COVER SHEET

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S. E. C. 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)

3 5 T H   F L O O R   R U F I N O

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)

Ana Maria A. Katigbak	**8817-6791**
Contact Person	Company Telephone Number

2024 ASM – DEFINITIVE INFORMATION STATEMENT

FORM TYPE

1 2	3 1		0 6	2 5
Month	Day		Month	Day
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

C F D	**N/A**
Dept. Requiring this Doc	Amended Articles Number / Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LGU

Document ID

Cashier

MABUHAY HOLDINGS CORPORATION
35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City
Tel No. 8850-2000 Fax No. 8724-8918

June 3, 2024

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 June 25, 2024, Tuesday, at 2:00 p.m. through remote communication. The Chairman of the meeting shall call and preside over 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/81637708630?pwd=peaEVJBqgw4J7Ac0iF2d3Z4ZRu5Q9s.1 provided by the Corporation to all stockholders of record as of June 5, 2024 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 2023 audited financial statements;
5. Ratification of resolutions, contracts, and acts of the Board of Directors and Management;
6. Election of directors;
7. Re-election of Mr. Rodrigo B. Supeña as Independent Director;
8. Appointment of external auditors;
9. Other matters; and
10. Adjournment.

For purposes of the meeting, the stockholders of record as of June 5, 2024 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 to the Corporation's email address at admin@mabuhayholdingscorp.com. Deadline for submission of Proxy/Ballot is on or before 5:00 pm of June 15, 2024. 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 June 20, 2024 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 **June 15, 2024**.

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 June 25, 2024 (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 2023 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 2024-2025 (**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 A. Katigbak (Director)			
	4. Andrew Charles Ferguson (Director)			
	5. Rodolfo D. Santiago (Independent Director)			
	6. Rodrigo B. Supeña (Independent Director)			
	7. Steven Gamboa Virata (Independent Director)			
6	Re-election of Mr. Rodrigo B. Supeña as 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 2023 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 2024-2025:

1. Roberto V. San Jose (Director)
2. Esteban G. Peña Sy (Director)
3. Ana Maria A. Katigbak (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 re-election of Mr. Rodrigo B. Supeña as 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 June 20, 2024 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 June 20, 2024 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 **June 15, 2024.**

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MABUHAY HOLDINGS CORPORATION

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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 June 25, 2024 (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:

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	RESOLUTION	*FOR*	*AGAINST*	*ABSTAIN*
1	Approval/ratification of the minutes of the previous meeting of the stockholders			
2	Approval the management report and the 2023 audited financial statements			

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	1. Roberto V. San Jose (Director)			
	2. Esteban G. Peña Sy (Director)			
	3. Ana Maria A. Katigbak (Director)			
	4. Andrew Charles Ferguson (Director)			
	5. Rodolfo D. Santiago (Independent Director)			
	6. Rodrigo B. Supeña (Independent Director)			
	7. Steven Gamboa Virata (Independent Director)			
6	Re-election of Mr. Rodrigo B. Supeña as Independent Director			

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- FOR the election of the following directors for the term 2024-2025:

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2. Esteban G. Peña Sy (Director)
3. Ana Maria A. Katigbak (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 re-election of Mr. Rodrigo B. Supeña as Independent Director;

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

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____
(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. Date, time and place of the meeting of security holders: **June 25, 2024, Tuesday, at 2:00 a.m., Makati City via remote communication and *in absentia.* The ASM cannot be scheduled on the date fixed in the By-laws of the Corporation (*i.e.*, last Friday of April or April 26, 2024) due to the irreconcilable conflict in the schedule of the Board of Directors and key management officers and to accommodate the travel schedule of the foreign director of the Corporation who will physically attend the ASM as previously disclosed with this Honorable Office and the Philippine Stock Exchange (PSE) on April 11, 2024.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders **June 3, 2024**

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

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

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. <u>GENERAL INFORMATION</u>

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 June 25, 2024, Tuesday, at 2:00 p.m. via remote communication and *in absentia*. The Chairman will call and preside the meeting in Makati City which is the place where the principal office of the Company is located.

As previously disclosed with the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE") on April 11, 2024, the annual meeting cannot be scheduled on the date fixed in the By-laws of the Company (*i.e.,* last Friday of April or April 26, 2024) due to the irreconcilable conflict in the schedule of the Board of Directors and key management officers and to accommodate the travel schedule of the foreign director of the Company who will physically attend the annual meeting. In compliance with SEC Notice dated April 3, 2020, the Registrant has filed the necessary 17-C Report on April 11, 2024 disclosing the said postponement and attaching thereto a Secretary's Certificate dated April 8, 2024 reciting the resolution of the Board of Directors postponing the annual meeting. Furthermore, the said 17-C Report was likewise uploaded through the PSE EDGE.

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 June 3, 2024.

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 June 5, 2024:

Common shares - 1,200,000,000

Out 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 June 5, 2024. All stockholders of record as of June 5, 2024 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 May 31, 2024:

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	260,092,963	21.67%

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	426,498,134	35.54%
Common	Guoco Securities (Phils.), Inc.	Guoco Securities (Phils.) Inc.***	Filipino	123,192,131	10.27%
TOTAL				**1,161,072,991**	**96.75%**

* 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 May 31, 2024:

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 and Indirect	Filipino	29.44%
Common	Delfin P. Angcao (Corporate Secretary)	641	641	Direct	Filipino	0

Common	Rodrigo B. Supeña (Independent Director)	50	50	Direct	Filipino	0
Common	Steven G. Virata (Independent Director)	100	100	Direct	Filipino	0
Common	Rodolfo D. Santiago (Independent 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 (Director / Assistant Corporate 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 82 years old.

Esteban G. Peña Sy, Director and President - He was elected as Director and President on November 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 76 years old.

Atty. Delfin P. Angcao, Corporate Secretary - Atty. Delfin P. 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 66 years old.

Atty. Ana Maria A. 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 55 years old.

Andrew Charles Ferguson, Director - Mr. Ferguson, 50 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. 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 83 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 of 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 66 years old.

Rodolfo D. Santiago, Independent Director - Retired Major General Rodolfo D. Santiago, Filipino, 63, 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 likewise elected as the Company's independent directors at the last annual stockholders' meeting.

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
4.	Andrew Charles Ferguson	-	Member
5.	Ana Maria A. Katigbak	-	Member

Under the Company's New Manual of Corporate Governance, the members of the Nomination Committee shall consist of at least three independent directors, 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 2024-2025 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

*A justification for the re-election of Mr. Rodrigo B. Supeña as Independent Director for the Term 2024-2025 is presented under **Annex "B"** of this Information Statement.

Mr. Peña Sy, presently a stockholder and the incumbent of the Company, 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 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, 2023, 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 2024 are as follows:

Name	**Position**	**Year**	**Salary**	**Bonus**	**Other Annual Compensation**	**Total**

Roberto V. San Jose	Chairman of the Board	2022 2023 2024 (est.)				
Esteban G. Peña Sy	President	2022 2023 2024 (est.)				
Delfin P. Angcao	Corporate Secretary	2022 2023 2024 (est.)				
Gloria Georgia G. Garcia	Treasurer	2022 2023 2024 (est.)				
Aggregate compensation (all key officers and directors as a group) Note: Registrant has no other executive officers except those named above.		2022 2023 2024 (est.)	2,820,000.00 2,820,000.00 2,820,000.00		360,000.00 360,000.00 360,000.00	3,180,000.00 3,180,000.00 3,180,000.00

* Figures for year 2024 were based on estimates.
* Each director receives a per diem of Php5,000.00 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 September 22, 2023. 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 2024 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 Php1.08M for the last two (2) calendar years ending December 31, 2023 and 2022. 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, 2023 and 2022. 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. OTHER MATTERS

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

Summary of Items to be Submitted for Stockholders' Approval

(a) Approval of the minutes of the 2023 annual stockholders' meeting
(b) Approval of annual report of management and 2023 financial statements

Approval of the minutes of the 2023 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 2023 annual stockholders' meeting and reflected in the minutes thereof were the following: (a) approval of the minutes of the 2022 annual meeting; (b) approval of the management report and 2022 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 2022 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 2023-2024; (b) setting the date of the 2023 annual stockholders' meeting and its record date.

Description of Voting and Voting Tabulation Procedures used in the 2023 annual meeting

Stockholders of record were allowed to vote by proxy or *in absentia* through the link provided by the Corporation for the 2023 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 September 22, 2023 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:

2023 ASM Agenda Items	For	Against	Abstain
1. Approval of Minutes of the Previous Meeting of the Stockholders on November 28, 2022	**858,755,754**	0	0
2. Management Report and Approval of the 2022 Audited Financial Statements	**858,755,754**	0	0
3. Ratification of Resolutions, Contracts, Acts of the Board of Directors and Management	**858,755,754**	0	0
4. Election of Directors			
<u>*Nominees for Regular Directors*</u>			
a) Roberto V. San Jose	**858,755,754**	0	0
b) Esteban G. Peña Sy	**858,755,754**	0	0
c) Andrew Ferguson	**858,755,754**	0	0

d) Ana Maria A. Katigbak	**858,755,754**	0	0
Nominees for Independent Directors			
a) Rodrigo B. Supeña	**858,755,754**	0	0
b) Steven G. Virata	**858,755,754**	0	0
c) Rodolfo D. Santiago	**858,755,754**	0	0
5. Appointment of External Auditors	**858,755,754**	0	0

List of Directors, Officers, Stockholders and Other Related Attendees who attended the 2023 Annual Stockholders Meeting

The following Directors were present:

1. Roberto V. San Jose
2. Esteban G. Peña Sy
3. Andrew Charles Ferguson
4. Ana Maria A. Katigbak
5. Rodrigo B. Supeña
6. Steven G. Virata
7. Rodolfo D. Santiago

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
Andrew Ferguson	1
Total	**2,010,901**
Stockholders Represented by Proxy	
B.A. Securities Inc.	416,999,999
Prokey Investments Ltd.	351,289,763
Value Quest Securities Corp.	47,645,000

Tower Securities	19,915,000
Mindanao Appreciation Corp.	10,183,000
Ansaldo, Godinez & Co., Inc.	8,027,000
Triton Securities Corporation	2,037,000
South China Holdings Corp.	432,000
First Metro Securities Brokerage Corporation	201,000
The Taal Co. Inc.	14,400
Delfin P. Angcao	641
Gloria Georgia G. Garcia	50
Total	**856,744,853**

Total No. of Shares Issued and Outstanding	**1,200,000,000**
Stockholders Participating in Absentia	2,010,901
Stockholders Represented by Proxy	856,744,853
Total No. of Shares Participating in Absentia & Represented by Proxy	858,755,754
Total Percentage of Shares Participating in Absentia & Represented by Proxy	71.56%

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 May 31, 2024:

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	260,092,963	21.67%

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	426,498,134	35.54%
Common	Guoco Securities (Phils.), Inc.	Guoco Securities (Phils.) Inc.	Filipino	123,192,131	10.27%
TOTAL				**1,161,072,991**	**96.75%**

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 2023.

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 "C"** of this Information Statement.

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 Revised 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 1st QUARTER OF 2024 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 **May 31, 2024**.

MABUHAY HOLDINGS CORPORATION
Registrant

By:

akatigbak

ANA MARIA A. KATIGBAK
Assistant 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 21 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 21 of the DIS.
The matters discussed and resolutions reached;	Complied. Please refer to pages 21 and 22 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 22 and 23 of the DIS.
Material information on the current stockholders and their voting rights; and	Complied. Please refer to pages 23 and 24 of the DIS.
Appraisals and performance report for the Board and the criteria and procedure for assessment.	Complied. Please refer to page 24 of the DIS.
Directors disclosures on self-dealing and related party transactions.	Complied. The Registrant notes that its directors and officers did not have any dealing in the company's shares nor did they engage in any related party transactions during the year 2023.

Annex "B"

Justification for Re-election of Mr. Rodrigo B. Supeña as Independent Director

Considering that this will be the 16^{th} year that Mr. Rodrigo B. Supeña is being nominated to be an Independent Director of the Corporation, with the endorsement of the Corporate Governance Committee, the Corporation is seeking shareholders' approval of his re-election in accordance with SEC Memorandum Circular No. 4, series of 2017.

Mr. Supeña has been an Independent Director of the Corporation since March 31, 2009. As such, he has comprehensive understanding of the business of the Corporation and has been providing meaningful insights and perspectives which are very helpful during board and committee meetings. He actively participates in committee meetings where he is a member, and these include the Corporate Governance Committee and the Audit & Related Party Transactions Committee.

The Management and Board of Directors of the Corporation believe that retaining him as Independent Director will be very beneficial to the continuing growth and strategic direction of the Corporation. His business experience, knowledge, and wisdom will be most valuable in the successful governance of the Corporation.

Annex "C"

Summary of Acts for Ratification

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

1. Designation of the Corporation's authorized representative for all documents which may be filed with the Bureau of Internal Revenue ("BIR"), including the updating of Electronic Filing and Payment System ("EFPS") to add BIR Form 1604C (February 26, 2024);

2. Approval of the 2023 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 8, 2024);

3. Approval of the postponement and rescheduling of the 2024 Annual Stockholders' Meeting from the last Friday of April, as fixed in the By-laws of the Corporation, to a date not later than sixty (60) days therefrom and its holding by remote communication or *in absentia* (April 8, 2024); and

4. Authorization to transact and/or avail products, facilities, and services of DITO Telecommunity, and its wholly and/or partly owned subsidiaries and/or affiliates, and to designate authorized representatives of the Corporation for such purpose (May 13, 2024).

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RODOLFO D. SANTIAGO,** Filipino, of legal age and a resident of 14 Oriole Drive, Victoria Valley Subdivision, Antipolo City, Rizal, after having been duly sworn 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 27th day of May 2024, at Makati City.

RODOLFO D. SANTIAGO
Affiant

SUBSCRIBED AND SWORN to before me this MAY 27 2024 day of ________ at CITY OF MAKATI, affiant personally appeared before me and exhibited to me his/her Passport No. P6306329A issued at DFA Manila on 06 March 2018.

Doc. No. 297;
Page No. 61;
Book No. XX;
Series of 2024.

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. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

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 in accordance with law do hereby declare that:

1. I am a nominee for independent director of **MABUHAY HOLDINGS CORPORATION** (the "Company") and has 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 27th day of May 2024, at Makati City.

RODRIGO B. SUPEÑA
Affiant

SUBSCRIBED AND SWORN to before me this MAY 2 7 2024 day of ____________ 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. 296;
Page No. 61;
Book No. XX;
Series of 2024.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
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PTR No. 10073909 Jan. 2, 2024 / 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 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 to present
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 to present
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	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 28th day of May 2024, at Makati City.

STEVEN G. VIRATA
Affiant

SUBSCRIBED AND SWORN to before me this MAY 2 8 2024 day of ______ at CITY OF MAKATI, affiant personally appeared before me and exhibited to me his/her DL N-03-75-050388 ~~issued~~ at expiring 30 October 2024 on ______.

Doc. No. 397;
Page No. 81;
Book No. X;
Series of 2024.

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. 10073909 Jan. 2, 2024 / 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 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 at the address 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City; and

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 28 May 2024 at Makati City, Philippines.

GLORIA GEORGIA G. GARCIA
Compliance Officer

SUBSCRIBED AND SWORN to before me this ___________ day of MAY 2 8 2024 at CITY OF MAKATI, affiant personally appeared before me and exhibited to me his/her Passport No. P8316836A issued at DFA NCR Northeast on 11 August 2018.

Doc. No. 148;
Page No. 81;
Book No. XX;
Series of 2024.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729- Lifetime Member
MCLE Compliance No. VII-0022734
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MABUHAY HOLDINGS CORPORATION

MANAGEMENT REPORT
Pursuant to SRC Rule 20 (4)

For the 2024 Annual Stockholders' Meeting

A. AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2023 AND MARCH 31, 2024 INTERIM FINANCIAL STATEMENTS

Registrant's audited consolidated financial statements for the fiscal year ended December 31, 2023 and interim financial statements for the period ended March 31, 2024 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 September 22, 2023. 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, 2023 and 2022. 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, 2023 and 2022. 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 to develop a low-cost housing project. As at December 31, 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.

On August 9, 2023, the Parent Company's wholly-owned subsidiary, T&M Holdings, Inc.(TMHI) , entered into a Deed of Sale agreement for the purchase of a parcel of land for the purpose of developing and converting it to an affordable housing project with a total area of thirty six thousand six hundred seventy nine (36,679) square meters located in Barangay Bolboc, Lipa City, Batangas. TMHI has made partial payments for the acquisition recorded in the books as "Investment properties". As at March 31, 2024, TMHI is in the process of documenting the transfer of ownership of the property, documentation of the planned subdivision project and planning for its design and development.

Plan of Operation

The Group, through its wholly-owned subsidiary, T&M Holdings, Inc., will focus on the preparation, planning, design and development of its affordable housing project in Lipa City, Batangas in the next twelve (12) months. Preparations are underway to start the development and construction of the housing units. Its funding requirements shall come from proceeds from projected disposal of its equity holdings and loans from banks and/or financial institutions. There are no product research and development that the Group plans to perform in the next twelve (12) months, any expected purchase or sale of plant and significant equipment, nor any expected significant changes in the number of employees.

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 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 planned activities 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 2024.

FIRST QUARTER ENDED MARCH 31, 2024

Results of Financial Operations
January to March 2024 compared with January to March 2023

	Three Months Ended March 31			
	2024	**2023**	**Increase (Decrease)**	**%**
Income	9,123,195	2,887,710	6,235,485	215.93%
Expenses	6,839,867	13,754,340	(6,914,473)	(50.27%)
Net Income (loss)	2,197,822	(11,126,384)	13,324,206	(119.75%)

A comparative review of the Registrant's financial operations for the quarter ended March 31, 2024 vis-à-vis the same period of prior year showed the following:

Total Income increased by P6.235 million or 215.93% mainly due to the recognition of unrealized gain on revaluation of securities as compared to a loss in the same period of 2023, offset by a lower management and service fees recorded during the current period and lower dividend income received. Interest income is lower during the current period by P158k or 94.33%. Foreign exchange gains in for the first quarter of 2024 amounted to P68K as compared to a foreign exchange loss of P163K in the same period of 2023.

Total expenses decreased by P6.914 million or 50.27% mainly due to unrealized loss on revaluation of securities of P6.399 million in 2023 as compared to zero in 2024.

Net income before income taxes registered at P2.283 million for the first quarter of 2024 and net loss after income tax provision amounted to P2.198 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

	March 31, 2024	December 31, 2023		
	(Unaudited)	(Audited)	Increase (Decrease)	%
Current Assets	216,296,312	214,289,081	2,007,231	0.94%
Non-current Assets	590,654,385	590,562,215	92,170	0.02%
Total Assets	806,950,697	804,851,296	2,099,401	0.26%
Current Liabilities	238,570,593	238,669,014	(98,421)	(0.04%)
Non-current Liabilities	133,584,324	133,584,324	0	0.00%
Equity	434,795,780	432,597,958	2,197,822	0.51%

Explanation to Accounts with Material Variance (March 2024 vs. December 2023)

Current Assets
Cash amounted to P38.662 million as of March 31, 2024 as compared to P39.408 million as of December 31, 2023, or a decrease of 1.89% or P0.746 million attributed mainly to cash used for working capital.

Financial assets at fair value through profit or loss amounted to P125.312 million as of March 31, 2024 as compared to P117.981 million as of December 31, 2023, or an increase of 6.21% or P7.332 million mainly due to recognition of unrealized gain on revaluation of securities as of end of March 2024.

Receivables and other current assets amounted to P52.322 million as of March 31, 2024 as compared to P56.900 million as of December 31, 2023, or a decrease of P4.578 million or 8.05% mainly due to collection of receivables related to the development of the housing project.

Non-Current Assets
Property and equipment, net amounted to P0.331 million as of March 31, 2024 as compared to P0.363 million as of December 31, 2023, or a decrease of 8.65% or P31k mainly due to depreciation charges for the first quarter.

Investment properties amounted to P590.323 million as of March 31, 2024 and P590.199 million as of December 31, 2023, or an increase of P124K or 0.02% mainly due to additional expenses attributable to the acquisition of a property in Lipa City, Batangas. There is no increase in appraised value recognized during the first quarter of 2024.

Current Liabilities
Accounts payable and other current liabilities amounted to P20.590 million as of March 31, 2024 as compared to P20.738 million as of December 31, 2023, or a decrease of 0.72% or P149k mainly due to payments/remittances made.

Equity
Retained Earnings (Deficit) amounted to (P693.168 million) as of March 31, 2024 and (P694.453 million) as of December 31, 2023, or a decrease in Deficit of P1.285 million attributed mainly to the net income recognized 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, 2023 as compared to the same period of 2022 and 2021:

TABLE I.

	Year Ended December 31			***2023 vs 2022***		***2022 vs 2021***	
In Millions (PhP)	***2023***	***2022***	***2021***	*Amount*	*%*	*Amount*	*%*
Income	23.700	28.672	31.266	(4.972)	(17.34%)	(2.59)	(8.30%)
Expenses	88.769	98.415	69.234	(9.646)	(9.80%)	29.18	42.15%
Income (loss) before income tax	(65.069)	(69.743)	(37.968)	4.674	(6.70%)	(31.78)	83.69%
Income tax (expense) benefit	0.284	(1.713)	21.720	1.997	(116.58%)	(23.43)	(107.89%)
Net Income (Loss) for the year	(64.784)	(71.456)	(16.248)	6.672	(9.34%)	(55.21)	339.78%
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	(64.784)	(71.456)	(16.248)	6.672	(9.34%)	(55.21)	339.78%

TABLE II.

