collectible in cash on demand.
Borrowings from				
Entity under common control	9	-	(12,393,900)	Unsecured, non-interest bearing and payable in cash on demand.
Advances from				
Subsidiaries (TAC, MMHC, TPHC)		(1,401,475)	(95,315,469)	Unsecured, non-interest bearing and payable on demand.
Other related party		-	(85,659)	
			(95,401,128)	
Salaries and employee benefits				
Key management personnel		3,120,000	-	These are determined based on contract of employment and payable in cash in accordance with the Company's payroll period. These were fully paid at reporting date.

Note 16 - Leases

The Company occupied a portion of its investment property and converted it into an office space. The portion which is owner-occupied is properly classified as property and equipment (Note 7). The remaining portion is leased to third parties.

The Company (as a lessor) has lease agreements with third parties under operating lease as follows:

a. Two (2) units of office space for a period of three (3) years from September 15, 2021 until September 14, 2024 with monthly rate of P685 per square meter for first two (2) years and P719 per square meter for the final year.

b. Seven (7) car parking rights lease renewable annually until September 14, 2023 with monthly rate of P29,960.

In 2022, rental income from investment in a condominium unit amounted to P 3.94 million (2021 - P1.60 million) (Note 6).

As at December 31, the minimum aggregate rental receivables for future years follow:

	2022	2021
Within one (1) year	4,073,446	3,646,544
After one (1) year but not more than five (5) years	2,704,973	6,394,951
	6,778,419	10,041,495

Note 17 - Salaries and employee benefits

Details of salaries and employee benefits for the years ended December 31 follow:

	Note	2022	2021
Salaries and wages		4,449,572	4,364,828
Employee benefits	18	1,365,956	1,315,886
Bonus and allowances		200,000	200,650
SSS, Philhealth and HDMF		221,891	203,818
		6,237,419	6,085,182

Note 18 - Retirement benefits obligation

The Company has yet to adopt a formal retirement plan and only provided for the retirement obligation based on minimum required retirement benefit under Republic Act (RA) 7641. Under RA 7641, otherwise known as the Retirement Pay Law, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five (5) years in a private company, may retire and shall be entitled to retirement pay equivalent to at least ½ month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year.

The retirement benefit obligation and retirement benefit expense as at and for the years ended December 31 follow:

	2022	2021
Retirement benefit obligation	2,582,111	2,856,914
Retirement income	(274,803)	(485,434)

The movements in the retirement benefit obligation for the years ended December 31 follow:

	2022	2021
January 1	2,856,914	3,342,348
Current service cost	442,852	454,940
Impact of discount	(717,655)	(940,374)
December 31	2,582,111	2,856,914

The retirement income is included under employee benefits (Note 17) in profit or loss.

The principal assumptions made as at December 31 follow:

	2022	2021
Discount rate	6.85%	4.85%
Expected future salary increase	3.00%	3.00%

Discount rate assumption is based on the theoretical spot yield curve calculated from Bloomberg market yields by stripping the coupons from government bonds to create virtual zero coupon bonds as of the valuation date, while considering the average years of remaining working life of the employees as the estimated term of the employee.

Note 19 - Provision for litigation claims

In the normal course of business, the Company is a defendant on a case which is pending with the Court of Appeals. The case arose from a demand for payment of minimum guaranteed return on investment by a former co-shareholder of the Company in a fast craft shipping business.

The plaintiff (one of the co-shareholders) violated several terms as stipulated under the agreement, including a direct purchase of the shares of the other shareholder without the consent of the Company. The agreement also contains a provision about guaranteed return.

In 1999, the plaintiff demanded full payment of the guaranteed return on its investment after audits of the fast craft business revealed a significant amount of loss, which demand was denied by the Company.

After divergent decisions by the arbitrator and regional trial court, the case was transferred to the Court of Appeals for further proceedings. In 2013, the Company recorded additional provision amounting to P21.61 million to reflect the final decision rendered by the Court of Appeals instructing the Company to pay the agreed guaranteed returns and arbitration costs including 12% interest calculated from the date of initial ruling totaling to P47.77 million as shown in the statement of financial position as at December 31, 2021.

On July 20, 2022, the Company paid a total of P87.13 million for the settlement of litigation. The additional P39.40 million is recognized as loss on litigation in the statement of comprehensive income.

Note 20 - Financial risk and capital management

20.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Management, under the direction of the Board of Directors, is responsible for the management of financial risks. Its objective is to minimize the adverse impact on the Company's financial performance due to the unpredictability of the financial markets.

20.1.1 Market risk

(a) Foreign exchange risk

The foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained to meet current commitments.

The Company's foreign currency denominated monetary asset as at December 31 follows:

	2022	2021
	In USD	In USD
Cash in bank	96,398	97,771
Exchange rates	56.12	50.77
Peso equivalent	5,409,856	4,963,834

Details of net foreign exchange gains for the years ended December 31 follow:

	2022	2021
Realized	-	-
Unrealized	(515,837)	(278,089)
	(515,837)	(278,089)

As at December 31, 2022 and 2021, the Company's exposure to currency risk relates to the foreign currency denominated cash in bank (Note 2).

The table below presents the impact of possible movements of Philippine Peso against the US Dollar, with all other variables held constant, on the Company's net income after tax. There is no impact on the Company's equity other than those already affecting net income after tax.

	Change in exchange rate	Impact on income after tax
US Dollars		
December 31, 2022	+/-10.54%	+/-427,557
December 31, 2021	+/-5.69%	+/-211,890

The reasonably possible movement in foreign currency exchange rates is based on the projection by the Company using movement of the rates from the prior period.

(b) Price risk

The Company's exposure to price risk is minimal and limited only to investments classified as financial assets at fair value through profit or loss (Note 3). Changes in market prices of these investments are not expected to impact significantly the financial position or results of operations of the Company.

As at December 31, 2022 and 2021, the impact of 1% increase (decrease) in the bid share prices of the Company's financial assets at fair value through profit or loss based on management's assessment of historical movements in price, with all variable held constant, would have an impact of possible increase (decrease) of P0.72 million (2021 - P 0.86 million) in profit or loss.

(c) Interest rate risk

Interest rate risk refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as it has no interest-bearing financial instruments as at December 31, 2022 and 2021.

20.1.2 Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Company by failing to discharge an obligation.

Maximum exposure to credit risk

The Company's exposure to credit risk primarily relates to cash in bank and financial receivables.

The table below shows the credit quality of significant financial assets (i.e., cash in bank and financial receivables) as at December 31:

	Notes	Fully performing	Underperforming
2022			
Cash in bank	2	5,988,910	-
Other current assets*	4	-	29,079,969
		5,988,910	29,079,969
2021			
Cash in bank	2	71,559,518	-
Other current assets*	4	-	36,133,026
		71,559,518	36,133,026

**excluding prepayments*

Fully performing financial assets are fully recoverable with no overdue balances and with no history of credit losses. Underperforming financial assets are with long overdue balances and with exposure to credit losses. Both categories of financial assets are subjected to lifetime expected credit loss allowance assessment.

(i) Cash in bank

The Company deposits its cash balances in a universal bank to minimize the credit risk exposure. The Company assessed no significant credit risk.

(ii) Other current assets (excluding prepayments)

Other current assets (excluding prepayments) totaling P29.08 million as at December 31, 2022 (2021 - P36.13 million) are monitored on an ongoing basis which normally results in an assessment that the Company's exposure to bad debts is not material. There were no historical losses recognized on these balances.

20.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Due to the dynamic nature of the underlying businesses, the Company aims to maintain flexibility in funding through advances from related parties, extending payment terms for due to related parties, and an efficient collection of its notes receivables. The Company likewise regularly evaluates other financing instruments to broaden the Company's range of financing resources.

The succeeding section analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months approximate their carrying balances, as the impact of discounting is not significant.