	Year Ended December 31					
In Millions (PhP)	***2023***		***2022***		***2021***	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
Income	23.700	100.00%	28.672	100.00%	31.266	100.00%
Expenses	88.769	374.55%	98.415	343.24%	69.234	221.44%
Income (loss) before income tax	(65.069)	(274.55%)	(69.743)	(243.24%)	(37.968)	(121.44%)
Income tax (expense) benefit	0.284	1.2%	(1.713)	(5.97%)	21.720	69.47%
Net Income (Loss) for the year	(64.784)	(273.35%)	(71.456)	(249.22%)	(16.248)	(51.97%)

Other comprehensive income for the year	0.000	0.00%	0.000	0.00%	0.000	0.00%
Total comprehensive income for the year	(64.784)	(273.35%)	(71.456)	(249.22%)	(16.248)	(51.97%)

The following tables summarize the horizontal and vertical analyses of the financial condition as December 31, 2023 as compared to December 31, 2022 and 2021:

TABLE III.

In Millions (PhP)	***December 31***			***2023 vs 2022***		***2022 vs 2021***	
	2023	***2022***	***2021***	*Amount*	*%*	*Amount*	*%*
Current assets							
Cash	39.408	83.242	171.837	(43.834)	(52.66%)	(88.595)	(51.56%)
Financial assets at FVPL	117.981	179.709	202.744	(61.728)	(34.35%)	(23.035)	(11.36%)
Receivables and other current assets	56.900	58.679	88.689	(1.779)	(3.03%)	(30.010)	(33.84%)
Total current assets	**214.289**	**321.630**	**463.270**	**(107.341)**	**(33.37%)**	**(141.640)**	**(30.57%)**
Non-current Assets							
Property and equipment, net	0.363	0.474	0.931	(0.111)	(23.42%)	(0.457)	(49.09%)
Investment properties	590.199	539.524	522.127	50.675	9.39%	17.397	3.33%
Total non-current assets	**590.562**	**539.998**	**523.058**	**50.564**	**9.36%**	**16.940**	**3.24%**
Total assets	**804.851**	**861.628**	**986.328**	**(56.777)**	**(6.59%)**	**(124.700)**	**(12.64%)**
Current Liabilities							
Accounts payable and other current liabilities	20.738	12.810	13.163	7.928	61.89%	(0.353)	(2.68%)
Borrowings	13.625	13.625	13.625	0.000	0.00%	0.000	0.00%
Advances from related parties	9.271	8.992	9.561	0.279	3.10%	(0.569)	(5.95%)
Income tax payable	0.339	0.120	5.330	0.219	182.50%	(5.210)	(97.75%)
Provision for litigation claims	0.000	0.000	47.770	0.000	0.00%	(47.770)	(100.00%)
Advances from prospective shareholders	194.696	194.696	194.696	0.000	0.00%	0.000	0.00%
Total current liabilities	**238.669**	**230.243**	**284.145**	**8.426**	**3.66%**	**(53.902)**	**(18.97%)**
Non-current Liabilities							
Retirement benefits obligation	3.276	2.582	2.856	0.694	26.88%	(0.274)	(9.59%)

Deferred income tax liabilities, net	130.308	131.421	130.489	(1.113)	(0.85%)	0.932	0.71%
Total non-current liabilities	**133.584**	**134.003**	**133.345**	**(0.419)**	**(0.31%)**	**0.658**	**0.49%**
Total liabilities	**372.253**	**364.246**	**417.490**	**8.007**	**2.20%**	**(53.244)**	**(12.75%)**
Equity							
Share capital	975.534	975.534	975.534	0.000	0.00%	0.000	0.00%
Treasury shares	(58.628)	(58.628)	(58.628)	0.000	0.00%	0.000	0.00%
Deficit	(694.453)	(631.296)	(558.933)	(63.157)	10.00%	(72.363)	12.95%
Non-controlling interest	210.145	211.772	210.865	(1.627)	(0.77%)	0.907	0.43%
Total equity	**432.598**	**497.382**	**568.838**	**(64.784)**	**(13.02%)**	**(71.456)**	**(12.56%)**
Total liabilities and equity	**804.851**	**861.628**	**986.328**	**(56.777)**	**(6.59%)**	**(124.700)**	**(12.64%)**

TABLE IV.

In Millions (PhP)	***December 31***					
	2023		***2022***		***2021***	
	Amount	*%*	***Amount***	*%*	***Amount***	*%*
Current assets						
Cash	39.408	4.896%	83.242	9.661%	171.837	17.422%
Financial assets at FVPL	117.981	14.659%	179.709	20.857%	202.744	20.555%
Receivables and other current assets	56.900	7.070%	58.679	6.810%	88.689	8.992%
Total current assets	**214.289**	26.625%	**321.630**	37.328%	**463.270**	46.969%
Non-current Assets						
Property and equipment, net	0.363	0.045%	0.474	0.055%	0.931	0.094%
Investment properties	590.199	73.330%	539.524	62.617%	522.127	52.936%
Total non-current assets	**590.562**	73.375%	**539.998**	62.672%	**523.058**	53.031%
Total assets	**804.851**	**100.000%**	**861.628**	**100.000%**	**986.328**	100.000%
Current Liabilities						
Accounts payable and other current liabilities	20.738	2.577%	12.810	1.487%	13.163	1.335%
Borrowings	13.625	1.693%	13.625	1.581%	13.625	1.381%

Advances from related parties	9.271	1.152%	8.992	1.044%	9.561	0.969%
Income tax payable	0.339	0.042%	0.120	0.014%	5.330	0.540%
Provision for litigation claims	0.000	0.000%	0.000	0.000%	47.770	4.843%
Advances from prospective shareholders	194.696	24.190%	194.696	22.596%	194.696	19.739%
Total current liabilities	**238.669**	29.654%	**230.243**	26.722%	**284.145**	28.808%
Non-current Liabilities						
Retirement benefits obligation	3.276	0.407%	2.582	0.300%	2.856	0.290%
Deferred income tax liabilities, net	130.308	16.190%	131.421	15.253%	130.489	13.230%
Total non-current liabilities	**133.584**	16.597%	**134.003**	15.552%	**133.345**	13.519%
Total liabilities	**372.253**	46.251%	**364.246**	42.274%	**417.490**	42.328%
Equity						
Share capital	975.534	121.207%	975.534	113.220%	975.534	98.906%
Treasury shares	(58.628)	(7.284%)	(58.628)	(6.804%)	(58.628)	(5.944%)
Deficit	(694.453)	(86.283%)	(631.296)	(73.268%)	(558.933)	(56.668%)
Non-controlling interest	210.145	26.110%	211.772	24.578%	210.865	21.379%
Total equity	**432.598**	53.749%	**497.382**	57.726%	**568.838**	57.672%
Total liabilities and equity	**804.851**	**100.000%**	**861.628**	100.000%	**986.328**	100.000%

YEAR 2023 (VS. 2022)

Results of Financial Operations
January to December 2023 compared with January to December 2022

	Year Ended December 31		***2023 vs 2022***	
In Millions (PhP)	***2023***	***2022***	*Amount*	*%*
Income	23.700	28.672	(4.972)	(17.34%)
Expenses	88.769	98.415	(9.646)	(9.80%)
Income (loss) before income tax	(65.069)	(69.743)	4.674	(6.70%)
Income tax (expense) benefit	0.284	(1.713)	1.997	(116.58%)
Net Income (Loss) for the year	(64.784)	(71.456)	6.672	(9.34%)
Other comprehensive income for the year	0.000	0.000	0.00	0.00%
Total comprehensive income for the year	(64.784)	(71.456)	6.672	(9.34%)

A comparative review of the Registrant's financial operations for the year ended **December 31, 2023** vis-à-vis the same period last year showed the following:

Total income decreased by P4.972M or 17.34% mainly due to net effect the following: (a) increase in rental revenue from P3.935M in 2022 to P4.018M in 2023 for the lease of half of 35th Floor office space, including parking rights; (b) recognition of lower management and service fees related to the affordable housing project undertaken by the subsidiary TMHI from P5.129M in 2022 to P4.682M in 2023; and (c) recognition of lower gain on fair value change in investment properties as a result of the appraisal of the properties from P17.397M in 2022 to P13.742M in 2023. Interest income recognized for 2023 amounted to P471k as compared P442k in 2022. Total expenses decreased by P9.646 million or 9.8% mainly due to the recognition of unrealized loss on revaluation of financial assets at FVPL and the loss on litigation incurred in 2022.

Net loss before income taxes registered at (P65.069M) for 2023 and net loss for the year registered at (P64.784M) after income tax 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***		***2023 vs 2022***	
	2023	***2022***	*Amount*	*%*
Current assets				
Cash	39.408	83.242	(43.834)	(52.66%)
Financial assets at FVPL	117.981	179.709	(61.728)	(34.35%)
Receivables and other current assets	56.900	58.679	(1.779)	(3.03%)
Total current assets	**214.289**	**321.630**	**(107.341)**	**(33.37%)**
Non-current Assets				
Property and equipment, net	0.363	0.474	(0.111)	(23.42%)
Investment properties	590.199	539.524	50.675	9.39%
Total non-current assets	**590.562**	**539.998**	**50.564**	**9.36%**
Total assets	**804.851**	**861.628**	**(56.777)**	**(6.59%)**
Current Liabilities				
Accounts payable and other current liabilities	20.738	12.810	7.928	61.89%
Borrowings	13.625	13.625	0.000	0.00%
Advances from related parties	9.271	8.992	0.279	3.10%
Income tax payable	0.339	0.120	0.219	182.50%
Provision for litigation claims	0.000	0.000	0.000	0.00%
Advances from prospective shareholders	194.696	194.696	0.000	0.00%
Total current liabilities	**238.669**	**230.243**	**8.426**	**3.66%**
Non-current Liabilities				

Retirement benefits obligation	3.276	2.582	0.694	26.88%
Deferred income tax liabilities, net	130.308	131.421	(1.113)	(0.85%)
Total non-current liabilities	**133.584**	**134.003**	**(0.419)**	**(0.31%)**
Total liabilities	**372.253**	**364.246**	**8.007**	**2.20%**
Equity				
Share capital	975.534	975.534	0.000	0.00%
Treasury shares	(58.628)	(58.628)	0.000	0.00%
Deficit	(694.453)	(631.296)	(63.157)	10.00%
Non-controlling interest	210.145	211.772	(1.627)	(0.77%)
Total equity	**432.598**	**497.382**	**(64.784)**	**(13.02%)**
Total liabilities and equity	**804.851**	**861.628**	**(56.777)**	**(6.59%)**

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

Current Assets
Cash amounted to P39.408 million as of December 31, 2023 as compared to P83.241 million as of December 31, 2022 or a decrease of P43.833M or 52.66% attributed mainly due to funds used to finance the construction and development of the affordable housing project and the partial payments made for the acquisition of a property in Lipa, Batangas for future housing project.

Financial assets at fair value through profit or loss amounted to P117.981 million as of December 31, 2023 as compared to P179.709 million as of December 31, 2022, or a decrease of 34.35% or P61.728 million mainly due to recognition of unrealized loss on revaluation of securities as of end of December 2023 net of additional acquisition of securities.

Receivables and other current assets amounted to P56.9 million of December 31, 2023 as compared to P58.68 million of December 31, 2022, or a decrease of P1.779 million or 3.03% mainly due to the prepaid taxes and insurance.

Non-current Assets
Property and equipment, net amounted to P0.363 million as of December 31, 2023 as compared to P0.474 million as of December 31, 2022, or a decrease of 23.55% or P0.112 million mainly due to depreciation charges for the year net of additional acquisition.

Investment properties amounted to P590.199 million as of December 31, 2023 as compared to P539.524 million as of December 31, 2022, or an increase of 9.39% or P50.675 million mainly due to the recognition of unrealized gain on revaluation as of end of the year and the acquisition of a property in Lipa, Batangas for future housing project.

Current Liabilities
Accounts payable and other current liabilities amounted to P20.738 million as of December 31, 2023 as compared to P12.810 million as of December 31, 2022, or an increase of 61.89% or P7.928 million mainly due to accrual of the remaining installment to fully pay the acquired property in Lipa, Batangas for future housing project net of payments/remittances.

Income tax payable amounted to P0.339 million as of December 31, 2023 as compared to P120.44 million as of December 31, 2022, or an increase of 181.33% or P218K.

Non-current Liabilities
Retirement benefits obligation amounted to P3.276 million as of December 31, 2023 as compared to P2.582 million as of December 31, 2022, or an increase of P0.694 million or 26.87% due additional provision.

Deferred income tax liabilities, net amounted to P130.308 million as of December 31, 2023 as compared to P131.42 million as of December 31, 2022, or a decrease of P1.112 million or 0.85% due to adjustments after recalculation.

Equity
Retained Earnings (deficit) amounted to (P694.453 million) as of December 31, 2023 as compared to (P631.296 million) as of December 31, 2022, or an increase in Deficit of P63.157 million or 10.0% mainly due to the effect of net loss attributable to shareholders of the Parent company recognized for the year.

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 and 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.

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:

(%)	**Mar 31, 2024**	**Dec. 31, 2023***	**Dec. 31, 2022***	**Dec. 31, 2021***
Net Profit Ratio	0.2409	(2.7336)	(2.4922)	(0.5399)
Return on Assets	0.0027	(0.0805)	(0.0829)	(0.0165)
Return on equity	0.0051	(0.1498)	(0.1437)	(0.0286)
Current ratio	0.9066	0.8979	1.3969	1.6304
Acid test ratio	0.8967	0.8872	1.1421	1.3183
Debt to equity	0.8559	0.8605	0.7323	0.7339
Debt to assets	0.4612	0.4625	0.4227	0.4233
Asset to equity	1.8558	1.8605	1.7323	1.7339
Interest coverage	-	-	-	-
Earnings (loss) per share	0.0013	(0.0647)	(0.0742)	(0.0365)

*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 September 22, 2023 and the next will be on June 25, 2024.

As of December 31, 2023, 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 15.97 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, 2023, 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 2024, 2023 and 2022:

	2024		**2023**		**2022**	
	High	**Low**	**High**	**Low**	**High**	**Low**
First Quarter	0.17	0.12	0.238	0.225	0.38	0.325
Second Quarter			0.227	0.180	0.365	0.305
Third Quarter			0.188	0.180	0.236	0.226

Fourth Quarter			0.168	0.111	0.300	0.226

The listed price of MHC shares as of the latest trading date, May 29, 2024, is P0.18.

Stockholders

Stockholders of record as at March 31, 2024 total to one hundred ninety eight (198) in number, broken down as follows:

Citizen	No. of shares	Percentage	No. of Holders
Filipino	772,488,765	64.37%	186
American	908,000	0.08%	7
Chinese	105,050	0.01%	2
Other Alien	426,498,185	35.54%	3
Total	**1,200,000,000**	**100.00%**	**198**

Top 20 Stockholders as at March 31, 2024 all holding Common Stock**:**

	Name of Stockholder	No. of Shares Held	Percentage
1.	PCD NOMINEE CORP. (NF)	426,498,134	35.54%
2.	PROKEY INVESTMENTS LTD.	351,289,763	29.27%
3.	PCD NOMINEE CORP. (F)	260,092,963	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.	ZOSA, ROLANDO M.	800,000	0.07%
13.	UY, SAMSON	700,000	0.06%
14.	MENDOZA, ALBERTO &/OR JEANIE C. MENDOZA	650,000	0.05%
15.	SY, SILIMAN	546,000	0.05%
16.	SICKLING II, HERBERT WILLIAM	500,000	0.04%
17.	SOUTH CHINA HOLDINGS	432,000	0.04%
18.	DYHONGPO, CARLOS	330,000	0.03%

19.	DYHONGPO, VIVIAN	300,000	0.03%
20.	SY, HERBERT	250,000	0.02%

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.

Attendance of each director of the Corporation in Board meetings held during the year 2023 follows:

	Director's Name	Date of Election	Total No. of Board Meetings	No. of Board Meetings Attended	Percentage	Attended Annual Stockholders' Meeting? (Y/N)
Chairman	Roberto V. San Jose	November 28, 2022	6	6	100%	Y
Board Member	Esteban G. Peña Sy		6	6	100%	Y
Board Member	Ana Maria A. Katigbak		6	6	100%	Y
Board Member	Andrew Charles Ferguson		6	6	100%	Y
Independent Director	Rodrigo B. Supeña		6	6	100%	Y
Independent Director	Rodolfo D. Santiago		6	6	100%	Y
Independent Director	Steven G. Virata		6	6	100%	Y

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

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-A	SEC	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
mabuhayholdings@yahoo.com	8850-2000	0908 8941610

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
198	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	8850-2000	0908891610

CONTACT PERSON's ADDRESS

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

Note 1: 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.

Note 2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the Year Ended **December 31, 2023**
2. SEC Identification Number: **150014**
3. BIR Tax Identification Number: **050-000-473-206**
4. Exact Name of Registrant: **MABUHAY HOLDINGS CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code: **HO**
7. Address of Principal Office: **35/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223**
8. Registrant's Telephone Number, Including Area Code: **(632) 8850-2000**
9. Former Name, former address, former fiscal year, if changed from last report: **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA

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

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

    Yes [✓] No [ ]

    Philippine Stock Exchange **Common shares of stock**

12. Check whether the Registrant:

    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a), thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months

    Yes [✓] No [ ]

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

    Yes [✓] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates of the registrant

Total number of subscribed shares	1,200,000,000
Less: Shares held by affiliates	769,579,755
Shares held by non-affiliates	430,420,245
Market price as of December 31, 2023	0.112
Aggregate market value of voting stock held by non-affiliates	**₱48,207,067**

Year 2023 Form 17-A

Table of Contents

PART I - BUSINESS AND GENERAL INFORMATION

Item 1 – Business

Mabuhay Holdings Corporation (hereafter referred to as "Registrant" or "MHC" or "Company") was incorporated on April 06, 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 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 P975.5 million have been paid out of the P1.2 billion subscriptions. MHC shares are now traded in the Philippine Stock Exchange.

The registrant currently holds office at 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223. Its last annual stockholders' meeting was on September 22, 2023.

As of December 31, 2023, the Registrant holds directly or indirectly substantial investments in several other corporations. Two of these are wholly-owned subsidiaries while the rest are investees in which MHC has sizeable claims and interests.

A. 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) (28.5%-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.

B. FOREIGN SALES. Not applicable to the Registrant.

C. 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 business interests are concentrated in the real estate property business. Tagaytay Properties &

Holdings Corporation, The Taal Co., Inc. and T&M Holdings, Inc., each hold an inventory of real properties in strategic locations like Tagaytay City, Batangas and Cavite. As of December 31, 2023, the aggregate landholdings of the Registrant's investees totalled 15.97 hectares, many of which are in prime locations.

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

E. 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 some of its investees.

F. 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.

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

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

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

J. TOTAL NUMBER OF EMPLOYEES AND NUMBER OF FULL TIME EMPLOYEES. As of December 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 had 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.

Item 2 – Properties

All the following properties owned by MHC and its affiliates/subsidiaries are free from lien:

Name of Property	Owner	Area	Location
Zara Property	The Taal Co., Inc.	14,022 sq. m.	Don Juan, Cuenca, Batangas
Rañola Property	The Taal Co., Inc.	778 sq. m.	Tanza, Cavite
Tagaytay Property	Tagaytay Properties and Holdings Corp.	98,671 sq. m.	Rotonda, Tagaytay City
Carandang	Tagaytay Properties and Holdings Corp.	6,533 sq. m.	Ambolong, Batangas
Atienza	Tagaytay Properties and Holdings Corp.	3,036 sq. m.	Ambolong, Batangas
35F Rufino Pacific Tower (office condo unit)	Mabuhay Holdings Corp.	886 sq. m.*	Ayala Avenue, Makati City
Lipa Property	T&M Holdings, Inc.	36,679 sq.m.	Bolboc, Lipa City, Batangas

* Half of the 35th Floor is leased out to Crawford & Company Philippines, Inc.starting 15 September 2021 and the other half is being used as The Registrant's office. Rental revenues from this property amounted to P4.018M in 2023 as reflected in the Consolidated Statements of Total Comprehensive Income, Notes 6 and 15 of the Consolidated Financial Statements as of and for the year ended December 31, 2023, which are an integral part of this report.

Item 3 – Legal Proceedings

The Registrant 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 Registrant's consolidated financial position.

Item 4 – Submission of Matters to a Vote of Security Holders

There were no substantial matters submitted to a vote of the security holders during the year 2023. The last meeting of the Registrant's stockholders was the annual stockholders' meeting, which was held on September 22, 2023. In that meeting, the stockholders elected the directors for 2024. Messrs. Steven G. Virata, Rodrigo B. Supeña and Rodolfo D. Santiago were the Registrant's independent directors in compliance with SEC Memorandum Circular No. 16, Series of 2002, Section 38 of the Securities Regulation Code and its implementing rules and regulations.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5 – Market for the Registrant's Common Equity and Related Stockholder Matters

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, 2023, MHC had received P194.7 million as deposits for future stock subscription. Although these deposits were intended for capital subscription, they were presented as liability in the Statement of Financial Position for the purpose of complying with SEC rule 68-D.

Dividends. No dividend declarations were made during the two recent fiscal years of the Registrant. Aside from the accumulated deficit sustained by the company, there is no restriction that limits the ability to pay dividends on common equity.

Stock Prices. The shares of MHC traded along the following bands during 2023 and 2022:

	2023		**2022**	
	High	**Low**	**High**	**Low**
First Quarter	0.238	0.225	0.38	0.325
Second Quarter	0.227	0.180	0.365	0.305
Third Quarter	0.188	0.180	0.236	0.226
Fourth Quarter	0.168	0.111	0.300	0.226

The listed price of MHC shares as of end of first quarter of 2024 is P**0.172**, with a high of P**0.173** and a low of **P0.119.**

Recent Sales of Unregistered Securities. No securities of the Registrant have been sold within the past three years which have not been registered under the Securities Regulation Code. Neither is there any claim for exemption from registration made by the Company.