	Notes	0 - 90 days	Over 90 days	Total
December 31, 2022				
Borrowings	9,15	-	12,393,900	12,393,900
Accounts payable and accrued expenses*	8	6,310,690	6,016,006	12,326,696
Advances from related parties	15	-	125,407,117	125,407,117
Advances from prospective shareholders	10	-	194,695,274	194,695,274
		6,310,690	338,512,297	344,822,987
December 31, 2021				
Borrowings	9,15	-	12,393,900	12,393,900
Accounts payable and accrued expenses*	8	6,661,900	6,016,006	12,677,906
Advances from related parties	15	-	95,401,128	95,401,128
Advances from prospective shareholders	10	-	194,695,274	194,695,274
		6,661,900	308,506,308	315,168,208

**This excludes payable to government agencies and deferred rental income.*

All financial assets and liabilities are classified as current as at reporting dates.

20.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. For this purpose, capital is represented by total equity as shown in the statement of financial position, as well as advances from prospective shareholders presented under liabilities as follows:

	2022	2021
Total (deficit) equity	(19,933,518)	44,008,305
Advances from prospective shareholders	194,695,274	194,695,274
	174,761,756	238,703,579

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the absence of development activities undertaken by the Company, it does not require intensive capitalization as at December 31, 2022 and 2021. The Company's main objective is the development of an existing prime property comprising of investment property held for rental and capital appreciation.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of twenty percent (20%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Company has fully complied with this requirement. There are no external minimum capitalization requirements imposed to the Company. There were no changes in the Company's strategies and policies during 2022 and 2021.

20.3 Fair value of financial assets and liabilities

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities at December 31 as follows:

		2022		2021	
	Notes	Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Financial assets at fair value through profit or loss	3	71,644,346	71,644,346	86,055,204	86,055,204
Financial assets at amortized cost					
Cash	2	5,988,910	5,988,910	71,574,518	71,574,518
Other current assets*	4	29,079,969	29,079,969	36,133,028	36,133,028
Total assets		106,713,225	106,713,225	193,762,750	193,762,750
Financial liabilities at amortized cost					
Borrowings	9,15	12,393,900	12,393,900	12,393,900	12,393,900
Accounts payable and other current liabilities**	8	12,326,696	12,326,696	12,677,906	12,677,906
Advances from related parties	15	125,407,117	125,407,117	95,401,128	95,401,128
Advances from prospective shareholders	10	194,695,274	194,695,274	194,695,274	194,695,274
Total liabilities		344,822,987	344,822,986	315,168,208	315,168,208

**This excludes prepayments*
***This excludes payable to government agencies and deferred rental income.*

These carrying amounts approximate fair values at reporting dates due to the short-term nature of financial assets and liabilities.

20.4 Fair value hierarchy

The Company follows the fair value measurement hierarchy to disclose the fair values of its assets. As at December 31, 2022 and 2021, the Company's financial assets at fair value through profit or loss are classified under Level 1 category and investment property is classified under Level 2 category. The Company uses the market approach for its investment property. The value of the investment property was based on sales and listings of comparable property registered within the vicinity premised on the factors of time, unit area/size, unit location, unit improvements, building location, building features/amenities, bargaining allowance and others.

Note 21 - Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

21.1 Critical accounting estimates and assumptions

(a) Fair value of investment property (Note 6)

The Company's investment property has an estimated market value of P237,000 per square meter at December 31, 2022 (2021 - P227,000) based on the following significant assumptions used by the independent appraiser:

- current prices in an active market for properties of similar nature, condition or location, adjusted to reflect possible differences on the factors of time, unit area or size, unit location, unit improvements, building location, building features or amenities, bargaining allowance and others; and
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

Investment property in 2022 amounted to P160.20 million (2021 - P153.44 million). Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment property would be an estimated P16.20 million (2021 - P15.34 million) higher or lower.

(b) Retirement benefits (Note 18)

The present value of the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate and rates of salary increases. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The sensitivities of the defined benefit obligation to changes in the principal assumptions as at December 31 follow:

Assumptions	2022	2021
Discount rate		
1% decrease	288,118	355,871
1% increase	(256,906)	(313,619)
Rate of salary increase		
1% decrease	393,619	471,949
1% increase	(179,974)	(211,924)

(c) Impairment of subsidiaries (Note 5)

Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use calculated in accordance with accounting policy.

Management believes that the current level of allowance for impairment losses as at December 31, 2022 and 2021 is sufficient to cover non-recoverable amount.