Stockholders.

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

Citizen	No. of Shares	Percentage	No. of Holders
Filipino	772,488,765	64.37%	186
American	908,000	0.08%	7
Chinese	105,050	0.01%	2
Other Alien	426,498,185	35.54%	3
	1,200,000,000	**100.00%**	**198**

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

Rank	Name of Stockholder	No. of Shares Held	Percentage
1	PCD Nominee Corporation (NF)	426,498,134	35.54%
2	Prokey Investments Ltd.	351,289,763	29.27%
3	PCD Nominee Corporation (F)	260,072,963	21.67%
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	Yan, Lucio W.	1,000,000	0.08%
10	Prosperity Taxi Cab Corp.	1,000,000	0.08%
11	International Polymer Corp.	900,000	0.08%
12	Zosa, Rolando M.	800,000	0.07%
13	Uy, Samson	700,000	0.06%
14	Mendoza, Alberto &/or Jeanie Mendoza	650,000	0.05%
15	Sy, Siliman	546,000	0.05%
16	Sickling II, Herbert William	500,000	0.04%
17	South China Holdings	432,000	0.04%
18	Dyhongpo, Carlos	330,000	0.03%
19	Dyhongpo, Vivian	300,000	0.03%
20	Sy, Herbert	250,000	0.02%

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

Item 6 – Management's Discussion and Analysis or Plan of Operation

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 December 31, 2023, construction and development of the project has been completed.

On August 9, 2023, the Parent Company's wholly-owned subsidiary, T&M Holdings, Inc.(TMHI) , entered into a Deed of Sale agreement for the purchase of a parcel of land for the purpose of developing and converting it to an affordable housing project with a total area of thirty six thousand six hundred seventy nine (36,679) square meters located in Barangay Bolboc, Lipa City, Batangas. TMHI has made partial payments for the acquisition recorded in the books as **"Investment property"**. As at December 31, 2023, TMHI is in the process of documenting the transfer of ownership of the property, documentation of the planned subdivision project and planning for its design and development.

The Group plans 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 2024.

2023

Results of Financial Operations

	Year Ended December 31			
	2023	**2022**	**Increase (Decrease)**	**%**
Income	23,699,578	28,672,158	(4,972,580)	(17.34%)
Expenses	88,769,011	98,414,623	(9,645,612)	(9.80%)
Net Income (Loss)	(64,786,546)	(71,456,383)	6,669,837	(9.33%)

A comparative review of the Registrant's financial operations for the year ended **December 31, 2023** vis-à-vis the same period last year showed the following:

Total income decreased by P4.972M or 17.34% mainly due to net effect the following: (a) increase in rental revenue from P3.935M in 2022 to P4.018M in 2023 for the lease of half of 35th Floor office space, including parking rights; (b) recognition of lower management and service fees related to the affordable housing project undertaken by the subsidiary TMHI from P5.129M in 2022 to P4.682M in 2023; and (c) recognition of lower gain on fair value change in investment properties as a result of the appraisal of the properties from P17.397M in 2022 to P13.742M in 2023. Interest income recognized for 2023 amounted to P471k as compared P442k in 2022. Total expenses decreased by P9.646 million or 9.8% mainly due to the recognition of unrealized loss on revaluation of financial assets at FVPL and the loss on litigation incurred in 2022.

Net loss before income taxes registered at (P65.069M) for 2023 and net loss for the year registered at (P64.784M) after income tax 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

	December 31, 2023	December 31, 2022	Increase (Decrease)	%
Current Assets	214,289,081	321,629,745	(107,340,664)	(33.37%)
Non-current Assets	590,562,215	539,998,466	50,563,749	9.36%
Total Assets	804,851,296	861,628,211	(56,776,915)	(6.59%)
Current Liabilities	238,669,014	230,243,047	8,425,967	3.66%
Non-current Liabilities	133,584,324	134,002,660	(418,336)	(0.31%)
Equity	432,597,958	497,382,504	(64,784,546)	(13.03%)

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

Current Assets
Cash amounted to P39.408 million as of December 31, 2023 as compared to P83.241 million as of December 31, 2022 or a decrease of P43.833M or 52.66% attributed mainly due to funds used to finance the construction and development of the affordable housing project and the partial payments made for the acquisition of a property in Lipa, Batangas for future housing project.

Financial assets at fair value through profit or loss amounted to P117.981 million as of December 31, 2023 as compared to P179.709 million as of December 31, 2022, or a decrease of 34.35% or P61.728 million mainly due to recognition of unrealized loss on revaluation of securities as of end of December 2023 net of additional acquisition of securities.

Receivables and other current assets amounted to P56.9 million of December 31, 2023 as compared to P58.68 million of December 31, 2022, or a decrease of P1.779 million or 3.03% mainly due to the prepaid taxes and insurance.

Non-current Assets
Property and equipment, net amounted to P0.363 million as of December 31, 2023 as compared to P0.474 million as of December 31, 2022, or a decrease of 23.55% or P0.112 million mainly due to depreciation charges for the year net of additional acquisition.

Investment properties amounted to P590.199 million as of December 31, 2023 as compared to P539.524 million as of December 31, 2022, or an increase of 9.39% or P50.675 million mainly due to the recognition of unrealized gain on revaluation as of end of the year and the acquisition of a property in Lipa, Batangas for future housing project.

Current Liabilities
Accounts payable and other current liabilities amounted to P20.738 million as of December 31, 2023 as compared to P12.810 million as of December 31, 2022, or an increase of 61.89% or P7.928 million mainly due to accrual of the remaining installment to fully pay the acquired property in Lipa, Batangas for future housing project net of payments/remittances.

Income tax payable amounted to P0.339 million as of December 31, 2023 as compared to P120.44 million as of December 31, 2022, or an increase of 181.33% or P218K.

Non-current Liabilities
Retirement benefits obligation amounted to P3.276 million as of December 31, 2023 as compared to P2.582 million as of December 31, 2022, or an increase of P0.694 million or 26.87% due additional provision.

Deferred income tax liabilities, net amounted to P130.308 million as of December 31, 2023 as compared to P131.42 million as of December 31, 2022, or a decrease of P1.112 million or 0.85% due to adjustments after recalculation.

Equity
Retained Earnings (deficit) amounted to (P694.453 million) as of December 31, 2023 as compared to (P631.296 million) as of December 31, 2022, or an increase in Deficit of P63.157 million or 10.0% mainly due to the effect of net loss 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

(%)	Dec. 31, 2023*	Dec. 31, 2022*	Dec. 31, 2021*
Net Profit Ratio	-2.7336	-2.4922	-0.5399
Return on Assets	-0.0805	-0.0829	-0.0165
Return on equity	-0.1498	-0.1437	-0.0286
Current ratio	0.8979	1.3969	1.6304
Acid test	0.8872	1.1421	1.3183
Debt to equity	0.8605	0.7323	0.7339
Debt to assets	0.4625	0.4227	0.4233
Asset to equity	1.8605	1.7323	1.7339
Interest coverage	-	-	-
Earnings (loss) per share	-0.0647	-0.0742	-0.0365

*Audited

2022

Results of Financial Operations

	Year Ended December 31			
	2022	2021	Increase (Decrease)	%
Income	28,672,158	31,266,079	(2,593,921)	(8.30%)
Expenses	98,414,623	69,233,811	29,180,812	42.15%
Net Income (Loss)	(71,456,383)	(16,248,276)	(55,208,107)	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.

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

	December 31, 2022	December 31, 2021	Increase (Decrease)	%
Current Assets	321,629,745	463,269,692	(141,639,947)	(30.57%)
Non-current Assets	539,998,466	523,057,927	16,940,539	3.24%
Total Assets	861,628,211	986,327,619	(124,699,408)	(12.64%)
Current Liabilities	230,243,047	284,143,241	(53,900,194)	(18.97%)
Non-current Liabilities	134,002,660	133,345,546	657,114	0.49%
Equity	497,382,504	568,838,832	(71,456,328)	(12.56%)

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

Current Assets
Cash amounted to P83.241 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.

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
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.

<u>2021</u>

Results of Financial Operations

	Year Ended December 31			
	2021	**2020**	**Increase (Decrease)**	**%**
Income	31,266,079	99,751,821	(68,485,742)	(68.66%)
Expenses	69,233,811	17,513,196	51,720,615	295.32%
Net Income (Loss)	(16,248,276)	91,926,004	(108,174,280)	(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

	December 31, 2021	**December 31, 2020**	**Increase (Decrease)**	**%**
Current Assets	463,269,692	495,310,647	(32,040,955)	(6.47%)
Non-current Assets	523,057,927	529,034,814	(5,976,887)	(1.13%)
Total Assets	986,327,619	1,024,345,461	(38,017,842)	(3.71%)
Current Liabilities	284,143,241	277,858,549	6,284,692	2.26%
Non-current Liabilities	133,345,546	161,399,804	(28,054,258)	(17.38%)
Equity	568,838,832	585,087,108	(16,248,276)	(2.78%)

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
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.

Item 7 – Financial Statements

The audited consolidated financial statements of the Registrant as of and for the year ended December 31, 2023, as listed in the accompanying Index to Financial Statements and Supplementary Schedules, are filed as part of this Form 17-A.

The financial statements attached to the report include the audited statements of financial position, statements of total comprehensive income, statements of changes in equity, statements of cash flows and the notes to the financial statements. Such reports form part of our attachment to our SEC Annual Report Form 17-A.

Item 8 – Independent Public Accountants

(a) Audit and Audit-Related Fees

There were no disagreements with the auditors with respect to accounting principles and practices, financial disclosures, or auditing scope or procedures.

As in 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.

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, 2023 and 2022.

(b) Tax Fees

There were routinary 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, 2023 and 2022. The fees for these services are included in the Audit and Audit-Related Fees mentioned above.

(c) All Other Fees

There were no other professional services rendered by the external auditors during the period.

(d) Company Policy in Appointment of Independent Auditor

The President and the Treasurer recommend to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. The Board of Directors approves their recommendation.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9 – Directors and Executive Officers

A. DIRECTORS – The names, ages, terms of office, business experience for the last five years, directorship in other companies of the directors 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 82 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 76 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 66 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 55 years old.

Andrew Charles Ferguson, Director - Mr. Ferguson, 50 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 who previously held various key positions in Land Bank of the Philippines and Bank of the Philippine Islands, is currently a Consultant of Land Bank of the Philippines and a Board Member of LBP Leasing Corporation. Mr. Supeña, a Filipino, is 83 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 66 years old.

Rodolfo D. Santiago, Independent Director - Retired Major General Rodolfo D. Santiago, Filipino, 63, 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 September 22, 2023.

INDEPENDENT DIRECTORS

In compliance with SRC Rule 38 which provides for the guidelines on the nomination and election of independent directors, and under the New Manual on Corporate Governance, the Corporate Governance Committee shall, perform the functions previously undertaken by the Nomination and Election Committee, and shall be responsible in review and evaluation of qualifications of all persons nominated to the Board and other appointments that require Board approval. The Corporate Governance Committee is composed of the following as members:

1.	Steven G. Virata	-	Chairman, Independent director
2.	Rodrigo B. Supeña	-	Member, Independent director
3.	Rodolfo D. Santiago	-	Member, Independent director
4.	Roberto V. San Jose	-	Member
5.	Andrew Charles Ferguson	-	Member
6.	Ana Maria A. Katigbak-Lim	-	Member
7.	Gloria Georgia G. Garcia	-	Non-voting member

On May 20, 2008, the stockholders and the board of directors of the Company have 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. The amended By-Laws is yet to be filed with and approved by the SEC.

B. EXECUTIVE OFFICERS/CONTROL PERSONS

Esteban G Peña Sy, President - See foregoing Director's Profile.

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. 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 (1) year and to serve as such until their successors are elected and qualified.

None of the directors and officers of the Company was involved in the past five years in any bankruptcy proceeding. Neither have they been 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.

No directors and officers are related to the extent of the fourth civil degree either by consanguinity or affinity.

There is no other person aside from those listed under Directors and Executive Officers who makes a significant contribution to the business.

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

Item 10 – Executive Compensation

Compensation of Directors and Executive Officers

The annual compensation of the Company's Chief Executive Officer and three most highly compensated executive officers for the last two (2) fiscal years and the ensuing year 2024 (estimate) are as follows:

Name	Position	Year	Salary	Bonus	Other Annual Compensation
Roberto V. San Jose	Chairman of the Board	2022 2023 2024 (est.)			
Esteban G. Peña Sy	President	2022 2023 2024 (est.)			
Delfin P. Angcao	Corporate Secretary	2022 2023 2024 (est.)			
Gloria Georgia G. Garcia	Treasurer	2022 2023 2024 (est.)			
Aggregate compensation (all key officers and directors as a group) Note: Registrant has no other executive officers except those named above.		2022 2023 2024 (est.)	2,820,000.00 2,820,000.00 2,820,000.00		360,000.00 360,000.00 360,000.00

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.

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

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

Item 11 – 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 December 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	Prokey Investment Ltd.** c/o Mabuhay Holdings Corporation: 35/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223	Esteban G. Peña Sy, President of Registrant	Filipino	351,289,763	29.27
Common	PCD Nominee Corporation* G/F MSE Building 6767Ayala Avenue, Makati City	B. A. Securities *	Foreign	426,498,134	35.54
TOTAL				777,787,897	64.81

* B.A. Securities, Inc. is the only participant under the PCD that owns 5% or more of the Company's voting stock. While in the past years, Mr. Esteban G. Peña Sy or Atty. Roberto V. San Jose, the Chairman of the Meeting was appointed proxy for shares in the name of B. A. Securities, Inc., Registrant is not aware of the identity of its new proxy, if any, entitled to vote 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.

(2) Security Ownership of Management

The following directors and officers are record/beneficial (R/B) owners of the Registrant's shares as indicated opposite their names as of December 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	R & B	Filipino	0
Common	Esteban G. Peña Sy Director/President	353,299,813	353,299,813	R & B	Filipino	29.44
Common	Delfin P. Angcao Director/Corp. Secretary	641	641	R & B	Filipino	0
Common	Steven G.Virata Director	100	100	R	Filipino	0
Common	Rodrigo B. Supeña Director	50	50	R	Filipino	0

Common	Ana Maria A. Katigbak Director/Asst. Corp. Secretary	50	50	R	Filipino	0
Common	Rodolfo D. Santiago Director	50	50	R	Filipino	0
Common	Andrew Charles Ferguson Director	1	1	R	British	0
Common	Gloria Georgia G. Garcia, Treasurer	50	50	R	Filipino	0
TOTAL		353,301,355	353,301,355			29.44

Item 12 – Certain Relationships and Related Transactions

There are no related party transactions other than those presented in **Note 15** of the Notes to Consolidated Financial Statements attached herein.

PART IV – CORPORATE GOVERNANCE

Item 13 – Compliance with Leading Practice on Corporate Governance

The Company is committed to good corporate governance and continues to pursue efforts towards attaining full compliance with its New Manual on Corporate Governance.

The Company has designated its SVP-Treasurer and Chief Financial Officer, Ms. Gloria Georgia G. Garcia, as Compliance Officer who is tasked with monitoring compliance with the provisions and requirements of the Company's New Manual on Corporate Governance.

The Company progressively develops a plan and timetable for compliance with certain leading practices and principles of good corporate governance, such as structured monitoring of compensation, benefits, succession planning and continuous training for management and key personnel on the leading practices of good corporate governance.

PART V -- EXHIBITS AND SCHEDULES

Item 14 – Exhibits and Reports on Form 17-C

A. **Exhibits --** The exhibits, as indicated in the Index to Exhibits, are either not applicable to the Company or require no answer.

B. Report on SEC Form 17-C

The following current reports have been reported by Mabuhay Holdings Corporation during the year 2023 through official disclosures dated:

Date	Disclosures
June 14, 2023	Notice of Annual Stockholders' Meeting
August 3, 2023	Notice of Annual Stockholders' Meeting - Amendment
September 22, 2023	Results of Annual Stockholders' Meeting
September 22, 2023	Results of Organizational Meeting of Board of Directors

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on its behalf by the issuer by the undersigned, thereunto duly authorized, in the City of Makati, on April 15, 2024.

MABUHAY HOLDINGS CORPORATION
Issuer

Pursuant to the requirements of the Securities Regulation Code, this annual report has been signed by the following persons in the capacities and on the dates indicated:

By:
Board of Directors and Officers:

ROBERTO V. SAN JOSE
Chairman of the Board

ESTEBAN G. PEÑA SY
Director and President

DELFIN P. ANGCAO
Corporate Secretary

GLORIA GEORGIA G. GARCIA
Treasurer

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

APR 15 2024

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	Senior Citizen ID 2957	September 29, 2008/Muntinlupa City
Esteban G. Peña Sy	P8276657A	August 09, 2018/ DFA NCR Central
Delfin P. Angcao	Senior Citizen ID 44196	February 15, 2018/ San Pedro, Laguna
Gloria Georgia G. Garcia	P8316836A	August 11, 2018/ DFA NCR NorthEast

Doc. No. 268
Page No. 55
Book No. XW
Series of 2024.

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. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

MABUHAY HOLDINGS CORPORATION

INDEX TO EXHIBITS
SEC FORM 17-A

* Either not applicable to the Company or requires no answer.

SUBSIDIARIES OF THE REGISTRANT

The following are the subsidiaries of the Registrant over which it exercises considerable control:

A. Wholly-owned subsidiaries

T & M Holdings, Inc.
M & M Holdings Corporation

B. Others

Subsidiary	Ownership %
The Taal Company, Inc.	29.97
Tagaytay Properties and Holdings Corporation	26.04
Mindanao Appreciation Corporation	28.51
The Angeles Corporation	38.46

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
AFS	SEC	

2023 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
mabuhayholdings@yahoo.com	8850-2000	0908 8941610

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
198	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	8850-2000	0908891610

CONTACT PERSON's ADDRESS

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

Note 1: 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.
Note 2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

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, 2023 and 2022, 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 or members.

ISLA LIPANA & CO., the independent auditor, 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 or members, 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
Treasurer & Chief Financial Officer

Signed this _______ day of April 2024

35TH FLOOR, RUFINO PACIFIC TOWER, 6784 AYALA AVENUE, MAKATI CITY 1223, PHILIPPINES
TEL. NO: (632) 750-2000 FAX NO.: (632) 751-0773

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

APR 15 2024

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this __________ day of ______________, affiants exhibiting to me their Community Tax Certificate/Driver's License / Passport, as follows:

Affiant	**CTC No./DL/SC Passport No.**	**Date of Issue/Place of Issue/Expiry**
Roberto V. San Jose	Senior Citizen ID 2957	September 29, 2008 / Muntinlupa
Esteban G. Peña Sy	P8276657A	August 09, 2018/DFA NCR Central
Gloria Georgia G. Garcia	P8316836A	August 01, 2018/DFA NCR North East

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Book No. XIV
Series of 2024

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. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

pwc

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 Consolidated Financial Statements

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, 2023 and 2022, and the financial performance and cash flows for each of the three years in the period ended December 31, 2023 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, 2023 and 2022;
- the consolidated statements of comprehensive income for each of the three years in the period ended December 31, 2023;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2023;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2023; and
- the notes to the consolidated financial statements, including material accounting policy information.

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 This is a key audit matter mainly due to the significance of the account and movement of the fair values of the investment properties. 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 2023, the Group recognized a fair value gain amounting to P13.74 million. As at December 31, 2023, total investment properties, carried at fair value, amount to P590.20 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 issued by third party valuers engaged by management 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 have also evaluated competence, capabilities and objectivity of the independent valuers by reviewing their profile, qualifications, client portfolio and business relationship with the Group. Likewise, we have assessed the propriety of the accounting policy adopted by the Group's management on investment property and the

Refer to Note 6 to the consolidated financial statements for the details of the investment properties and Note 21.1 for discussion on critical accounting estimates and assumptions.	calculation of the fair value in accordance with PAS 40 and PFRS 13, respectively.