As at December 31, 2022 and 2021, the impact of 1% increase (decrease) in the net asset value of the Company's investments, with all variable held constant, would have an impact of possible increase (decrease) of P0.72 million (2021 - P0.71 million) in profit or loss.

21.2 Critical accounting judgments

(a) Recognition of deferred income tax assets (Note 13)

Management reviews at each reporting date the carrying amounts of deferred income tax assets. The carrying amount of deferred income tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the related tax assets can be utilized.

Management believes that the non-recognition of deferred income tax assets from NOLCO and MCIT of P16.28 million and P0.21 million, respectively, (2021 - P15.35 million NOLCO and P0.69 million MCIT) is appropriate due to the Company's limited capacity to generate sufficient taxable income in the immediately succeeding three (3) to five (5) years given current development activities.

(b) Entities in which the Company holds less than 50% interest (Note 5)

Management consider that the Company has de facto control over TAC, MAC, TTCI and TPHC even though it has less than 50% of the voting rights. There is no history of other shareholders forming a group to exercise their votes collectively. Based on the absolute size of the Company's shareholding and the relative size of the other shareholdings, management has concluded that the Company has sufficiently dominant voting interest to have the power to direct the relevant activities of these entities. Consistent with PFRS 10, the entities have been fully consolidated into the Group's consolidated financial statements.

(d) Impairment of investment property (Note 6)

The Company's investment property was tested for impairment where the recoverable amount was determined using the market approach. The value of the investment property was based on sales and listings of comparable property registered within the vicinity premised on the factors of time, unit area/size, unit location, unit improvements, building location, building features/amenities, bargaining allowance and others which management believes are reasonable.

No impairment loss was recognized on investment property for the years ended December 31, 2022 and 2021.

<u>Note 22 - Summary of significant accounting policies</u>

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

22.1 Basis of preparation

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

The separate financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and investment property.

The preparation of separate financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 21.

The Company has also prepared consolidated financial statements, in accordance with PFRS, for the Parent Company and its Subsidiaries (the "Group"). In the consolidated financial statements subsidiary undertakings - which are those companies in which the Group, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations - have been fully consolidated.

Users of these separate financial statements should read them together with the Group's consolidated financial statements as at and for the years ended December 31, 2022 and 2021 in order to obtain full information on the financial positions, financial performances and changes in financial position of the Group as a whole. The consolidated financial statements of the Group can be obtained from the SEC or from the Company's website: www.mabuhayholdingscorp.com.

Changes in accounting policies and disclosures

(a) Amended standards adopted by the Company

No new standards, amendments to existing standards or interpretations, that are effective beginning January 1, 2022, are expected to have a material impact on the Company's separate financial statements.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards, amendments to existing standards and interpretations are effective for the Company's annual periods after January 1, 2022 and have not been early adopted nor applied by the Company in preparing these financial statements. None of these are expected to be relevant and have an effect on the financial statements of the Company, except as follows:

- PAS 1: Classification of Liabilities as Current or Non-current

  The narrow-scope amendments clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waver or a breach of covenant). The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company does not expect the amendments to have a significant impact on the Company's financial statements.

PAS 1 and PFRS Practice Statement 2: Disclosure of Accounting Policies

The amendments require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company does not expect the amendments to have a significant impact on the Company's financial statements.

- PAS 8: Definition of Accounting Estimates

  The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company does not expect the amendments to have a significant impact on the Company's financial statements.

- PAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

  The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

  - right-of-use assets and lease liabilities, and
  - decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

  The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate. PAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company does not expect the amendments to have a significant impact on the Company's financial statements.

There are no other relevant standards, amendments or interpretations that are effective beginning on or after January 1, 2022 that are expected to have a material impact on the Company's financial statements.

22.2 Cash

Cash consist of cash on hand and includes deposits at call with banks. These are stated at face value or nominal amount.

22.3 Financial instruments

22.3.1 Classification

The Company classifies its financial assets and liabilities according to the categories described below. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets and liabilities at initial recognition.

(a) Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through OCI (FVOCI) or through profit or loss (FVPL), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Financial assets at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Significant impairment losses are presented as a separate line item in profit or loss.