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) and SEC Form 17-A (Annual Report) for the year ended December 31, 2023, but do not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement) and 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 is 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 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024

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 (the "Parent Company") and its Subsidiaries (together, the "Group") as at and for the year ended December 31, 2023, on which we have rendered the attached report dated April 15, 2024. The supplementary information shown in the Reconciliation of the Parent Company's Retained Earnings for Dividend Declaration as at December 31, 2023, Map of Relationships of the Companies within the Group as at December 31, 2023, and Schedules A, B, C, D, E, F and G as at December 31, 2023 as additional components required by the Revised Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of management and have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised Rule 68 of the SRC.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 12, 2024, Makati City
TIN 221-755-698
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Makati City
April 15, 2024

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 and its Subsidiaries (together, the "Group") as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 15, 2024. Our audits were made for the purpose of forming an opinion on the basic 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 Rule 68 of the SRC issued by the Securities and Exchange Commission and is not a required part of the basis 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 December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 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 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash	2	39,408,062	83,241,547
Financial assets at fair value through profit or loss (FVPL)	3	117,980,762	179,709,295
Receivables and other current assets	4	56,900,257	58,678,903
Total current assets		214,289,081	321,629,745
Noncurrent assets			
Property and equipment, net	5	362,751	474,466
Investment properties	6	590,199,464	539,524,000
Total noncurrent assets		590,562,215	539,998,466
Total assets		804,851,296	861,628,211
Liabilities and Equity			
Current liabilities			
Accounts payable and other current liabilities	7	20,738,376	12,810,290
Borrowings	8	13,624,642	13,624,642
Advances from related parties	14	9,271,875	8,992,396
Income tax payable	12	338,847	120,445
Advances from prospective shareholders	10	194,695,274	194,695,274
Total current liabilities		238,669,014	230,243,047
Non-current liabilities			
Retirement benefits obligation	17	3,276,044	2,582,111
Deferred income tax liabilities, net	12	130,308,280	131,420,549
Total non-current liabilities		133,584,324	134,002,660
Total liabilities		372,253,338	364,245,707
Equity			
Attributable to shareholders of the Parent Company			
Share capital	9	975,534,053	975,534,053
Treasury shares	9	(58,627,864)	(58,627,864)
Deficit		(694,453,028)	(631,295,740)
		222,453,161	285,610,449
Non-controlling interest		210,144,797	211,772,055
Total equity		432,597,958	497,382,504
Total liabilities and equity		804,851,296	861,628,211

(The notes on pages 1 to 27 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, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Income				
Gain on fair value change in investment properties	6	13,742,000	17,397,000	22,112,050
Management and service fee	4	4,681,954	5,128,725	1,943,558
Rental income	15	4,018,401	3,935,158	1,601,914
Dividend income	3	590,530	397,220	77,385
Interest income	2	470,539	442,308	894,422
Foreign exchange gain, net	20.1	-	515,837	278,089
Gain on disposal of investment properties	6	-	-	4,358,661
Gain on sale of securities	3	-	575,628	-
Other income		196,154	280,282	-
		23,699,578	28,672,158	31,266,079
Expenses				
Unrealized loss on revaluation of financial assets at FVPL	3	63,583,583	35,235,892	48,876,118
Salaries and employee benefits	16	8,196,659	6,237,419	6,085,182
Meeting expenses		5,574,191	6,347,595	2,229,554
Professional fees		1,906,656	1,907,670	3,683,795
Depreciation	5	290,286	531,989	539,077
Foreign exchange loss, net	20.1	51,929	-	-
Loss on litigation	18	-	39,358,145	-
Other expenses	11	9,165,707	8,795,913	7,820,085
		88,769,011	98,414,623	69,233,811
Loss before income tax		(65,069,433)	(69,742,465)	(37,967,732)
Income tax benefit (expense)	12	284,887	(1,713,865)	21,719,456
Net loss for the year		(64,784,546)	(71,456,330)	(16,248,276)
Other comprehensive income for the year		-	-	-
Total comprehensive loss for the year		(64,784,546)	(71,456,330)	(16,248,276)
Basic and diluted loss per share attributable to shareholders of the Parent Company	13	(0.06)	(0.07)	(0.04)
Net (loss) income attributable to:				
Shareholders of the Parent Company		(63,157,288)	(72,362,944)	(35,591,866)
Non-controlling interest		(1,627,258)	906,614	19,343,590
		(64,784,546)	(71,456,330)	(16,248,276)
Total comprehensive (loss) income attributable to:				
Shareholders of the Parent Company		(63,157,288)	(72,362,944)	(35,591,866)
Non-controlling interest		(1,627,258)	906,614	19,343,590
		(64,784,546)	(71,456,330)	(16,248,276)

(The notes on pages 1 to 27 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, 2023
(All amounts in Philippine Peso)

	Shareholders of Parent Company					
	Share capital Note 9	Treasury shares Note 9	Deficit	Attributable to shareholders of the Parent Company	Non-controlling interest (NCI)	Total
Balance January 1, 2021	975,534,053	(58,627,864)	(523,340,930)	393,565,259	191,521,851	585,087,110
Comprehensive (loss) income						
Net (loss) income for the year	-	-	(35,591,866)	(35,591,866)	19,343,590	(16,248,276)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) income	-	-	(35,591,866)	(35,591,866)	19,343,590	(16,248,276)
Balance December 31, 2021	975,534,053	(58,627,864)	(558,932,796)	357,973,393	210,865,441	568,838,834
Comprehensive (loss) income						
Net (loss) income for the year	-	-	(72,362,944)	(72,362,944)	906,614	(71,456,330)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) income	-	-	(72,362,944)	(72,362,944)	906,614	(71,456,330)
Balance December 31, 2022	975,534,053	(58,627,864)	(631,295,740)	285,610,449	211,772,055	497,382,504
Comprehensive loss						
Net loss for the year	-	-	(63,157,288)	(63,157,288)	(1,627,258)	(64,784,546)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss	-	-	(63,157,288)	(63,157,288)	(1,627,258)	(64,784,546)
Balance December 31, 2023	975,534,053	(58,627,864)	(694,453,028)	222,453,161	210,144,797	432,597,958

(The notes on pages 1 to 27 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, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Loss before income tax		(65,069,433)	(69,742,465)	(37,967,732)
Adjustments for:				
Unrealized loss on revaluation of financial assets at FVPL	3	63,583,583	35,235,892	48,876,118
Depreciation	5	290,286	531,989	539,077
Gain on disposal of financial assets at FVPL		-	(575,628)	-
Dividend income	3	(590,530)	(397,220)	(77,385)
Unrealized foreign exchange loss (gain)	20.1	51,929	(515,837)	(278,089)
Provision for (reversal of) retirement obligation	17	693,933	(274,803)	(485,434)
Interest income	2	(470,539)	(442,308)	(894,422)
Gain on disposal of investment properties	6	-	-	(4,358,661)
Gain on fair value change in investment properties	6	(13,742,000)	(17,397,000)	(22,112,050)
Operating loss before working capital changes		(15,252,771)	(53,577,380)	(16,758,578)
Increase (decrease) in:				
Receivables and other current assets		1,715,428	30,009,447	(58,269,623)
Increase (decrease) in:				
Advances from related parties		279,479	(568,089)	334,816
Accounts payable and other current liabilities		(1,241,664)	(5,675,329)	878,669
Provision for litigation claim		-	(47,770,052)	-
Cash absorbed by operations		(14,499,528)	(77,581,403)	(73,814,716)
Interest received		470,539	442,308	894,422
Dividend received		590,530	397,220	77,385
Income tax paid		(545,762)	(667,847)	(258,618)
Net cash used in operating activities		(13,984,221)	(77,409,722)	(73,101,527)
Cash flows from investing activities				
Acquisitions of investment property	6	(27,763,714)	-	-
Acquisitions of financial assets at FVPL	3	(1,855,050)	(16,029,976)	-
Acquisitions of property and equipment		(178,571)	(75,528)	(235,140)
Proceeds from disposal of investment property		-	-	32,143,661
Proceeds from disposal of financial assets at FVPL	3	-	4,404,000	-
Net cash (used in) provided by investing activities		(29,797,335)	(11,701,504)	31,908,521
Net decrease in cash for the year		(43,781,556)	(89,111,226)	(41,193,006)
Cash as at January 1		83,241,547	171,836,936	212,751,853
Effect of exchange rates on cash		(51,929)	515,837	278,089
Cash as at December 31	2	39,408,062	83,241,547	171,836,936

(The notes on pages 1 to 27 are an integral part of these consolidated financial statements.)

Mabuhay Holdings Corporation and Subsidiaries

Notes to the Consolidated Financial Statements
As at December 31, 2023 and 2022 and for each of the three years
in the period ended December 31, 2023
(In the Notes, all amounts are shown in Philippine Peso unless otherwise stated)

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 22.3.

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, 2023 and 2022.

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 15).

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.

On July 20, 2022, the Parent Company paid P87.13 million for the settlement of case filed by a former co-shareholder in a fast craft shipping business. Relative to this, the Parent Company incurred additional loss on litigation amounting to P39.36 million (Note 18).

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. Its subsidiaries have no significant working capital requirements and most are currently dormant. The Group will continue to look for opportunities to invest in projects that will bring benefit to our shareholders and the community as a whole.

The management still looking at the prospects of developing affordable housing units to satisfy the housing requirements of the lower income group as our endeavors, since such projects will not only bring profits but will also help us fulfill the Group's social responsibility goals.

The consolidated financial statements have been approved and authorized for issue by the Board of Directors (BOD) on April 8, 2024. There are no the material events that occurred subsequent to April 8, 2024 until April 15, 2024.

2 Cash

The account as at December 31 consist of:

	2023	2022
Cash in bank	39,376,062	83,211,547
Cash on hand	32,000	30,000
	39,408,062	83,241,547

Cash in bank earns interest at the prevailing bank deposit rates. Interest income from cash in bank for the year ended December 31, 2023 amounted to P0.47 million (2022 - P0.44 million; 2021 - P0.89 million).

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

Movements of the account for the years ended December 31 follow:

	2023	2022
At January 1	179,709,295	202,743,583
Acquisitions	1,855,050	16,029,976
Disposal	-	(3,828,372)
Loss on revaluation	(63,583,583)	(35,235,892)
At December 31	117,980,762	179,709,295

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). At December 31, 2023, changes in fair value are recorded in unrealized loss on revaluation of FVPL in profit or loss amounting to P63.58 million (2022 - P35.24 million; 2021 - P48.88 million).

In 2023, dividends earned for the year ended amounting to P0.59 million (2022 - P0.40 million; 2021 - P0.08 million) credited to profit or loss.

In 2022, the Group 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. There was no similar transaction occurred in 2023.

4 Receivables and other current assets

The account as at December 31 consist of:

	2023	2022
Advances to contractors	48,871,149	48,861,909
Prepayments	2,553,256	2,192,162
Advances to employees	2,085,837	1,698,884
Due from other related parties	1,647,286	1,971,936
Receivables	877,597	2,825,169
Advances to third parties	600,000	1,128,843
Other receivables	265,132	-
	56,900,257	58,678,903

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, 2023, the Group has earned management and service fee arising from the arrangement amounting to P4.68 million (2022 - 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.

5 Property and equipment, net

Details and movements of the account 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, 2022	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
Additions	-	-	178,571	-	-	-	178,571
December 31, 2023	13,746,305	3,859,242	1,315,140	6,118,393	191,423	1,662,116	26,892,619
Accumulated depreciation							
January 1, 2022	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
Charges during the year	-	-	79,007	211,279	-	-	290,286
December 31, 2023	13,746,305	3,859,242	971,183	6,099,599	191,423	1,662,116	26,529,868
Net book values							
December 31, 2022	-	-	244,393	230,073	-	-	474,466
December 31, 2023	-	-	343,957	18,794	-	-	362,751

There are no property and equipment pledged as collateral for borrowings as at December 31, 2023 and 2022.

6 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 15).

The movement of the account as at December 31:

	2023	2022
At January 1	539,524,000	522,127,000
Fair value gains	13,742,000	17,397,000
Additions	36,933,464	-
At December 31	590,199,464	539,524,000

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. There was no similar transaction occurred in 2023.

During 2023, the Group acquired an additional investment property with a cost of P36.93 million, in which P9.17 million remains to be unpaid as at year-end.

The fair value of investment properties is determined on the basis of appraisal made by an external appraiser duly engaged by the management. Valuation methods employed by the appraisers mainly include the market data approach (Level 2 valuation) (Note 22.7).

Movements in cumulative fair value gain for the years ended December 31 follow:

	2023	2022	2021
At January 1	495,197,907	477,800,907	482,351,025
Fair value gains	13,742,000	17,397,000	22,112,050
Disposals	-	-	(26,662,168)
At December 31	508,939,907	495,197,907	477,800,907

The following income earned and expenses incurred from these properties have been recognized in profit or loss:

	2023	2022	2021
Rental income	4,018,401	3,935,158	1,601,914
Operating expenses arising from investment properties that generate rental income	(4,544,675)	(3,817,814)	(3,773,729)
	(526,274)	117,344	(2,171,815)

Direct expenses are recorded in communication, light and water, repairs and maintenance, association dues, taxes and licenses, and insurance under other expenses (Note 11).

7 Accounts payable and other current liabilities

The account as at December 31 consist of:

	2023	2022
Accounts payable and accrued expenses	16,734,907	8,795,838
Accrued interest on borrowings	2,879,506	2,879,506
Deferred rental income	1,063,615	1,063,615
Withholding taxes	60,348	71,331
	20,738,376	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.

Accrued interest represents interest charged in prior years on its loan from a related party (Note 14). Interest was discontinued starting 2014 upon mutual agreement of both parties.

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 December 31, 2023 and 2022 (Note 14).

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

	2023	2022
Borrowings	13,624,642	13,624,642
Cash	(39,408,062)	(83,241,547)
Net debt	(25,783,420)	(69,616,905)

9 Equity

The details of account as at December 31, 2023 and 2022:

	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)
Total issued and paid	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.

As at December 31, 2023, there are 190 shareholders each owning more than one hundred (100) shares of the Parent Company.

No collection occurred during 2023 and 2022 relating to the outstanding subscription receivable.

10 Advances from prospective shareholders

Advances from prospective shareholders represent funds received from prospective shareholders which are expected to be settled by way of issuance of shares.

11 Other expenses

The details of account as at December 31:

	2023	2022	2021
Transportation and travel	2,525,064	2,473,244	1,829,525
Taxes and licenses	2,395,865	1,515,841	1,533,859
Security services	1,043,327	435,427	427,196
Communication, light and water	711,654	828,184	510,493
Association dues	755,879	770,779	1,162,333
Office supplies	733,867	633,955	663,980
Repairs and maintenance	440,509	535,031	387,595
Insurance	240,768	167,979	179,449
Postage	12,917	41,346	20,190
Penalties	-	-	426,088
Miscellaneous	305,857	1,394,127	679,377
	9,165,707	8,795,913	7,820,085

12 Income Tax

The details of income tax benefit (expense) as at December 31:

	2023	2022	2021
Current	(827,382)	(781,946)	(5,849,367)
Deferred	1,112,269	(931,919)	27,568,823
	284,887	(1,713,865)	21,719,456

The net deferred income tax liabilities as at December 31 consist of:

	2023	2022
Deferred income tax liabilities		
Fair value gain on investment properties	136,627,909	130,712,309
Unrealized gain on revaluation of financial assets at FVPL	-	1,490,712
Unrealized foreign exchange gain, net	-	128,960
	136,627,909	132,331,981
Deferred income tax assets		
Unrealized loss on revaluation of securities	(5,221,732)	-
Unrealized foreign exchange loss, net	(12,982)	-
Retirement benefits obligation	(819,011)	(645,528)
Deferred rental income	(265,904)	(265,904)
	(6,319,629)	(911,432)
	130,308,280	131,420,549

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, 2023 amounting to P12.08 million (2022 - P51.42 million). However, the related deferred income tax asset of P20.01 million (2022 - P12.86 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	2023	2022
2023	2026	12,078,515	
2022	2025	51,423,234	51,423,234
2021	2026	10,273,991	10,273,991
2020	2025	7,922,733	7,922,733
2019	2022	-	48,108,398
Total NOLCO		81,698,473	117,728,356
Applied during the year		-	-
Expired during the year		-	(48,108,398)
		81,698,473	69,619,958
Deferred income tax assets not recognized		20,014,333	12,862,995

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	2023	2022
2023	2026	63,218	-
2022	2025	42,153	42,153
2021	2024	26,655	26,655
2020	2023	139,588	139,588
2019	2022	-	524,700
Total MCIT		271,614	733,096
Expired during the year		(139,588)	(524,700)
Unrecognized MCIT		132,027	132,026

In 2023, the MCIT amounting to P0.06 million (2022 - P0.04 million; 2021 - P0.03 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:

	2023	2022	2021
Income (loss) before income tax	(65,069,433)	(69,742,465)	(37,967,732)
Tax on pretax income	(19,242,566)	(19,243,340)	(13,297,711)
Effects of change in enacted tax rate	-	-	(25,926,159)
Non-taxable income	(155,169)	(208,719)	(242,835)
Unrecognized NOLCO and MCIT	2,988,045	10,481,468	1,094,541
Non-deductible expenses	2,562,955	-	-
Adjustment for income subjected to lower tax rates	4,395,549	1,586,349	1,878,890
Difference in tax rate on unrealized fair value loss on shares	-	2,448,680	5,838,872
Others	9,166,299	6,649,426	8,934,946
	(284,887)	1,713,865	(21,719,456)

As at December 31, 2023, income tax payable amounted to P0.34 million (2022 - P0.12 million).

13 Basic and diluted loss per share

The information used in the computation of basic and diluted earnings (loss) per share for the years ended December 31 follow:

	2023	2022	2021
Net loss attributable to the shareholders of Parent Company	(63,157,288)	(72,362,944)	(35,591,866)
Divided by the average number of outstanding common shares	975,534,053	975,534,053	975,534,053
Loss per share - basic and diluted	(0.06)	(0.07)	(0.04)

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

14 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:

	Notes	Transactions			Outstanding balances		
		2023	2022	2021	2023	2022	Terms and conditions
Due from other related parties							
Intrinsic Value Management (IVM)	4	(324,650)	1,481,190	-	1,647,286	1,971,936	Unsecured, non-interest bearing and collectible in cash on demand.
Philippine Strategic International Holdings, Inc.(PSIHI)							
South China Holdings Corporation (SCHC)							
Borrowings from							
IVM	8	-	-	-	(13,624,642)	(13,624,642)	Unsecured, non-interest bearing and payable in cash on demand.
Interest on borrowings							
IVM	7	-	-	-	(2,879,506)	(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		279,484	-	(334,099)	(9,186,216)	(8,906,737)	Unsecured, non-interest bearing and payable in cash on demand.
Other related party					(85,659)	(85,659)	
					(9,271,875)	(8,992,396)	
Salaries and employee benefits		3,180,000	3,180,000	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 2023 amount to P620.30 million (2022 - P610.40 million).

Based on management's assessment, the carrying values of receivables from related parties are deemed collectible.

15 Leases

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; and
b. Seven (7) car parking rights lease renewable annually until September 14, 2023 with monthly rate of P29,960.

In 2023, rental income from investment in a commercial unit amounted to P4.02 million (2022 - P3.94 million; 2021 - P1.60 million) (Note 6).

As at December 31, the minimum aggregate rental receivables for future years follow:

	2023	2022	2021
Within one (1) year	2,967,288	4,073,446	3,646,544
After one (1) year but not more than five (5) years	-	2,704,973	6,394,951
	2,967,288	6,778,419	10,041,495

16 Salaries and employee benefits

The details of account as at December 31:

	2023	2022	2021
Salaries and wages	4,988,461	4,449,572	4,364,828
Employee benefits	2,715,382	1,365,956	1,315,886
Bonus and allowances	217,650	200,000	200,650
SSS, Philhealth and HDMF	275,166	221,891	203,818
	8,196,659	6,237,419	6,085,182

17 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 1/2 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:

	2023	2022
At January 1	2,582,111	2,856,914
Current service cost	693,933	(274,803)
Net interest cost (income)	242,416	(717,655)
Total amount charged to profit or loss	693,933	(274,803)
At December 31	3,276,044	2,582,111

The retirement income is included under salaries and employee benefits (Note 16) in profit or loss.

The principal assumptions made as at December 31 follow:

	2023	2022
Discount rate	6.08%	6.85%
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.

18 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 P39.36 million payment is recognized as loss on litigation in the statement of comprehensive income.

19 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 2023 and 2022.

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 2023 and 2022.

20 Financial risk and capital management

20.1 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 2023 and 2022.

20.1.1 Market risk

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 as at December 31 follows:

	2023	2022
	In USD	In USD
Cash in bank	94,819	96,398
Exchange rates	55.57	56.12
Peso equivalent	5,269,092	5,409,856

Details of net foreign exchange gains for the years ended December 31 follow:

	2023	2022	2021
Realized	73,937	-	-
Unrealized	(125,866)	515,837	(278,089)
	(51,929)	515,837	(278,089)

As at December 31, 2023 and 2022, the Group'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 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 Dollars		
December 31, 2023	+/- 0.98%	+/- 38,729
December 31, 2022	+/- 10.54%	+/- 427,557

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.

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, 2023 and 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 P1.18 million (2022 - P1.80 million) in profit or loss.

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, 2023 and 2022.

20.1.2 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:

	Fully performing
2023	
Cash in bank	39,376,062
Receivables and other current assets*	4,598,255
	43,974,317
2022	
Cash in bank	83,211,547
Receivables and other current assets*	4,799,663
	88,011,210

**This account excludes 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 Group 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 P54.35 million as at December 31, 2023 (2022 - P56.49 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.

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 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, 2023			
Borrowings	-	13,624,642	13,624,642
Accounts payable and other current liabilities*	2,879,506	16,734,907	19,614,413
Advances from related parties	-	9,271,875	9,271,875
Advances from prospective shareholders	-	194,695,274	194,695,274
	2,879,506	234,326,698	237,206,204
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

**This account excludes taxes payable, deposits from customer and deferred rental income*

All financial assets and liabilities are classified as current as at reporting dates.

20.2 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:

	2023	2022
Total equity attributable to Parent Company	222,453,161	285,610,449
Advances from prospective shareholders	194,695,274	194,695,274
	27,757,887	90,915,175

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, 2023 and 2022. 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 2023 and 2022.

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 as at December 31 as follows:

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Fair value through profit or loss	117,980,762	117,980,762	179,709,295	179,709,295
Fair value at amortized cost				
Cash	39,408,062	39,408,062	83,241,547	83,241,547
Receivables and other current assets*	54,347,001	54,347,001	56,486,741	56,486,741
Total assets	211,735,825	211,735,825	319,437,583	319,437,583
Financial liabilities at amortized cost				
Borrowings	13,624,642	13,624,642	13,624,642	13,624,642
Accounts payable and other current liabilities**	19,614,413	19,614,413	11,675,344	11,675,344
Advances from related parties	9,271,875	9,271,875	8,992,396	8,992,396
Advances from prospective shareholders	194,695,274	194,695,274	194,695,274	194,695,274
Total liabilities	237,206,204	237,206,204	228,987,656	228,987,656

**This account excludes prepayments*

*** This account 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.

20.4 Fair value hierarchy

As at December 31, 2023 and 2022, 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.

21 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.

21.1 Critical accounting estimates and assumptions

Estimate of fair value of investment properties (Note 6)

The Group's investment properties have an estimated market value of P242,000 per square meter (2022 - P237,000 per square meter) for the commercial unit and P400 to P4,835 per square meter (2022 - P380 to P4,300 per square meter) for the land as at December 31, 2023.

The following are the 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 2023 amounted to P590.20 million (2022 - P539.52 million). Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment properties would have been P1.37 million (2022 - P1.74 million) higher or lower.

21.2 Critical accounting judgments

Recognition of deferred income tax assets (Note 12)

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.

Entities in which the Group holds less than 50% interest (Note 22.3)

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.

Provision for litigation claims (Note 18)

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.

22 Summary of material accounting policies

The material 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.

22.1 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 21.

22.2 Changes in accounting policies and disclosures

(a) Amended standards adopted by the Group

The following amendments to existing standards were relevant and adopted by the Group for the first time from January 1, 2023:

- Amendments to PAS 1, *'Presentation of Financial Statements'*, and PFRS Practice Statement 2

  The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) 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.

  To support this amendment, PFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

- Amendment to PAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors'*
  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.

- Amendments to PAS 12, *'Income Taxes'*

  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.

The adoption of the amendments of PAS 1 was considered by management in the December 31, 2023 separate financial statements by disclosing material accounting policy information rather than significant account policies. All other amendments to existing standards are not expected to have a material impact on the financial statements of the Group.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Group's financial statements.

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

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Group. None of these are expected to be relevant and have an effect on the financial reporting of the Group, while the most relevant ones are set out as follows:

- Amendments to PAS 1, *'Presentation of Financial Statements'*

  Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified 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 entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

  Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

  The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

  - the carrying amount of the liability
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

  The amendments must be applied retrospectively in accordance with the normal requirements in PAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors'*. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The amendments did not significantly affect the Group's accounting policies and financial statements. Other new standards, and amendments and interpretations to existing standards.

22.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2023 and 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.

Details of subsidiaries follow:

Subsidiaries	Percentage of ownership in 2023 and 2022 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:

2023	TPHC	MAC	TTCI	TAC
	(In thousands of Pesos)			
	10,966	27,055	25,067	1,853
Total current assets	396,131	-	8,843	-
Total non-current assets	407,097	27,055	33,910	1,853
Total assets	30,847	32,320	4,923	10,768
Total current liabilities	94,068	-	1,728	-
Total non-current liabilities	124,915	32,320	6,651	10,768
Total liabilities	282,182	(5,265)	27,259	(8,915)
Net assets (liabilities)	208,703	(3,027)	15,140	(4,147)
Income	9,945	-	533	2
Expenses	(2,127)	(6,652)	(206)	(59)
Income (loss) before income tax	7,818	(6,652)	327	(57)
Provision for income tax	(4,986)	-	(98)	-
Net income (loss) for the year	2,832	(6,652)	229	(57)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income (loss) for the year	2,832	(6,652)	229	(57)
Cash flows from:	2,095	(3,825)	127	(27)
Operating activities				
Investing activities	(3,556)	(8)	(342)	(40)

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 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	-	-	-	-

	TPHC	MAC	TTCI	TAC	Total
	(In thousands of Pesos)				
Accumulated balance of non-controlling interest					
December 31, 2022	199,414	(3,711)	19,177	(4,737)	210,143
December 31, 2022	197,320	115	19,047	(4,710)	211,772
Non-controlling interest share in total comprehensive income (loss)					
December 31, 2023	2,095	(3,826)	130	(27)	(1,628)
December 31, 2022	5,646	(5,200)	487	(26)	907

(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.

(i) 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.

22.4 Financial instruments

Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Group did not hold financial assets under the category financial assets at FVOCI as at December 31, 2023 and 2022.

(i) 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 other current assets (excluding prepayments) (Note 4).

(ii) 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) Recognition and measurement

(i) 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.

(ii) Subsequent measurement

- 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.

- 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 Group's right to receive payment is established.

(c) Impairment

The Group 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 Group 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.

(d) 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.

Financial liabilities

(a) Classification

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.

(i) Amortized cost

Liabilities that are held for payment of contractual cash flows where those cash outflows represent solely payments of principal and interest are measured at amortized cost. Interest expense from these financial liabilities is included in finance expense 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.

The Group 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 7), borrowings (Note 8), advances from other related parties (Note 14) and advances from prospective shareholders (Note 10).

(b) Recognition and measurement

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

(c) Derecognition

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

22.5 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 22.7).

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.

22.6 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 22.8.

22.7 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.

22.8 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.

22.9 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.

22.10 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.

22.11 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.

22.12 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.

22.13 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.

22.14 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.

(a) Expenses

Expenses are recognized when these are incurred.

22.18 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.

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

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
As at December 31, 2023

Other Supporting Schedules

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

Schedule A
Financial Assets
As at December 31, 2023
(All amount in 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 statements of financial position	Income received and accrued
Financial assets at fair value through profit or loss			
AYALA CORPORATION	5,069	3,451,989	-
AYALA LAND INC.	153,800	3,454,184	-
BASIC ENERGY CORP.	1,110,000	196,470	-
BDO UNIBANK, INC.	147	23,100	-
BPI	64,110	2,261,216	-
COSCO CAPITAL, INC./ALCORN	5,000	49,708	-
FILINVEST LAND, INC.	84,250	6,508	-
FILIPINO FUND INC.	330	8,400	-
GLOBAL/F-ESTATE LAND INC.	6,850	14,267	-
GMA NETWORK,INC.	1,000	20	-
GREENERGY H./MUSX CORP.	62,300	41	-
IRC PROPERTIES INC.	102,718,625	55,452,165	-
MLA MINING CORP. "A"	4,345	2,410	-
MLA MINING CORP. "B"	9,551	95	-
NAT'L. REINS. CORP.	5,000	1,038	-
PHIL. REALTY A	70,252,392	19,593	-
SWIFT FOOD INC.	44,621	262,200	-
SWIFT FOOD INC.CONV. PREF.	1,759	38,570,930	-
THE PHILODRILL CORPORATION	128,100	1,853,410	-
UNITED P. MINING CORP.	750,000	4,578,618	-
PLDT - Preferred	1,050	1,341,900	-
AREIT, Inc.	150,000	5,002,500	-
Security Bank	20,000	1,430,000	-
Total financial assets at fair value through profit or loss		117,980,762	
Cash		39,408,062	470,539
Receivables		54,347,001	-
Total financial assets		211,735,825	470,539

Mabuhay Holdings Corporation
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Schedule B
Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
As at December 31, 2023

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected, liquidated or reclassified	Amounts written off	Total	Current	Non-current	Balance at end of year
Tagaytay Properties and Holdings Corporation(TPHC)	1,402,851	-	(1,382,491)	-	20,360	20,360	-	20,360
Mindanao Appreciation Corporation (MAC)	29,080,634	669,750	-	-	29,750,384	29,750,384	-	29,750,384
The Taal Company, Inc. (TTCI)	4,397	-	-	-	4,397	4,397	-	4,397
Intrinsic Value Management (IVM)	1,694,894		(402,360)	-	1,292,534	1,292,534	-	1,292,534
Philippine Strategic International Holdings, Inc.(PSIHI)	84,801	21,360	-	-	106,161	106,161	-	106,161
South China Holdings Corporation (SCHC)	165,001	56,350	-	-	221,351	221,351	-	221,351
Water Jet Shipping Corp.	22,240	-	-	-	22,240	22,240	-	22,240
Greenroof Corporation	5,000	-	-	-	5,000	5,000	-	5,000
	32,459,818	747,460	(1,784,851)	-	31,422,427	31,422,427	-	31,422,427

Mabuhay Holdings Corporation
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Schedule C
Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of Financial Statements
As at December 31, 2023

Receivables of the Parent Company from its subsidiaries are as follows:

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected, liquidated or reclassified	Amou nts written off	Total	Current	Non-current	Balance at end of year
Tagaytay Properties and Holdings Corporation(TPHC)	1,402,851	-	(1,382,491)	-	20,360	20,360	-	20,360
Mindanao Appreciation Corporation (MAC)	29,080,634	669,750	-	-	29,750,384	29,750,384	-	29,750,384
The Taal Company, Inc. (TTCI)	4,397	-	-	-	4,397	4,397	-	4,397
	30,487,882	669,750	(1,382,491)	-	29,775,141	29,775,141	-	29,775,141

Mabuhay Holdings Corporation
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Schedule D
Long Term Debt
As at December 31, 2023

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of borrowing" in related balance sheet	Amount shown under caption "borrowing" in related balance sheet
Promissory Notes	13,624,642	13,624,642	-

Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
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Schedule E
Indebtedness to Related Parties
As at December 31, 2023

Name of related party	Balance at beginning of period	Balance at end of period
Intrinsic Value Management (IVM)	8,906,737	9,186,216
Water Jet Shipping Corp	85,659	85,659
	8,992,396	9,271,875

Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
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Schedule F
Guarantees of Securities of Other Issuers
As at December 31, 2023

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
NOT APPLICABLE				

Mabuhay Holdings Corporation
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Schedule G
Capital Stock
As at December 31, 2023

The details of authorized and paid-up capital stock are as follows:

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	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

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Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2023

Unappropriated Retained Earnings, beginning of the year/period			(694,453,028)
Add:	Category A: Items that are directly credited to Unappropriated retained earnings		
	Reversal of Retained earnings appropriation/s	-	
	Effect of restatements or prior-period adjustments	-	
	Others (describe nature)	-	
Less:	Category B: Items that are directly debited to Unappropriated retained earnings		
	Dividend declaration during the reporting period	-	
	Retained earnings appropriated during the reporting period	-	
	Effect of restatements or prior-period adjustments	-	
	Treasury shares	-	
Unappropriated Retained Earnings, as adjusted			(694,453,028)
Add/Less: Net Income (loss) for the current year/period			(63,157,288)
Less:	Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
	Equity in net income of associate/joint venture, net of dividends declared	-	
	Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
	Unrealized fair value gain of investment property	(13,742,000)	
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	(13,742,000)
Add:	Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
	Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
	Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	63,583,583	
	Realized fair value gain of Investment property	-	
	Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	63,583,583
Add:	Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
	Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
	Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
	Reversal of previously recorded fair value gain of investment property	-	

forward

forwarded.

Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Adjusted net income/loss		(13,315,705)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories		
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and setup of service concession asset and concession payable		
Adjustment due to deviation from PFRS/GAAP - gain (loss)		
Cumulative unrealized fair value gain on FVTPL in prior years	82,543,807	
Cumulative fair value gain in prior years	(103,827,730)	(21,283,923)
Total Retained Earnings, end of the year/period available for dividend declaration		(729,052,656)

Mabuhay Holdings Corporation
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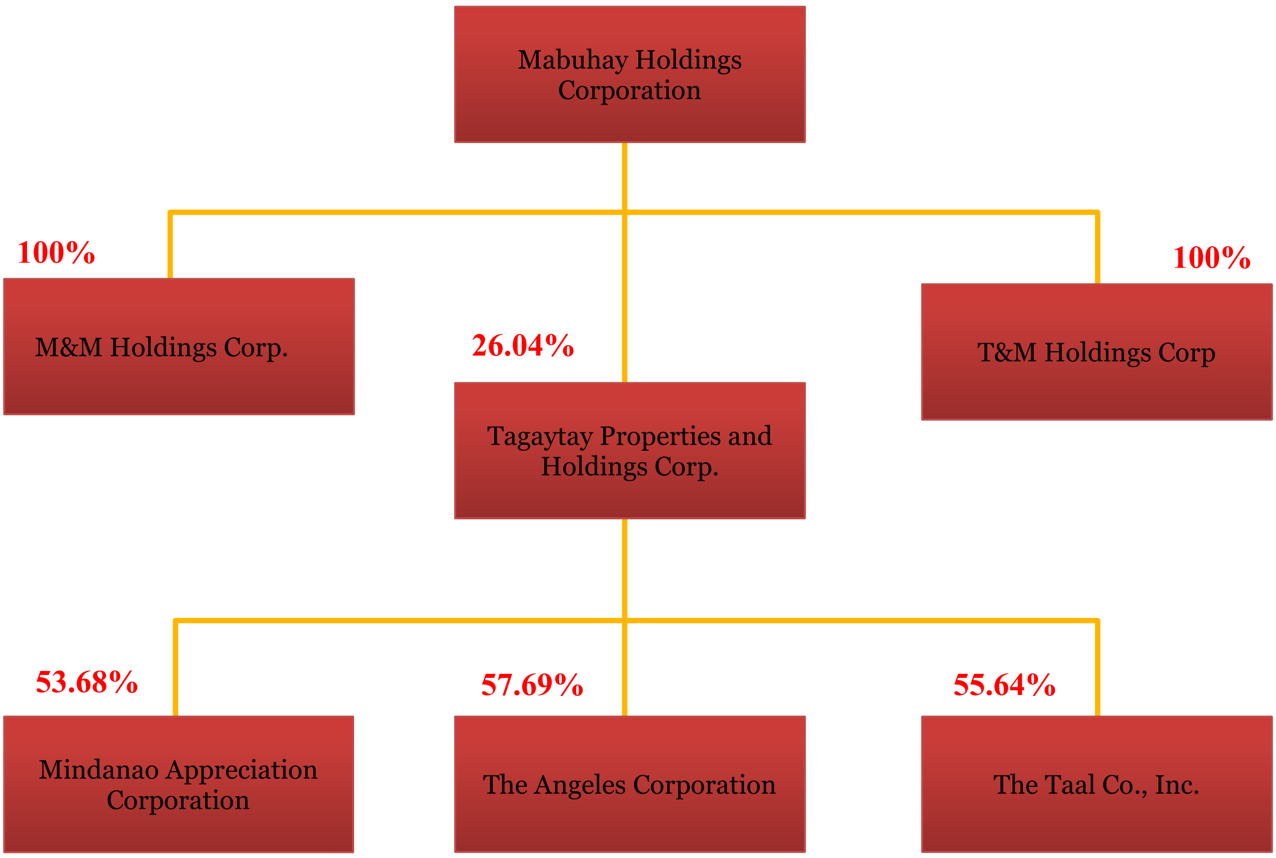
Financial Soundness Indicators
As at December 31, 2023
(With comparatives as at December 31, 2022 and 2021)

Financial ratio	Calculation		2023	2022	2021
Liquidity/current ratio	**Total current assets divided by total current liabilities**		0.90	1.40	1.63
	Total current assets	214,289,081			
	Divided by: Total current liabilities	238,669,014			
	Liquidity/current ratio	0.90			
Acid test ratio	**Quick assets (total current assets less prepayments and other current assets) divided by total current liabilities**		0.89	1.14	1.32
	Total current assets	214,289,081			
	Less: Prepayments and other current assets	(2,553,256)			
	Total	211,735,825			
	Divided by: Total current liabilities	238,669,014			
	Acid test ratio	0.89			
Solvency ratio	**Net income after tax plus non-cash expenses divided by total liabilities**		(0.17)	(0.19)	(0.04)
	Net loss from operations	(64,784,546)			
	Add: Depreciation and amortization	290,286			
	Total	(64,494,260)			
	Divided by: Total liabilities	372,253,338			
	Solvency ratio	(0.17)			
Debt-to-equity ratio	**Total liabilities divided by total equity**		0.86	0.73	1.47
	Total liabilities	372,253,338			
	Divided by: Total equity	432,597,958			
	Debt-to-equity ratio	0.86			
Asset-to-equity ratio	**Total assets divided by total equity**		1.86	1.73	1.73
	Total assets	804,851,296			
	Divided by: Total equity	432,597,958			
	Asset-to-equity ratio	1.86			
Return on equity	**Net income after tax divided by total equity**		(0.14)	(0.14)	(0.03)
	Net loss from operations	(64,784,546)			
	Divided by: Average Total equity	464,990,231			
	Return on equity	(0.14)			
Return on assets	**Net income after tax divided by total assets at beginning**		(0.08)	(0.08)	(0.02)
	Net loss from operations	(64,784,546)			
	Divided by: Average Total assets	861,628,211			
	Return on assets	(0.08)			
Net profit margin	**Net income after tax divided by total revenue and income**		(2.73)	(2.58)	(0.54)
	Net loss from operations	(64,784,546)			
	Divided by: Total revenue	23,699,578			
	Net profit margin from continuing operations	(2.73)			
Earnings per share	**Net income divided by number of common stock outstanding**		(0.06)	(0.07)	(0.04)
	Net loss from operations	(63,157,288)			
	Divided by: Number of common stock outstanding	975,534,053			
	Earnings per share from continuing operations	(0.06)			

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, 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
AFS	SEC	

2023 AUDITED PARENT FINANCIAL STATEMENTS

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
mabuhayholdings@yahoo.com	8850-2000	0908 8941610

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
198	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	8850-2000	0908891610

CONTACT PERSON's ADDRESS

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

Note 1: 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.
Note 2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

MABUHAY
HOLDINGS CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **MABUHAY HOLDINGS CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, 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 or members.

ISLA LIPANA & CO., the independent auditor, 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 or members, 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
Treasurer & Chief Financial Officer

Signed this 15th day of April 2024

35[TH] FLOOR, RUFINO PACIFIC TOWER, 6784 AYALA AVENUE, MAKATI CITY 1223, PHILIPPINES
TEL. NO: (632) 750-2000 FAX NO.: (632) 751-0773

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this APR 15 2024 day of ________________, affiants exhibiting to me their Community Tax Certificate/Driver's License / Passport, as follows:

Affiant	CTC No./DL/SC Passport No.	Date of Issue/Place of Issue/Expiry
Roberto V. San Jose	Senior Citizen ID 2957	September 29, 2008 / Muntinlupa
Esteban G. Peña Sy	P8276657A	August 09, 2018/DFA NCR Central
Gloria Georgia G. Garcia	P8316836A	August 01, 2018/DFA NCR North East

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Series of 2024

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. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

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 financial statements present fairly, in all material respects, the financial position of Mabuhay Holdings Corporation (the "Company") as at December 31, 2023 and 2022, and its financial performance 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, 2023 and 2022;
- the statements of comprehensive income for the years ended December 31, 2023 and 2022;
- the statements of changes in equity for the years ended December 31, 2023 and 2022;
- the statements of cash flows for the years ended December 31, 2023 and 2022; and
- the notes to the separate financial statements, including material accounting policy information.

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 financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Material Uncertainty Related to Going Concern

The Company is in a capital deficiency position amounting to P59.45 million as at December 31, 2023 (2022 - P19.93 million). This condition indicates existence of a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. Management’s plans regarding this matter are disclosed in Note 1. We have performed adequate audit procedures to validate and assess the viability of management plans in improving the financial situation of the Company. Our opinion is not qualified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, 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 or 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.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 23 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 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024

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, 2023, on which we have rendered the attached report dated April 15, 2024.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary, the Company has one hundred ninety (190) shareholders owning 100 or more shares as at December 31, 2023.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026
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Makati City
April 15, 2024

Mabuhay Holdings Corporation

Statements of Financial Position
December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash	2	5,539,184	5,988,910
Financial assets at fair value through profit or loss (FVPL)	3	45,639,998	71,644,346
Due from related parties	15	30,510,823	26,305,072
Other current assets	4	4,828,148	4,732,599
Total current assets		86,518,153	108,670,927
Non-current assets			
Investments in and advances to subsidiaries, net	5	92,252,857	99,006,627
Investment property	6	163,580,000	160,200,000
Property and equipment, net	7	330,652	427,871
Total non-current assets		256,163,509	259,634,498
Total assets		342,681,662	368,305,425
Liabilities and Equity			
Current liabilities			
Accounts payable and other current liabilities	8	11,921,126	13,463,147
Borrowings	9, 15	12,393,900	12,393,900
Advances from related parties	15	146,116,132	125,407,117
Advances from prospective shareholders	10	194,695,274	194,695,274
Total current liabilities		365,126,432	345,959,438
Non-current liabilities			
Retirement benefits obligation	18	3,276,044	2,582,111
Deferred income tax liabilities, net	13	33,725,882	39,697,394
Total non-current liabilities		37,001,926	42,279,505
Total liabilities		402,128,358	388,238,943
Equity			
Share capital	11	975,534,053	975,534,053
Deficit		(1,034,980,749)	(995,467,571)
Total capital deficiency		(59,446,696)	(19,933,518)
Total liabilities and equity		342,681,662	368,305,425

(The notes on pages 1 to 29 are an integral part of these separate financial statements.)

Mabuhay Holdings Corporation

Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Income			
Rental income	6,16	4,018,401	3,935,158
Gain on fair value change in investment property	6	3,380,000	6,759,000
Dividend income	3	155,440	132,332
Interest income	2	3,035	186,483
Foreign exchange gain, net	20.1	-	515,837
Other income		196,154	280,282
		7,753,030	11,809,092
Expenses			
Unrealized loss on revaluation of securities	3	26,004,348	14,410,858
Salaries and employee benefits	17	8,135,316	6,237,419
Provision for impairment loss of investments in subsidiaries	5	6,753,770	-
Meeting expenses		5,558,729	6,347,595
Transportation and travel		2,380,748	2,426,135
Professional fees		1,061,287	887,311
Depreciation	7	275,790	517,492
Foreign exchange loss, net	20.1	51,929	-
Loss on litigation	19	-	39,358,145
Others	12	2,952,585	3,792,384
		53,174,502	73,977,339
Loss before income tax		(45,421,472)	(62,168,247)
Income tax benefit (expense)	13	5,908,294	(1,773,577)
Net loss for the year		(39,513,178)	(63,941,824)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(39,513,178)	(63,941,824)
Basic and diluted loss per share	14	(0.04)	(0.07)

(The notes on pages 1 to 29 are an integral part of these separate financial statements.)