These are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. The Company's financial assets at amortized cost comprise cash (Note 2) and other current assets (excluding prepayments) (Note 4).

(ii) Financial assets at FVPL

Investment in equity instruments that are held for trading are measured at fair value. Gains and losses for these financial assets are recorded in profit or loss. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, these are classified as non-current.

The Company's financial assets at FVPL (Note 3) are classified under this category.

(b) Financial liabilities

The Company classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that designated at fair value); and financial liabilities at amortized cost.

The Company only has financial liabilities measured at amortized cost which include accounts payable and other current liabilities (excluding payable to government agencies and deferred rental income) (Note 8), advances from related parties (Note 15) and advances from prospective shareholders (Note 10).

22.3.2 Recognition and measurement

(a) Initial recognition and measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(b) Subsequent measurement

(i) Financial assets at amortized cost

Financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method, less provision for impairment.

(ii) Financial assets at FVPL

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss, including interest income, are presented in profit or loss within fair value gain (loss) on financial assets at FVPL in the period in which these arise. Dividend income from financial assets at FVPL is recognized in profit or loss as a separate line item when the Company's right to receive payment is established.

(iii) Financial liabilities

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

22.3.3 Impairment

The Company applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables that are financial assets. The Company applies the PFRS 9 general approach to measuring expected credit losses which uses a 12-month loss allowance for cash and other receivables that are financial assets.

To measure the expected credit losses, notes and other receivables that are financial assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of customers over a period of 36 months before year-end reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss. Subsequent recoveries of amounts previously written-off are credited against operating expenses in profit or loss.

22.3.4 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

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

22.3.5 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. As at December 31, 2022 and 2021, there are no financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

22.4 Prepayments

Prepayments are recognized in the event that payment has been made in advance of obtaining right of access to receipt of services and measured at the amount of cash paid, which is equal to its nominal amount.

Prepayments are included in current assets, except when the related services are expected to be received or rendered for more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.
Prepayments are derecognized upon expiration with the passage of time or consumed in operations.

22.5 Investments in and advances to subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. These are deconsolidated from the date that control ceases.

The Company's investment in subsidiaries is carried at cost less impairment in value, if any. Under this method, the Company recognizes income from the investments only to the extent that the Company receives distribution from accumulated profits of the investee arising after the acquisition date. Advances to subsidiaries made perpetually with payment at the discretion of the latter are treated as additional investment. Distributions received in excess of such profits are regarded as recovery of investments and are recognized as a reduction of the cost of the investments.

Investment in subsidiaries is derecognized upon disposal. Gains and losses on disposals of these investments are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

Impairment of investment in subsidiaries is presented in Note 22.9.

22.6 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation, amortization and impairment, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which these are incurred.

Depreciation or amortization is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Office condominium	25 years
Building improvements	10 years
Office equipment	5 years
Communication and other equipment	5 years
Transportation equipment	5 years
Furniture and fixtures	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use (Note 22.9).

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their related accumulated depreciation are removed from the accounts. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in profit or loss.

22.7 Investment property

Investment property is defined as property held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for: (a) use in the production of supply of goods or services or for administrative purposes; or (b) sale in the common course of business.

Investment property, principally comprising of a freehold office building, is held for long-term rental yields and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by external valuators. Changes in fair values are recorded in profit or loss.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the period in which these are incurred.

Removal of an item within investment property is triggered by a change in use, by sale or disposal. If an investment property becomes owner-occupied, it is reclassified as property and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Gain or loss arising on disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset. This is recognized in profit or loss.

Properties that are being constructed or developed for future capital appreciation are classified as investment properties.

Impairment of investment property is presented in Note 22.9.

22.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

The Company uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The financial assets at fair value through profit or loss are classified under Level 1 category. Investment property is classified under Level 2 category.

22.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that have a definite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or in prior years. A reversal of an impairment loss is recognized as other operating income in profit or loss immediately.

22.10 Accounts payable and other current liabilities

Accounts payable and other current liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable and other current liabilities are classified as current liabilities if payment is due within one (1) year or less (or in the normal operating cycle of the business, if longer). If not, these are presented as non-current liabilities.