Mabuhay Holdings Corporation

Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Share capital (Note 11)	Deficit	Total
Balances as at January 1, 2022	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)
Comprehensive loss			
Net loss for the year	-	(39,513,178)	(39,513,178)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(39,513,178)	(39,513,178)
Balances as at December 31, 2023	975,534,053	(1,034,980,749)	(59,446,696)

(The notes on pages 1 to 29 are an integral part of these separate financial statements.)

Mabuhay Holdings Corporation

Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Cash flows from operating activities			
Loss before income tax		(45,421,472)	(62,168,247)
Adjustments for:			
Unrealized loss on revaluation of financial assets at FVPL	3	26,004,348	14,410,858
Provision for impairment loss of investments in subsidiaries	5	6,753,770	-
Loss on litigation		-	39,358,145
Retirement expense (income)	18	693,933	(274,803)
Depreciation	7	275,790	517,492
Unrealized foreign exchange loss (gains)	21.1	51,929	(515,837)
Interest income	2	(3,035)	(186,483)
Dividend income	3	(155,440)	(132,332)
Gain on fair value change in investment property	6	(3,380,000)	(6,759,000)
Other income		-	(280,282)
Operating loss before working capital changes		(15,180,177)	(16,030,489)
(Increase) in:			
Other current assets		(158,767)	(805,601)
Increase (decrease) in:			
Advances from related parties		16,503,264	30,005,989
Accounts payable and other current liabilities		(1,542,021)	(128,055)
Provision for litigation claims		-	(87,128,197)
Cash absorbed by operations		(377,701)	(74,086,353)
Interest received		3,035	186,483
Dividend received		155,440	132,332
Net cash used in operating activities		(219,226)	(73,767,538)
Cash flows from investing activity			
Collection of principal amount of notes receivable		-	7,741,619
Acquisitions of property and equipment	7	(178,571)	(75,526)
Net cash used in operating activities		(178,571)	7,666,093
Net decrease in cash for the year		(397,797)	(66,101,445)
Cash as at January 1		5,988,910	71,574,518
Effect of exchange rates on cash		(51,929)	515,837
Cash as at December 31	2	5,539,184	5,988,910

(The notes on pages 1 to 29 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, 2023 and 2022
(In the Notes, all amounts are shown in Philippine Peso unless otherwise stated)

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 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 36% for the year ended December 31, 2023 or in a loss of P26.00 million (Note 3).
The Company has not acquired or disposed any listed equity shares in 2023.

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 shareholder of the Company. The Company incurred additional loss on litigation amounting to P39.40 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. Mabuhay Holdings Corporation will continue to look for opportunities to invest in projects that will bring benefit to our shareholders and the community as a whole.

The management is still looking at the prospects of developing affordable housing units to satisfy the housing requirements of the lower income group as our endeavors, since such projects will not only bring profits to our company but will also help us fulfill our social responsibility as a Company.

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, 2023 and 2022.

The separate financial statements have been approved and authorized for issue by the Board of Directors (BOD) on April 15, 2024.

2 Cash

The account as at December 31 consist of:

	2023	2022
Cash on hand	15,000	15,000
Cash in bank	5,524,184	5,973,910
	5,539,184	5,988,910

Cash in bank earns interest at the prevailing bank deposit rate. Interest income from cash in bank for the year ended December 31, 2023 amounted to P3,035 (2022 - P186,483).

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

Movements in the account for the years ended December 31 follow:

	2023	2022
January 1	71,644,346	86,055,204
Loss on revaluation	(26,004,348)	(14,410,858)
December 31	45,639,998	71,644,346

The account as at December 31, 2023 and 2022 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 2023 and 2022, the Company has not acquired nor sold any listed equity shares.

Dividends earned for the year ended December 31, 2023 amounts to P155,440 (2022 - P132,332).

4 Other current assets

The account as at December 31 consist of:

	2023	2022
Prepayments	2,241,836	1,957,702
Advances to employees	1,700,701	1,698,884
Advances to third parties	-	120,000
Other receivables	885,611	956,013
	4,828,148	4,732,599

Prepayments mainly comprise of prepaid taxes and prepaid insurance.

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

5 Investments in and advances to subsidiaries, net

The account as at December 31 consist of:

	Ownership %	Amount 2023	2022
Acquisition costs			
M&M Holdings Corporation (MMHC)	100	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	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		(491,465,614)	(484,711,844)
		92,252,857	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 2023, the Company recognized full impairment of its investment to MAC totaling to P6.75 million considering the current results of operation and financial position of MAC.
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 movement of allowance for impairment losses as at December 31:

	2023	2022
January 1	484,711,844	484,711,844
Additional	6,753,770	-
December 31	491,465,614	484,711,844

In 2023, the Company recognized full impairment of its investment to MAC totaling to P6.75 million considering the current results of operation and financial position of MAC.

The details of allowance for impairment losses as at December 31 follow:

	2023	2022
Advances to TMHI	417,497,503	417,497,503
TPHC	25,267,900	25,267,900
MAC	20,000,000	13,246,230
MMHC	15,606,108	15,606,108
TTCI	12,094,103	12,094,103
TAC	1,000,000	1,000,000
	491,465,614	484,711,844

The summarized financial information of subsidiaries with significant non-controlling interest as at and for the year ended December 31, 2023 follows:

	TPHC	MAC	TTCI	TAC
	(In thousands of Pesos)			
Total current assets	10,966	27,055	25,067	1,853
Total non-current assets	396,131	-	8,843	-
Total assets	407,097	27,055	33,910	1,853
Total current liabilities	30,847	32,320	4,923	10,768
Total non-current liabilities	94,068	-	1,728	-
Total liabilities	124,915	32,320	6,651	10,768
Net assets (liabilities)	282,182	(5,265)	27,259	(8,915)
Non-controlling interest share in net assets (liabilities)	208,703	(3,027)	15,140	(4,147)
Income	9,945	-	533	2
Expenses	(2,127)	(6,652)	(206)	(59)
Income (loss) before income tax	7,818	(6,652)	327	(57)
Income tax benefit	(4,986)	-	(98)	-
Net income (loss) for the year	2,832	(6,652)	229	(57)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the year	2,832	(6,652)	229	(57)
Non-controlling interest share in total comprehensive income (loss) for the year	2,095	(3,825)	127	(27)
Cash flows (used in) provide by:				
Operating activities	(3,556)	(8)	(342)	(40)
Investing activities	-	-	-	-

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	-	-	-	-

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 2023, income from this property amounting to P4.02 million (2022 - P3.94 million) was presented as rental income in profit or loss. Direct expenses incurred for this investment property amounted to P2.01 million (2022 - P2.18 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 movement of the account as at December 31:

	2023	2022
January 1	160,200,000	153,441,000
Fair value gains	3,380,000	6,759,000
December 31	163,580,000	160,200,000

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:

	2023	2022
January 1	121,251,807	114,492,807
Fair value gains	3,380,000	6,759,000
December 31	124,631,807	121,251,807

7 Property and equipment, net

Details and movements of the account 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, 2022	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
Additions	-	-	178,571	-	-	-	178,571
December 31, 2023	13,746,305	3,859,242	1,242,659	6,118,393	191,423	1,662,116	26,820,138
Accumulated depreciation							
January 1, 2022	13,746,305	3,859,242	808,547	5,433,942	186,052	1,662,116	25,696,204
Additions	-	-	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
Additions	-	-	79,007	196,783	-	-	275,790
December 31, 2023	13,746,305	3,859,242	945,297	6,085,103	191,423	1,662,116	26,489,486
Net book values							
December 31, 2022	-	-	197,798	230,073	-	-	427,871
December 31, 2023	-	-	297,362	33,290	-	-	330,652

As at December 31, 2023 and 2022, 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, 2023 and 2022.

8 Accounts payable and other current liabilities

The account as at December 31 consist of:

	2023	2022
Accounts payable and accrued expenses	4,779,162	6,310,690
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	62,343	72,836
	11,921,126	13,463,147

Accounts payable and accrued expenses represent third party payables and accruals on 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.

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, 2023 and 2022 (Note 15).

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

	2023	2022
Borrowings as at December 31	12,393,900	12,393,900
Cash as at December 31	(5,539,184)	(5,988,910)
Net debt as at December 31	6,854,716	6,404,990

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.

11 Equity

The account as at December 31, 2023 and 2022 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
Subscription receivable	(224,465,947)
Paid, issued and outstanding	975,534,053

No collection occurred during 2023 and 2022 with regard to the outstanding subscription receivable.

As at December 31, 2023 and 2022, there are 190 shareholders each owning more than one hundred (100) shares.

12 Other expenses

Details of the account for the years ended December 31 follow:

	2023	2022
Association dues	667,854	667,854
Office supplies	635,857	601,145
Communication, light and water	530,209	620,387
Taxes and licenses	422,241	260,477
Insurance	227,018	152,911
Repairs and maintenance	166,150	479,658
Magazines and periodicals	20,610	10,912
Postage	9,603	32,832
Miscellaneous	273,043	966,208
	2,952,585	3,792,384

13 Income taxes

Details of income tax benefit (expense) for the years ended December 31 relate to the following:

	2023	2022
Current	(63,218)	(42,154)
Deferred	5,971,512	(1,731,423)
	5,908,294	(1,773,577)

The net deferred income tax liabilities as at December 31 consist of:

	2023	2022
Deferred income tax liabilities		
Fair value gain on investment property	40,895,000	40,050,000
Unrealized gain on revaluation of securities	-	429,866
Unrealized foreign exchange gain, net	-	128,960
	40,895,000	40,608,826
Deferred income tax assets		
Retirement benefits obligation	(819,011)	(645,528)
Unrealized loss on revaluation of securities	(6,071,221)	-
Unrealized foreign exchange gain, net	(12,982)	-
Deferred rental income	(265,904)	(265,904)
	(7,169,118)	(911,432)
Net liabilities	33,725,882	39,697,394

Movements in net deferred income tax liabilities for the years ended December 31 follow:

	2023	2022
January 1	39,697,394	37,965,971
Charged (credited) to profit or loss	(5,971,512)	1,731,423
December 31	33,725,882	39,697,394

Deferred income tax assets are recognized to the extent that the realization of the related tax benefit through the future taxable profits is probable.

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	2023	2022
2023	2026	9,592,129	-
2022	2025	49,002,361	49,002,361
2021	2026	10,094,183	10,094,183
2020	2025	6,035,829	6,035,829
Total NOLCO		74,724,502	65,132,373
Deferred income tax asset not recognized at 25%		18,681,126	16,283,093

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	2023	2022
2023	2026	63,218	-
2022	2025	42,154	42,154
2021	2024	26,655	26,655
2020	2023	-	139,587
Total MCIT		132,027	208,396
Unrecognized		(132,027)	(208,396)
Recognized MCIT		-	-

As at December 31, 2023, the MCIT amounting to P63,218 (2022 - P42,154) 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:

	2023	2022
Loss before income tax	(45,421,472)	(62,168,247)
Tax on pretax income at 25%	(11,355,368)	(15,542,062)
Unrecognized NOLCO	2,398,032	12,250,590
Non-deductible expenses	3,025,443	1,586,349
Unrecognized MCIT	63,218	42,154
Income subjected to final tax	(759)	(46,621)
Non-taxable income	(38,860)	(33,083)
Adjustment for income subject to lower tax rate	-	3,516,250
	(5,908,294)	1,773,577

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:

	2023	2022
Net loss available to common shares	(39,513,178)	(63,941,824)
Divide by the average number of outstanding common shares	975,534,053	975,534,053
Loss per share - basic and diluted	(0.04)	(0.07)

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

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:

		2023		
	Notes	Transactions	Outstanding receivables (payables)	Terms and conditions
Advances to				
Subsidiaries (MAC,TAC, TTCI, TMHI, MMHC, TPHC)	4	4,205,751	30,510,823	Unsecured, non-interest bearing and collectible in cash on demand.
Borrowings from				
Entity under common control (IVM)	9	-	(12,393,900)	Unsecured, non-interest bearing and collectible in cash on demand.
Advances from				
Subsidiaries (TAC, MMHC, TPHC)		(20,709,015)	(146,030,473)	Unsecured, non-interest bearing
Other related party			(85,659)	and collectible in cash on demand.
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, 2022.

		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 (IVM)	9	-	(12,393,900)	Unsecured, non-interest bearing and collectible in cash on demand.
Advances from Subsidiaries (TAC, MMHC, TPHC)		(30,005,989)	(125,321,458)	Unsecured, non-interest bearing
Other related party		-	(85,659)	and collectible in cash on demand.
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.

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 2023, rental income from investment in a condominium unit amounted to P 4.2 million (2022 - P3.94 million) (Note 6).

As at December 31, the minimum aggregate rental receivables for future years follow:

	2023	2022
Within one (1) year	2,967,288	4,073,446
After one (1) year but not more than five (5) years	-	2,704,973
	2,967,288	6,778,419

17 Salaries and employee benefits

Details of salaries and employee benefits for the years ended December 31 follow:

	2023	2022
Salaries and wages	4,988,461	4,449,572
Employee benefits	2,654,039	1,365,956
Bonus and allowances	217,650	200,000
SSS, Philhealth and HDMF	275,166	221,891
	8,135,316	6,237,419

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 1/2 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:

	2023	2022
Retirement benefit obligation	3,276,044	2,582,111
Retirement expense (income)	693,933	(274,803)

The movements in the unfunded retirement benefit obligation for the years ended December 31 follow:

	2023	2022
January 1	2,582,111	2,856,914
Current service cost	451,517	442,852
Impact of discount	242,416	(717,655)
December 31	3,276,044	2,582,111

The retirement income is included under employee benefits (Note 17) in profit or loss.

The principal assumptions made as at December 31 follow:

	2023	2022
Discount rate	6.08%	6.85%
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.

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.

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

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:

	2023	2022
	In USD	In USD
Cash in bank	94,819	96,398
Exchange rates	55.57	56.12
Peso equivalent	5,269,092	5,409,856

Details of net foreign exchange gains for the years ended December 31 follow:

	2023	2022
Realized	73,937	-
Unrealized	(125,866)	515,837
	(51,929)	515,837

As at December 31, 2023 and 2022, 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, 2023	+/- 0.98%	+/- 38,729
December 31, 2022	+/- 10.54%	+/- 427,557

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.

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, 2023 and 2022, 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 P0.46 million (2022 - P 0.72 million) in profit or loss.

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, 2023 and 2022.

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
2023			
Cash in bank (i)	2	5,524,184	-
Other current assets* (ii)	4	-	2,586,312
		5,524,184	2,586,312
2022			
Cash in bank (i)	2	5,973,910	-
Other current assets* (ii)	4	-	2,774,898
		5,973,910	2,774,898

**This excludes 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 P2.59 million as at December 31, 2023 (2022 - P2.78 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, 2023				
Borrowings	9,15	-	12,393,900	12,393,900
Accounts payable and accrued expenses*	8	6,016,006	4,779,162	10,795,168
Advances from related parties	15	-	146,116,132	146,116,132
Advances from prospective shareholders	10	-	194,695,274	194,695,274
		6,016,006	357,984,468	364,000,474
December 31, 2022				
Borrowings	9,15	-	12,393,900	12,393,900
Accounts payable and accrued expenses*	8	6,016,006	6,310,690	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
		6,016,006	338,806,981	344,822,987

**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:

	2023	2022
Total (deficit) equity	(52,692,972)	(19,933,518)
Advances from prospective shareholders	194,695,274	194,695,274
	142,002,302	174,761,756

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, 2023 and 2022. 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 2023 and 2022.

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:

		2023		2022	
	Notes	Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Financial assets at fair value through profit or loss	3	45,639,998	45,639,998	71,644,346	71,644,346
Financial assets at amortized cost					
Cash	2	5,539,184	5,539,184	5,988,910	5,988,910
Other current assets*	4	2,586,312	2,586,312	2,774,898	2,774,898
Total assets		53,765,494	53,765,494	80,408,154	80,408,154
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	10,795,168	10,795,168	12,326,696	12,326,696
Advances from related parties	15	146,116,132	146,116,132	125,407,117	125,407,117
Advances from prospective shareholders	10	194,695,274	194,695,274	194,695,274	194,695,274
Total liabilities		364,000,474	364,000,474	344,822,987	344,822,987

**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, 2023 and 2022, 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.

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

Fair value of investment property (Note 6)

The Company's investment property has an estimated market value of P0.24 million per square meter at December 31, 2023 (2022 - P0.24 million) 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 2023 amounted to P163.58 million (2022 - P160.20 million). Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment property would be an estimated P16.36 million (2022 - P16.02 million) higher or lower.

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	2023	2022
Discount rate		
1% decrease	32,677	288,118
1% increase	(39,283)	(256,906)
Rate of salary increase		
1% decrease	300,386	393,619
1% increase	(333,996)	(179,974)

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, 2023 and 2022 is sufficient to cover non-recoverable amount.

As at December 31, 2023 and 2022, 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 P0.68 million (2022 - P0.72 million) in profit or loss.

21.2 Critical accounting judgments

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 P18.68 million and P0.13 million, respectively, (2022 - P16.28 million NOLCO and P0.21 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.

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.

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, 2023 and 2022.

22 Summary of material accounting policies

The material 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, except for the financial assets at FVPL and investment property measured at fair value.

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, 2023 and 2022 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

The following amendments to existing standards were relevant and adopted by the Company for the first time from January 1, 2023:

- Amendments to PAS 1, *'Presentation of Financial Statements'*, and PFRS Practice Statement 2

  The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) 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.

  To support this amendment, PFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

- Amendment to PAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors'*

  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.

- Amendments to PAS 12, *'Income Taxes'*

  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.

The adoption of the amendments of PAS 1 was considered by management in the December 31, 2023 separate financial statements by disclosing material accounting policy information rather than significant account policies. All other amendments to existing standards are not expected to have a material impact on the financial statements of the Company.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Parent Company's financial statements.

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

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Company. None of these are expected to be relevant and have an effect on the financial reporting of the Company, while the most relevant ones are set out as follows:

- Amendments to PAS 1, *'Presentation of Financial Statements'*

  Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified 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 entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

  Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

  The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

  - the carrying amount of the liability
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

  The amendments must be applied retrospectively in accordance with the normal requirements in PAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors'*. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The amendments did not significantly affect the Company's accounting policies and financial statements. Other new standards, and amendments and interpretations to existing standards.

22.2 Financial instruments

Financial assets

(a) Classification

The Parent Company classifies its financial assets in the following measurement categories: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Company did not hold financial assets under the category financial assets at FVOCI as at December 31, 2023 and 2022.

(i) 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) 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) Recognition and measurement

(i) 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.

(ii) Subsequent measurement

- 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.

- 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.

(c) 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.

(d) 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.

Financial liabilities

(a) Classification

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.

(i) Amortized cost

Liabilities that are held for payment of contractual cash flows where those cash outflows represent solely payments of principal and interest are measured at amortized cost. Interest expense from these financial liabilities is included in finance expense 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.

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).

(b) Recognition and measurement

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

(c) Derecognition

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

22.3 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 22.7.

22.4 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 22.7).

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.

22.5 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 22.7.

22.6 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.

22.7 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.

22.8 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 22.2.

22.9 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.

22.10 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.

22.11 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.

22.12 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.

22.13 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.

22.14 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.

22.15 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.

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, 2023 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	4,214,959	505,795

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, 2023 follows:

	Amount
Beginning balance	2,635
Add: Current year's domestic purchases/payments for:	156,681
Services lodged under other accounts	329,474
Total input VAT	488,790

(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, 2023 consist of:

	Amount
Real property tax	234,630
Mayor's permit	22,853
Others	164,758
	234,630

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, 2023 consist of:

	Paid	Accrued	Total
Expanded withholding tax	17,079	971	18,050
Withholding tax on compensation	575,995	59,201	635,196

(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.

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-473-206-000
Name	: MABUHAY HOLDINGS CORPORATION
RDO	: 047
Form Type	: 1702
Reference No.	: 462400059102695
Amount Payable (Over Remittance)	: -2,082,494.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2023
Date Filed	: 04/11/2024
Tax Type	: IT

[BIR Main | eFPS Login | User Menu | Help]

Gmail MABUHAY HOLDINGS CORPORATION <mabuhayhldgscorp@gmail.com>

BIR Email Notification (eFiling of Tax Return)

1 message

no-reply@bir.gov.ph <no-reply@bir.gov.ph> Thu, Apr 11, 2024 at 2:47 PM
To: mabuhayhldgscorp@gmail.com

Good Day MABUHAY HOLDINGS CORPORATION,

Thank you for filing your Return through eFPS.

This email indicates that the eFiled Return has been submitted to BIR, see below the summary details of your tax filing transaction for your reference. To ensure that the said transaction was successfully submitted, please inquire your eReturn Details through the eFPS Tax Inquiry.

From,

Bureau of Internal Revenue

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-473-206-000
Name	: MABUHAY HOLDINGS CORPORATION
RDO	: 047
Form Type	: 1702
Reference No.	: **462400059102695**
Amount Payable / (Over Remittance)	: -2082494.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2023
Date Filed	: 04/11/2024
Tax Type	: IT

PLEASE DO NOT REPLY TO THIS E-MAIL

Gmail

Gloria Georgia Garcia <ggg.mhc@gmail.com>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph> Mon, Apr 15, 2024 at 8:41 PM
To: MABUHAYHOLDINGS.EAFS@gmail.com
Cc: GGG.MHC@gmail.com

Hi MABUHAY HOLDINGS CORPORATION,

Valid files

- EAFS000473206OTHTY122023.pdf
- EAFS000473206TCRTY122023-01.pdf
- EAFS000473206AFSTY122023.pdf
- EAFS000473206ITRTY122023.pdf
- EAFS000473206RPTTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-43YQ21V02WV3V2PVMVM23SVN0BCKLGGGL**
Submission Date/Time: **Apr 15, 2024 08:41 PM**
Company TIN: **000-473-206**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

Gmail Gloria Georgia Garcia <ggg.mhc@gmail.com>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph> Mon, Apr 15, 2024 at 8:49 PM
To: MABUHAYHOLDINGS.EAFS@gmail.com
Cc: GGG.MHC@gmail.com

Hi MABUHAY HOLDINGS CORPORATION,

Valid file

- EAFS000473206AFSTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-BHJ8CAD608HBH9FC9MQMZTTR10MYVMT1ZW**
Submission Date/Time: **Apr 15, 2024 08:49 PM**
Company TIN: **000-473-206**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
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- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

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
	SEC	

2023 SUSTAINABILITY REPORT

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
mabuhayholdings@yahoo.com	8850-2000	0908 8941610

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
198	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	8850-2000	09088941610

CONTACT PERSON's ADDRESS

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

Note 1: 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.

Note 2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

MABUHAY
HOLDINGS CORPORATION

Sustainability Report

Contextual Information

Company Details	
Name of Organization	Mabuhay Holdings Corporation
Location of Headquarters	35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223
Location of Operations	35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Parent and Subsidiaries
Business Model, including Primary Activities, Brands, Products, and Services	Holding Company
Reporting Period	December 31, 2023
Highest Ranking Person responsible for this report	Esteban G. Peña Sy, President

Materiality Process

Mabuhay Holdings Corporation as a holding company regularly reviews our processes taking into consideration our current lean organization. With our size, structure, risk profile and nature of operations, we are committed to minimizing our negative impact to the economy, the environment and the society by enhancing our operations to align with the frameworks on sustainability.

In general, materiality shall be determined based on the following elements:

- Significant economic, environmental, and social impacts of the organization;
- Information that substantively influence the assessments and decisions of stakeholders, including investors;
- Matters that substantively affect the organization’s ability to create value over the short, medium and long term.

Materiality Assessment Process

Our assessment process shall adopt the following steps:

Step 1 - Objective and Scope

The objective shall include the identification of relevant sustainability disclosures to allow stakeholders to make decisions based on these disclosures.

Step 2 - Identification and Categorization of Sustainability Issues

Sustainability issues shall be taken from board committee reports, risk management assessments, management meetings, government regulations, international standards, stakeholder feedback and complaints, media review, and external peer review.

Step 3 - Stakeholder Engagement

Stakeholders shall be engaged to enable the Company to have a grasp on the sustainability threats and opportunities that the Company may not be aware of.

Step 4 - Prioritization

Prioritization of disclosures that will be reported shall be based on the impact of such disclosure to the stakeholders and the capacity of the stakeholders to influence the Company regarding such disclosure.

Step 5 - Process and Review

The top management shall review and approve the disclosures that will be reported by the Company to ensure integrity and credibility.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	23,699,578	PhP
Direct economic value distributed:		
a. Operating costs	7,823,062	PhP
b. Employee wages and benefits	8,196,659	PhP
c. Payments to suppliers, other operating costs	6,769,842	Php
d. Dividends given to stockholders and interest payments to loan providers	0	PhP
e. Taxes given to government	2,395,865	PhP
f. Investments to community (e.g. donations, CSR)	0	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy.	

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities	*Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material*	*Disclose how the organization identifies, assesses, and manages climate-related risks*	*Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material*
Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities	*a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term*	*a) Describe the organization's processes for identifying and assessing climate-related risks*	*a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process*
The Company's Manual on Corporate Governance states: The Company should be socially responsible in all its dealings with the communities where it operates. It shall ensure that its interaction serve its environment and stakeholders in a positive and progressive manner that is fully supportive of Its comprehensive and balanced development. The Company shall recognize and place an importance on the Interdependence between business and society, and promote a mutually beneficial relationship, that allows the company to grow its business while contributing to the advancement of the society where it operates.	The increased awareness and studies on climate change have affected our considerations on business models and opportunities in the pipeline. We understand the changing paradigms and we take these into serious account in strategizing and financial planning matters.	The Company adopted the following measures to manage climate related risks: a. Climate risk management is an integral part of the project cycle. b. Continuous enhancement of board/ management/ employee competencies on climate related initiatives and actively developing climate risk management activities.	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, any project we intend to pursue in the short, medium and long-term periods will also include our sustainability efforts.

b) Describe management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
The Company's Manual on Corporate Governance states: The Company should be socially responsible in all its dealings with the communities where it operates. It shall ensure that its interaction serve its environment and stakeholders in a positive and progressive manner that is fully supportive of Its comprehensive and balanced development. The Company shall recognize and place an importance on the Interdependence between business and society, and promote a mutually beneficial relationship, that allows the company to grow its business while contributing to the advancement of the society where it operates.	The Company's increased awareness on matters related to climate change has an impact on our future business ventures for which we take account and consider.	We adopted measures to manage climate related risks: a. Climate risk management is included as an integral part of the project cycle which includes climate risk screening at the early stage. b.Continuously enhancing competencies of the board, management and employees and developing climate risk management activities within the organization.	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, any project we intend to pursue in the short, medium and long-term periods will also include our sustainability efforts.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, any project we intend to pursue in the short, medium and long-term periods will also include our sustainability efforts. We cannot categorically indicate the degree of resilience our strategies. We are committed to climate related matters and seriously considers these issues.	On any project we are considering, it is important to us to anticipate future trends.	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy.	

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization’s anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization’s anti-corruption policies and procedures have been communicated to	not applicable	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy.	

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risks in terms of corruption.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risks in terms of corruption.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in terms of corruption.	

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	0	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	N/A	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	N/A	GJ
Energy reduction (electricity)	N/A	kWh
Energy reduction (gasoline)	N/A	GJ

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, only consumes purchased electricity equivalent to the use of lights and office equipment like computers. We do not directly consume fuel within the organization, or by sources we own or control.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risks in terms of energy consumption practices.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in terms of energy consumption practices other than conserving electricity consumption in its day to day use of the lights and computers.	

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	N/A	Cubic meters
Water recycled and reused	N/A	Cubic meters

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in terms of water consumption. Water consumption within the organization are mainly for general cleaning of office premises.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**

Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risks in terms of water consumption.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in terms of water consumption.	

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	0	kg/liters
• non-renewable	0	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.	

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored	None	ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	None	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.	

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.	

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.	

Air pollutants

Disclosure	Quantity	Units
NO_x	0	kg
SO_x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.	

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	0	kg
Reusable	0	kg
Recyclable	0	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.	

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.	

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.	

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.	

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.	
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.	
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.	

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees		
a. Number of female employees	4	#
b. Number of male employees	4	#
Attrition rate	0%	rate
Ratio of lowest paid employee against minimum wage	N/A	ratio

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	0	0
PhilHealth	Y	0	0
Pag-ibig	Y	0	0
Parental leaves	Y	0	0
Vacation leaves	Y	100	100

Sick leaves	Y	100	100
Medical benefits (aside from PhilHealth))	Y	0	0
Housing assistance (aside from Pag-ibig)	N	0	0
Retirement fund (aside from SSS)	Y	0	0
Further education support	N	0	0
Company stock options	N	0	0
Telecommuting	N	0	0
Flexible-working Hours	Y	0	0
(Others)		0	0

Employee benefits

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.
What are the Risk/s Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	0	hours
b. Male employees	0	hours
Average training hours provided to employees		
a. Female employees	0	hours/employee
b. Male employees	0	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.
What are the Risk/s Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.

What are the Risk/s Identified?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	50	%
% of male workers in the workforce	50	%
Number of employees from indigenous communities and/or vulnerable sector	1	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.
What are the Risk/s Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	Not applicable	Man-hours
No. of work-related injuries	Not applicable	#
No. of work-related fatalities	Not applicable	#
No. of work related ill-health	Not applicable	#
No. of safety drills	2	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.
What are the Risk/s Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.
What are the Risk/s Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Not Applicable.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.
What are the Risk/s Identified?	**Management Approach**

Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	*Location*	*Vulnerable groups (if applicable)**	*Does the particular operation have impacts on indigenous people (Y/N)?*	*Collective or individual rights that have been identified that or particular concern for the community*	*Mitigating measures (if negative) or enhancement measures (if positive)*
NONE	NONE	NONE	N	NONE	NONE

Certificates	**Quantity**	**Units**
FPIC process is still undergoing	NOT APPLICABLE	#
CP secured	NOT APPLICABLE	#

What are the Risk/s Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	None	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.
What are the Risk/s Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety	0	#
No. of complaints addressed	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.
What are the Risk/s Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.

What are the Opportunity/ies Identified?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling	0	#
No. of complaints addressed	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.
What are the Risk/s Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.
What are the Risk/s Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter.
What are the Risk/s Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter.
What are the Opportunity/ies Identified?	**Management Approach**
Not applicable	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Rental of office spaces	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible societal value/contribution to UN SDGs.	The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible potential negative impact of contribution to UN SDGs.	The Company manages its day to day with a general concept of responsibility, sustainability and consciousness.

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	8850-2000	

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
198	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	8850-2000	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, 2024**

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) 8850-2000**

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

PART I – ITEM 1 - FINANCIAL STATEMENTS

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF MARCH 31, 2024 AND DECEMBER 31, 2023

(All amounts in Philippine Peso)

	Notes	Unaudited March 31, 2024	Audited December 31, 2023
ASSETS			
Current Assets			
Cash	2	₱38,661,633	₱39,408,062
Financial assets at fair value through profit or loss	3	125,312,377	117,980,762
Receivables and other current assets	4,12	52,322,302	56,900,257
Total current assets		216,296,312	214,289,081
Non-Current Assets			
Property and equipment, net	5	331,377	362,751
Investment properties	6	590,323,008	590,199,464
Total non-current assets		590,654,385	590,562,215
TOTAL ASSETS		₱806,950,697	₱804,851,296
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	7	₱20,589,915	₱20,738,376
Borrowings	8,12	13,624,642	13,624,642
Advances from related parties	12	9,246,796	9,271,875
Income tax payable		413,966	338,847
Advances from prospective shareholders	9	194,695,274	194,695,274
Total current liabilities		238,570,593	238,669,014
Non-Current Liabilities			
Provision for retirement benefits	15	3,276,044	3,276,044
Deferred income tax liabilities, net		130,308,280	130,308,280
Total non-current liabilities		133,584,324	133,584,324
Total Liabilities		372,154,917	372,253,338
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)		(693,167,909)	(694,453,028)
		223,738,280	222,453,161
Non-controlling interest		211,057,500	210,144,797
Total equity		434,795,780	432,597,958
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		₱806,950,697	₱804,851,296

See accompanying notes to consolidated financial statements.

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME
FOR THE PERIODS ENDED MARCH 31, 2024 AND 2023

(All amounts in Philippine Peso)

Unaudited

	Notes	Jan 1 - Mar 31 2024	Jan 1 - Mar 31 2023
INCOME			
Unrealized gain on revaluation of financial assets at FVPL		₱7,331,615	-
Rental income	6	1,038,696	993,235
Management and service fee		500,794	1,665,480
Foreign exchange gain, net		67,704	-
Interest income		9,494	167,439
Others		174,892	61,556
		9,123,195	2,887,710
EXPENSES			
Salaries and employee benefits	14	2,227,345	2,095,371
Professional fees		204,271	204,271
Depreciation		31,374	131,883
Unrealized loss on revaluation of financial assets at FVPL		-	6,399,392
Foreign exchange loss, net		-	163,009
Other operating expenses	16	4,376,877	4,760,414
		6,839,867	13,754,340
INCOME (LOSS) BEFORE INCOME TAX		2,283,328	(10,866,630)
PROVISION FOR INCOME TAX		85,506	259,754
NET INCOME (LOSS)		2,197,822	(11,126,384)
OTHER COMPREHENSIVE INCOME (LOSS)		-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		₱2,197,822	(₱11,126,384)
NET INCOME (LOSS) ATTRIBUTABLE TO:			
Shareholders of the Parent Company		₱1,285,119	(₱10,164,124)
Non-controlling interest		912,703	(962,260)
		₱2,197,822	(₱11,126,384)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:			
Shareholders of the Parent Company		₱1,285,119	(₱10,164,124)
Non-controlling interest		912,703	(962,260)
		₱2,197,822	(₱11,126,384)
Basic and diluted earnings (loss) per share attributable to shareholders of the Parent Company		0.00132	(0.01042)

See accompanying notes to consolidated financial statements.

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2024 AND 2023

(All amounts in Philippine Peso)

Unaudited

	Equity Holders of the Company					
	Share Capital (Note 10)	**Treasury Shares (Note 10)**	**Retained Earnings (Deficit)**	**Attributable to Shareholders of the Parent Company**	**Non-controlling Interest**	**Total**
Balances at December 31, 2022	₱975,534,053	(₱58,627,864)	(₱631,295,740)	₱285,610,449	₱211,772,055	₱497,382,504
Comprehensive Income (Loss)						
Net income (loss) for the period	-	-	(10,164,124)	(10,164,124)	(962,260)	(11,126,384)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	(10,164,124)	(10,164,124)	(962,260)	(11,126,384)
Balances at March 31, 2023	₱975,534,053	(₱58,627,864)	(₱641,459,864)	₱275,446,325	₱210,809,795	₱486,256,120
Balances at December 31, 2023	₱975,534,053	(₱58,627,864)	(₱694,453,028)	₱222,453,161	₱210,144,797	₱432,597,958
Comprehensive Income (Loss)						
Net income (loss) for the period	-	-	1,285,119	1,285,119	912,703	2,197,822
Other comprehensive income (loss)	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	1,285,119	1,285,119	912,703	2,197,822
Balances at March 31, 2024	**₱975,534,053**	**(₱58,627,864)**	**(₱693,167,909)**	**₱223,738,280**	**₱211,057,500**	**₱434,795,780**

See accompanying notes to consolidated financial statements.

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED MARCH 31, 2024 AND 2023

(All amounts in Philippine Peso)

Unaudited

	Jan 1 - Mar 31 2024	Jan 1 - Mar 31 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
INCOME (LOSS) BEFORE INCOME TAX	₱2,283,328	(₱10,866,630)
Adjustments for:		
Unrealized loss (gain) on revaluation of financial assets at FVPL	(7,331,615)	6,399,392
Unrealized foreign exchange loss (gain)	(67,704)	163,009
Depreciation	31,374	131,883
Interest income	(9,494)	(167,439)
Dividend income	(174,892)	(61,556)
Operating profit (loss) before working capital changes	(5,269,003)	(4,401,341)
Decrease (increase) in:		
Receivables and other current assets	4,577,955	(6,323,897)
Increase (decrease) in:		
Accounts payable and other current liabilities	(148,461)	69,729
Advances from related parties	(25,079)	254,550
Cash provided by (used in) operating activities	(864,588)	(10,400,959)
Interest received	9,494	167,439
Dividend received	174,892	61,556
Income taxes paid	(10,387)	(9,932)
Net cash generated from (used in) operating activities	(690,589)	(10,181,896)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investment properties	(123,544)	-
Additional investment in financial assets at FVTPL	-	(1,855,050)
Net cash used in investing activities	(123,544)	(1,855,050)
NET INCREASE (DECREASE) IN CASH	(814,133)	(12,036,946)
Cash at January 1	39,408,062	83,241,547
Effect of exchange rates on cash	67,704	(163,009)
Cash at March 31	₱38,661,633	₱71,041,592

See accompanying notes to consolidated financial statements.

MABUHAY HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED AGING OF RECEIVABLES (Note 4)
AS OF MARCH 31, 2024

	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
Greenroof Corporation	44,203,698	1,576,603		42,627,095
Crawford & Company Philippines, Inc.	303,078	303,078		
Others	3,957,919	2,065,422		1,892,497
Totals	₱49,639,567	₱3,945,103	-	₱45,694,464

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, 2024 and December 31, 2023.

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.

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.

On August 9, 2023, the Parent Company's wholly-owned subsidiary, T&M Holdings, Inc.(TMHI) , entered into a Deed of Sale agreement for the purchase of a parcel of land for the purpose of developing and converting it to an affordable housing project with a total area of thirty six thousand six hundred seventy nine (36,679) square meters located in Barangay Bolboc, Lipa City, Batangas. TMHI has made partial payments for the acquisition recorded in the books as "Investment properties". As at March 31, 2024, TMHI is in the process of documenting the transfer of ownership of the property, documentation of the planned subdivision project and planning for its design and development.

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 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.

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. Its subsidiaries have no significant working capital requirements and most are currently dormant. The Group will continue to look for opportunities to invest in projects that will bring benefit to our shareholders and the community as a whole.

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, 2024	Dec 31, 2023
Cash on hand	32,000	32,000
Cash in banks	38,629,633	39,376,062
	38,661,633	39,408,062

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, 2024 and the year ended December 31, 2023 are as follows:

	March 31, 2024	Dec 31, 2023
Balance as at beginning of period	117,980,762	179,709,295
Acquisitions	-	1,855,050
Disposal	-	-
Gain (loss) on revaluation	7,331,615	(63,583,583)
Balance as at end of period	125,312,377	117,980,762

The account as at March 31, 2024 and December 31, 2023 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.

Dividends earned amounted to P174,892 for the quarter ended March 31, 2024 and P590,530 for the year ended December 31, 2023 credited to profit and loss.

Note 4 - Receivables and other current assets

The account at March 31 and December 31 consists of:

	March 31, 2024	Dec 31, 2023
Receivables:		
Advances to a contractor	44,203,698	48,871,149
Due from related parties	1,619,704	1,647,286
Advances to employees	2,065,422	2,085,837
Advances to third parties	865,132	600,000
Rent receivable	303,078	-
Other receivables	582,533	1,142,729
	49,639,567	54,347,001
Other current assets:		
Prepayments	2,682,735	2,553,256
	52,322,302	56,900,257

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, 2024 and the year ended December 31, 2023, the Company has earned management and service fee arising from the revised arrangement amounting to P0.501 million and P4.68 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, 2024 and December 31, 2023 follow:

	Furniture and fixtures	Office equipment	Communication and other equipment	Office condominium	Transportation equipment	Building improvements	Total
COST							
Balances as at December 31, 2023	1,662,116	1,315,140	191,423	13,746,305	6,118,393	3,859,242	26,892,619
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balances as at March 31, 2024	1,662,116	1,315,140	191,423	13,746,305	6,118,393	3,859,242	26,892,619
ACCUMULATED DEPRECIATION							
Balances as at December 31, 2023	1,662,116	971,183	191,423	13,746,305	6,099,599	3,859,242	26,529,868
Additions	-	27,807	-	-	3,567	-	31,374
Disposals	-	-	-	-	-	-	-
Balances as at March 31, 2024	1,662,116	998,990	191,423	13,746,305	6,103,166	3,859,242	26,561,242
NET BOOK VALUES							
December 31, 2023	0	343,957	0	0	18,794	0	362,751
March 31, 2024	**0**	**316,150**	**0**	**0**	**15,227**	**0**	**331,377**

Depreciation expense of P31,374 for the quarter ended March 31, 2024 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.

Movement of the account as at March 31 and December 31 follows:

	March 31, 2024	Dec 31, 2023
Balance as at beginning of period	590,199,464	539,524,000
Fair value gains	-	13,742,000
Additions	123,544	36,933,464
Balance as at end of period	590,323,008	590,199,464

During 2023, the Group acquired an additional investment property with a cost of P36.93 million, in which P9.17 million remains unpaid as at year-end.

Note 7 – Accounts payable and other current liabilities

The account at March 31 and December 31 consists of:

	March 31, 2024	Dec 31, 2023
Accounts payable and other accrued expenses	16,345,998	16,734,907
Accrued interest on borrowings	2,879,506	2,879,506
Deferred rental income	1,063,615	1,063,615
Withholding taxes payable	300,796	60,348
	20,589,915	20,738,376

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, 2024 and December 31, 2023.

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

	March 31, 2024	Dec 31, 2023
Borrowings as at beginning of period	13,624,642	13,624,642
Cash as at end of period	(38,661,633)	(39,408,062)
Net debt as at end of period	(25,036,991)	(25,783,420)

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, 2024 and December 31, 2023 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:

	2024	2023
Net income (loss) attributable to shareholders of the Parent Company	₱1,285,119	(₱63,157,288)
Divided by the average no. of outstanding common shares	975,534,053	975,534,053
Basic earnings per share	0.00132	(0.0647)

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, 2024	Dec 31, 2023
Entities under common control		
Intrinsic Value Management (IVM) Phil. Strategic International Holdings Inc. (PSIHI) South China Holdings Corporation (SCHC)	1,619,704	1,647,286

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)	9,250,269	9,271,875

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, 2024 and 2023 consist of:

	March 31, 2024	March 31, 2023
Salaries and wages	1,175,175	1,189,947
SSS, Philhealth and HDMF	73,276	68,792
Others	978,894	836,632
	2,227,345	2,095,371

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, 2024 and 2023 consist of:

	March 31, 2024	March 31, 2023
Taxes and licenses	1,435,549	1,217,007
Transportation and travel	484,512	724,115
Communication, light and water	118,970	194,290
Other fees	250,000	250,000
Miscellaneous	2,087,846	2,375,002
	4,376,877	4,760,414

Note 17 - 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.

17.1 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.

17.2 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.

17.3 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.

17.4 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.

17.5 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, 2024 and December 31, 2023, 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.

17.6 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 18 - 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.