Accounts payable and other current liabilities are measured at the original invoice amount as the effect of discounting is immaterial.

Relevant accounting policies for classification, recognition, measurement and derecognition of accounts payable and other current liabilities and financial liabilities at amortized cost are presented in Note 22.3.

22.11 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred.

22.12 Current and deferred income tax

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

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (NOLCO) and unused tax credits (excess MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Company reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Company is unable to control the reversal of the temporary difference for associate. Only where there is an agreement in place that gives the Company the ability to control the reversal of the temporary difference not recognized. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are derecognized when related bases are realized or when it is no longer realizable.

22.13 Employee benefits

(a) Retirement benefit obligation

The Company has less than 10 employees and has not yet formalized its employee retirement plan but it plans to provide retirement benefits. The retirement benefits under RA 7641 are considered as defined benefit plan. Defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The retirement obligation is equivalent to half-month compensation and calculated proportionately to the length of service of an employee. The amount is recorded as a separate line item in the statement of financial position.

(b) Other short-term benefits

The Company recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Liabilities for short-term employee benefits are derecognized when the obligation is settled, cancelled or has expired.

22.14 Provisions

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

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

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

Provisions are derecognized when the obligation is settled, cancelled or has expired.

22.15 Equity

(a) Share capital and share premium

Share capital consists of common shares, which are stated at par value, that are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Share premium is recognized for the excess proceeds and subscriptions over the par value of the shares issued.

(b)Deficit

Retained earnings (deficit) include current and prior years' results of operations, net of transactions with shareholders and dividends declared, if any.

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's Board of Directors.

22.16 Earnings per share

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares in issue during the year.

Diluted earnings per share is computed in the same manner as basic earnings per share, however, profit attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

22.17 Income and expense recognition

(a) Rental income

Rental income from operating leases (the Company is the lessor) is recognized as income on a straight-line basis over the lease term in accordance with PFRS 16. When the Company provides incentives to its lessees, the cost of incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income.

(b) Interest income and expense

Interest income and expense are recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount future cash flows for the purpose of measuring impairment loss.

(c) Dividend income

Dividend income is recognized when the right to receive payment is established.

(d) Other income

Other income is recognized when earned.

(e) Expenses

Expenses are recognized when these are incurred.

22.18 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the Company's separate financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's separate financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

22.19 Related party relationships and transactions

(a) Related party relationship

A related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its shareholders.
In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

(b) Related party transaction

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged or not.

Note 23 - Supplementary information required by the Bureau of Internal Revenue (BIR)

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the BIR and is not a required part of the basic separate financial statements.

(i) Output value-added tax (VAT)

Output VAT declared for the year ended December 31, 2022 and the revenues upon which the same was based consist of:

	Gross amount of revenues	Output VAT
Subject to 12% VAT		
Lease of property/equipment	3,935,158	472,219

The gross revenues shown above are based on gross receipts of the Company for VAT purposes while gross revenues in the statement of total comprehensive income are measured in accordance with the policy in Note 22.17.

(ii) Input VAT

Movement in input VAT for the year ended December 31, 2022 follows:

Beginning balance	384,551
Add: Current year's domestic purchases/payments for:	141,586
Services lodged under other accounts	235,715
Total input VAT	761,852

(iii) Documentary stamp tax

No documentary stamp taxes paid during the year.

The documentary stamp taxes are included as part of taxes and licenses account in others of expenses.

(iv) All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2022 consist of:

Real property tax	234,630
Mayor's permit	22,853
Others	2,994
	260,477

The above local and national taxes are included as part of taxes and licenses account in others of expenses.

(v) Withholding taxes

Withholding taxes paid and accrued and/or withheld for the year ended December 31, 2022 consist of:

	Paid	Accrued	Total
Expanded withholding tax	24,152	865	25,017
Withholding tax on compensation	731,666	70,317	801,983
	755,818	71,182	827,000

(vi) Tax assessments and tax cases

The Company has no outstanding tax assessments and tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR.

All other requirements of RR No. 15-2010 are not applicable to the Company.