18.1 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 2024 and 2023 amounted to P590.323 million and P590.199 million, respectively. Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment properties would have been P59.03 million and P59.02 million higher or lower, respectively.

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.

18.2 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.

(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 P590.323 million and P590.199 million as at March 31, 2024 and December 31, 2023. No impairment loss was recognized on investment properties for the period ended March 31, 2024 and the year ended December 31, 2023.

Note 19 - 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.

19.1 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.

19.2 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.

19.3 Basis of consolidation
The consolidated financial statements comprise the financial statements of the Group as at March 31, 2024 and December 31, 2023. 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.

19.4 Cash

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

19.5 Financial instruments

19.5.1 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.

19.5.2 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.

19.5.3 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.

19.5.4 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.

19.5.5 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.

19.6 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.

19.7 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.

19.8 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.

19.9 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.

19.10 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.

19.11 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.

19.12 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.

19.13 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.

19.14 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.

19.15 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.

19.16 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.

19.17 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.

19.18 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.

19.19 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.

19.20 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.

19.21 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 December 31, 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.

On August 9, 2023, the Parent Company's wholly-owned subsidiary, T&M Holdings, Inc.(TMHI) , entered into a Deed of Sale agreement for the purchase of a parcel of land for the purpose of developing and converting it to an affordable housing project with a total area of thirty six thousand six hundred seventy nine (36,679) square meters located in Barangay Bolboc, Lipa City, Batangas. TMHI has made partial payments for the acquisition recorded in the books as "Investment properties". As at March 31, 2024, TMHI is in the process of documenting the transfer of ownership of the property, documentation of the planned subdivision project and planning for its design and development.

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 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 2024.

Financial Position

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	Increase (Decrease)	%
Current Assets	216,296,312	214,289,081	2,007,231	0.94%
Non-current Assets	590,654,385	590,562,215	92,170	0.02%
Total Assets	806,950,697	804,851,296	2,099,401	0.26%
Current Liabilities	238,570,593	238,669,014	(98,421)	(0.04%)
Non-current Liabilities	133,584,324	133,584,324	0	0.00%
Equity	434,795,780	432,597,958	2,197,822	0.51%

Explanation to Accounts with Material Variance (March 2024 vs. December 2023)

Current Assets
Cash amounted to P38.662 million as of March 31, 2024 as compared to P39.408 million as of December 31, 2023, or a decrease of 1.89% or P0.746 million attributed mainly to cash used for working capital.

Financial assets at fair value through profit or loss amounted to P125.312 million as of March 31, 2024 as compared to P117.981 million as of December 31, 2023, or an increase of 6.21% or P7.332 million mainly due to recognition of unrealized gain on revaluation of securities as of end of March 2024.

Receivables and other current assets amounted to P52.322 million as of March 31, 2024 as compared to P56.900 million as of December 31, 2023, or a decrease of P4.578 million or 8.05% mainly due to collection of receivables related to the development of the housing project.

Non-Current Assets
Property and equipment, net amounted to P0.331 million as of March 31, 2024 as compared to P0.363 million as of December 31, 2023, or a decrease of 8.65% or P31k mainly due to depreciation charges for the first quarter.

Investment properties amounted to P590.323 million as of March 31, 2024 and P590.199 million as of December 31, 2023, or an increase of P124K or 0.02% mainly due to additional expenses attributable to the acquisition of a property in Lipa City, Batangas. There is no increase in appraised value recognized during the first quarter of 2024.

Current Liabilities
Accounts payable and other current liabilities amounted to P20.590 million as of March 31, 2024 as compared to P20.738 million as of December 31, 2023, or a decrease of 0.72% or P149k mainly due to payments/remittances made.

Equity
Retained Earnings (Deficit) amounted to (P693.168 million) as of March 31, 2024 and (P694.453 million) as of December 31, 2023, or a decrease in Deficit of P1.285 million attributed mainly to the net income recognized by the Group for the first quarter.

Results of Financial Operations

January to March 2024 compared with January to March 2023

	Three Months Ended March 31			
	2024	**2023**	**Increase (Decrease)**	**%**
Income	9,123,195	2,887,710	6,235,485	215.93%
Expenses	6,839,867	13,754,340	(6,914,473)	(50.27%)
Net Income (loss)	2,197,822	(11,126,384)	13,324,206	(119.75%)

A comparative review of the Registrant's financial operations for the quarter ended March 31, 2024 vis-à-vis the same period of prior year showed the following:

Total Income increased by P6.235 million or 215.93% mainly due to the recognition of unrealized gain on revaluation of securities as compared to a loss in the same period of 2023, offset by a lower management and service fees recorded during the current period and lower dividend income received. Interest income is lower during the current period by P158k or 94.33%. Foreign exchange gains in for the first quarter of 2024 amounted to P68K as compared to a foreign exchange loss of P163K in the same period of 2023.

Total expenses decreased by P6.914 million or 50.27% mainly due to unrealized loss on revaluation of securities of P6.399 million in 2023 as compared to zero in 2024.

Net income before income taxes registered at P2.283 million for the first quarter of 2024 and net loss after income tax provision amounted to P2.198 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, 2024	Dec. 31, 2023
Net profit (loss) ratio	0.2409	(2.7336)
Return on assets	0.0027	(0.0805)
Return on equity	0.0051	(0.1498)
Current ratio	0.9066	0.8979
Acid test ratio	0.8967	0.8872
Debt to equity	0.8559	0.8605
Debt to asset	0.4612	0.4625
Asset to equity	1.8558	1.8605
Interest coverage	-	-
Earnings (loss) per share	0.0013	(0.0647)

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 13, 2024

GLORIA GEORGIA G. GARCIA
Treasurer & Chief Financial Officer
Date: May 13, 2024

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
AFS	SEC	

2023 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
mabuhayholdings@yahoo.com	8850-2000	0908 8941610

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
198	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	8850-2000	0908891610

CONTACT PERSON's ADDRESS

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

Note 1: 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.

Note 2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

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, 2023 and 2022, 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 or members.

ISLA LIPANA & CO., the independent auditor, 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 or members, 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
Treasurer & Chief Financial Officer

Signed this _______ day of April 2024

35TH FLOOR, RUFINO PACIFIC TOWER, 6784 AYALA AVENUE, MAKATI CITY 1223, PHILIPPINES
TEL. NO: (632) 750-2000 FAX NO.: (632) 751-0773

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

APR 15 2024

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this ______ day of ______, affiants exhibiting to me their Community Tax Certificate/Driver's License / Passport, as follows:

Affiant	**CTC No./DL/SC Passport No.**	**Date of Issue/Place of Issue/Expiry**
Roberto V. San Jose	Senior Citizen ID 2957	September 29, 2008 / Muntinlupa
Esteban G. Peña Sy	P8276657A	August 09, 2018/DFA NCR Central
Gloria Georgia G. Garcia	P8316836A	August 01, 2018/DFA NCR North East

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Page No. 51
Book No. 214
Series of 2024

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. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

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 Consolidated Financial Statements

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, 2023 and 2022, and the financial performance and cash flows for each of the three years in the period ended December 31, 2023 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, 2023 and 2022;
- the consolidated statements of comprehensive income for each of the three years in the period ended December 31, 2023;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2023;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2023; and
- the notes to the consolidated financial statements, including material accounting policy information.

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 This is a key audit matter mainly due to the significance of the account and movement of the fair values of the investment properties. 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 2023, the Group recognized a fair value gain amounting to P13.74 million. As at December 31, 2023, total investment properties, carried at fair value, amount to P590.20 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 issued by third party valuers engaged by management 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 have also evaluated competence, capabilities and objectivity of the independent valuers by reviewing their profile, qualifications, client portfolio and business relationship with the Group. Likewise, we have assessed the propriety of the accounting policy adopted by the Group's management on investment property and the

Refer to Note 6 to the consolidated financial statements for the details of the investment properties and Note 21.1 for discussion on critical accounting estimates and assumptions.	calculation of the fair value in accordance with PAS 40 and PFRS 13, respectively.

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) and SEC Form 17-A (Annual Report) for the year ended December 31, 2023, but do not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement) and 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 is 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 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024

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 (the “Parent Company”) and its Subsidiaries (together, the “Group”) as at and for the year ended December 31, 2023, on which we have rendered the attached report dated April 15, 2024. The supplementary information shown in the Reconciliation of the Parent Company’s Retained Earnings for Dividend Declaration as at December 31, 2023, Map of Relationships of the Companies within the Group as at December 31, 2023, and Schedules A, B, C, D, E, F and G as at December 31, 2023 as additional components required by the Revised Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of management and have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised Rule 68 of the SRC.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 12, 2024, Makati City
TIN 221-755-698
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Makati City
April 15, 2024

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 and its Subsidiaries (together, the “Group”) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 15, 2024. Our audits were made for the purpose of forming an opinion on the basic 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 Rule 68 of the SRC issued by the Securities and Exchange Commission and is not a required part of the basis 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 December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 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 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash	2	39,408,062	83,241,547
Financial assets at fair value through profit or loss (FVPL)	3	117,980,762	179,709,295
Receivables and other current assets	4	56,900,257	58,678,903
Total current assets		214,289,081	321,629,745
Noncurrent assets			
Property and equipment, net	5	362,751	474,466
Investment properties	6	590,199,464	539,524,000
Total noncurrent assets		590,562,215	539,998,466
Total assets		804,851,296	861,628,211
Liabilities and Equity			
Current liabilities			
Accounts payable and other current liabilities	7	20,738,376	12,810,290
Borrowings	8	13,624,642	13,624,642
Advances from related parties	14	9,271,875	8,992,396
Income tax payable	12	338,847	120,445
Advances from prospective shareholders	10	194,695,274	194,695,274
Total current liabilities		238,669,014	230,243,047
Non-current liabilities			
Retirement benefits obligation	17	3,276,044	2,582,111
Deferred income tax liabilities, net	12	130,308,280	131,420,549
Total non-current liabilities		133,584,324	134,002,660
Total liabilities		372,253,338	364,245,707
Equity			
Attributable to shareholders of the Parent Company			
Share capital	9	975,534,053	975,534,053
Treasury shares	9	(58,627,864)	(58,627,864)
Deficit		(694,453,028)	(631,295,740)
		222,453,161	285,610,449
Non-controlling interest		210,144,797	211,772,055
Total equity		432,597,958	497,382,504
Total liabilities and equity		804,851,296	861,628,211

(The notes on pages 1 to 27 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, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Income				
Gain on fair value change in investment properties	6	13,742,000	17,397,000	22,112,050
Management and service fee	4	4,681,954	5,128,725	1,943,558
Rental income	15	4,018,401	3,935,158	1,601,914
Dividend income	3	590,530	397,220	77,385
Interest income	2	470,539	442,308	894,422
Foreign exchange gain, net	20.1	-	515,837	278,089
Gain on disposal of investment properties	6	-	-	4,358,661
Gain on sale of securities	3	-	575,628	-
Other income		196,154	280,282	-
		23,699,578	28,672,158	31,266,079
Expenses				
Unrealized loss on revaluation of financial assets at FVPL	3	63,583,583	35,235,892	48,876,118
Salaries and employee benefits	16	8,196,659	6,237,419	6,085,182
Meeting expenses		5,574,191	6,347,595	2,229,554
Professional fees		1,906,656	1,907,670	3,683,795
Depreciation	5	290,286	531,989	539,077
Foreign exchange loss, net	20.1	51,929	-	-
Loss on litigation	18	-	39,358,145	-
Other expenses	11	9,165,707	8,795,913	7,820,085
		88,769,011	98,414,623	69,233,811
Loss before income tax		(65,069,433)	(69,742,465)	(37,967,732)
Income tax benefit (expense)	12	284,887	(1,713,865)	21,719,456
Net loss for the year		(64,784,546)	(71,456,330)	(16,248,276)
Other comprehensive income for the year		-	-	-
Total comprehensive loss for the year		(64,784,546)	(71,456,330)	(16,248,276)
Basic and diluted loss per share attributable to shareholders of the Parent Company	13	(0.06)	(0.07)	(0.04)
Net (loss) income attributable to:				
Shareholders of the Parent Company		(63,157,288)	(72,362,944)	(35,591,866)
Non-controlling interest		(1,627,258)	906,614	19,343,590
		(64,784,546)	(71,456,330)	(16,248,276)
Total comprehensive (loss) income attributable to:				
Shareholders of the Parent Company		(63,157,288)	(72,362,944)	(35,591,866)
Non-controlling interest		(1,627,258)	906,614	19,343,590
		(64,784,546)	(71,456,330)	(16,248,276)

(The notes on pages 1 to 27 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, 2023
(All amounts in Philippine Peso)

	Shareholders of Parent Company					
	Share capital Note 9	Treasury shares Note 9	Deficit	Attributable to shareholders of the Parent Company	Non-controlling interest (NCI)	Total
Balance January 1, 2021	975,534,053	(58,627,864)	(523,340,930)	393,565,259	191,521,851	585,087,110
Comprehensive (loss) income						
Net (loss) income for the year	-	-	(35,591,866)	(35,591,866)	19,343,590	(16,248,276)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) income	-	-	(35,591,866)	(35,591,866)	19,343,590	(16,248,276)
Balance December 31, 2021	975,534,053	(58,627,864)	(558,932,796)	357,973,393	210,865,441	568,838,834
Comprehensive (loss) income						
Net (loss) income for the year	-	-	(72,362,944)	(72,362,944)	906,614	(71,456,330)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) income	-	-	(72,362,944)	(72,362,944)	906,614	(71,456,330)
Balance December 31, 2022	975,534,053	(58,627,864)	(631,295,740)	285,610,449	211,772,055	497,382,504
Comprehensive loss						
Net loss for the year	-	-	(63,157,288)	(63,157,288)	(1,627,258)	(64,784,546)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss	-	-	(63,157,288)	(63,157,288)	(1,627,258)	(64,784,546)
Balance December 31, 2023	975,534,053	(58,627,864)	(694,453,028)	222,453,161	210,144,797	432,597,958

(The notes on pages 1 to 27 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, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Loss before income tax		(65,069,433)	(69,742,465)	(37,967,732)
Adjustments for:				
Unrealized loss on revaluation of financial assets at FVPL	3	63,583,583	35,235,892	48,876,118
Depreciation	5	290,286	531,989	539,077
Gain on disposal of financial assets at FVPL		-	(575,628)	-
Dividend income	3	(590,530)	(397,220)	(77,385)
Unrealized foreign exchange loss (gain)	20.1	51,929	(515,837)	(278,089)
Provision for (reversal of) retirement obligation	17	693,933	(274,803)	(485,434)
Interest income	2	(470,539)	(442,308)	(894,422)
Gain on disposal of investment properties	6	-	-	(4,358,661)
Gain on fair value change in investment properties	6	(13,742,000)	(17,397,000)	(22,112,050)
Operating loss before working capital changes		(15,252,771)	(53,577,380)	(16,758,578)
Increase (decrease) in:				
Receivables and other current assets		1,715,428	30,009,447	(58,269,623)
Increase (decrease) in:				
Advances from related parties		279,479	(568,089)	334,816
Accounts payable and other current liabilities		(1,241,664)	(5,675,329)	878,669
Provision for litigation claim		-	(47,770,052)	-
Cash absorbed by operations		(14,499,528)	(77,581,403)	(73,814,716)
Interest received		470,539	442,308	894,422
Dividend received		590,530	397,220	77,385
Income tax paid		(545,762)	(667,847)	(258,618)
Net cash used in operating activities		(13,984,221)	(77,409,722)	(73,101,527)
Cash flows from investing activities				
Acquisitions of investment property	6	(27,763,714)	-	-
Acquisitions of financial assets at FVPL	3	(1,855,050)	(16,029,976)	-
Acquisitions of property and equipment		(178,571)	(75,528)	(235,140)
Proceeds from disposal of investment property		-	-	32,143,661
Proceeds from disposal of financial assets at FVPL	3	-	4,404,000	-
Net cash (used in) provided by investing activities		(29,797,335)	(11,701,504)	31,908,521
Net decrease in cash for the year		(43,781,556)	(89,111,226)	(41,193,006)
Cash as at January 1		83,241,547	171,836,936	212,751,853
Effect of exchange rates on cash		(51,929)	515,837	278,089
Cash as at December 31	2	39,408,062	83,241,547	171,836,936

(The notes on pages 1 to 27 are an integral part of these consolidated financial statements.)

Mabuhay Holdings Corporation and Subsidiaries

Notes to the Consolidated Financial Statements
As at December 31, 2023 and 2022 and for each of the three years
in the period ended December 31, 2023
(In the Notes, all amounts are shown in Philippine Peso unless otherwise stated)

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 22.3.

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, 2023 and 2022.

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 15).

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.

On July 20, 2022, the Parent Company paid P87.13 million for the settlement of case filed by a former co-shareholder in a fast craft shipping business. Relative to this, the Parent Company incurred additional loss on litigation amounting to P39.36 million (Note 18).

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. Its subsidiaries have no significant working capital requirements and most are currently dormant. The Group will continue to look for opportunities to invest in projects that will bring benefit to our shareholders and the community as a whole.

The management still looking at the prospects of developing affordable housing units to satisfy the housing requirements of the lower income group as our endeavors, since such projects will not only bring profits but will also help us fulfill the Group's social responsibility goals.

The consolidated financial statements have been approved and authorized for issue by the Board of Directors (BOD) on April 8, 2024. There are no the material events that occurred subsequent to April 8, 2024 until April 15, 2024.

2 Cash

The account as at December 31 consist of:

	2023	2022
Cash in bank	39,376,062	83,211,547
Cash on hand	32,000	30,000
	39,408,062	83,241,547

Cash in bank earns interest at the prevailing bank deposit rates. Interest income from cash in bank for the year ended December 31, 2023 amounted to P0.47 million (2022 - P0.44 million; 2021 - P0.89 million).

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

Movements of the account for the years ended December 31 follow:

	2023	2022
At January 1	179,709,295	202,743,583
Acquisitions	1,855,050	16,029,976
Disposal	-	(3,828,372)
Loss on revaluation	(63,583,583)	(35,235,892)
At December 31	117,980,762	179,709,295

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). At December 31, 2023, changes in fair value are recorded in unrealized loss on revaluation of FVPL in profit or loss amounting to P63.58 million (2022 - P35.24 million; 2021 - P48.88 million).

In 2023, dividends earned for the year ended amounting to P0.59 million (2022 - P0.40 million; 2021 - P0.08 million) credited to profit or loss.

In 2022, the Group 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. There was no similar transaction occurred in 2023.

4 Receivables and other current assets

The account as at December 31 consist of:

	2023	2022
Advances to contractors	48,871,149	48,861,909
Prepayments	2,553,256	2,192,162
Advances to employees	2,085,837	1,698,884
Due from other related parties	1,647,286	1,971,936
Receivables	877,597	2,825,169
Advances to third parties	600,000	1,128,843
Other receivables	265,132	-
	56,900,257	58,678,903

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, 2023, the Group has earned management and service fee arising from the arrangement amounting to P4.68 million (2022 - 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.

5 Property and equipment, net

Details and movements of the account 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, 2022	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
Additions	-	-	178,571	-	-	-	178,571
December 31, 2023	13,746,305	3,859,242	1,315,140	6,118,393	191,423	1,662,116	26,892,619
Accumulated depreciation							
January 1, 2022	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
Charges during the year	-	-	79,007	211,279	-	-	290,286
December 31, 2023	13,746,305	3,859,242	971,183	6,099,599	191,423	1,662,116	26,529,868
Net book values							
December 31, 2022	-	-	244,393	230,073	-	-	474,466
December 31, 2023	-	-	343,957	18,794	-	-	362,751

There are no property and equipment pledged as collateral for borrowings as at December 31, 2023 and 2022.

6 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 15).

The movement of the account as at December 31:

	2023	2022
At January 1	539,524,000	522,127,000
Fair value gains	13,742,000	17,397,000
Additions	36,933,464	-
At December 31	590,199,464	539,524,000

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. There was no similar transaction occurred in 2023.

During 2023, the Group acquired an additional investment property with a cost of P36.93 million, in which P9.17 million remains to be unpaid as at year-end.

The fair value of investment properties is determined on the basis of appraisal made by an external appraiser duly engaged by the management. Valuation methods employed by the appraisers mainly include the market data approach (Level 2 valuation) (Note 22.7).

Movements in cumulative fair value gain for the years ended December 31 follow:

	2023	2022	2021
At January 1	495,197,907	477,800,907	482,351,025
Fair value gains	13,742,000	17,397,000	22,112,050
Disposals	-	-	(26,662,168)
At December 31	508,939,907	495,197,907	477,800,907

The following income earned and expenses incurred from these properties have been recognized in profit or loss:

	2023	2022	2021
Rental income	4,018,401	3,935,158	1,601,914
Operating expenses arising from investment properties that generate rental income	(4,544,675)	(3,817,814)	(3,773,729)
	(526,274)	117,344	(2,171,815)

Direct expenses are recorded in communication, light and water, repairs and maintenance, association dues, taxes and licenses, and insurance under other expenses (Note 11).

7 Accounts payable and other current liabilities

The account as at December 31 consist of:

	2023	2022
Accounts payable and accrued expenses	16,734,907	8,795,838
Accrued interest on borrowings	2,879,506	2,879,506
Deferred rental income	1,063,615	1,063,615
Withholding taxes	60,348	71,331
	20,738,376	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.

Accrued interest represents interest charged in prior years on its loan from a related party (Note 14). Interest was discontinued starting 2014 upon mutual agreement of both parties.

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 December 31, 2023 and 2022 (Note 14).

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

	2023	2022
Borrowings	13,624,642	13,624,642
Cash	(39,408,062)	(83,241,547)
Net debt	(25,783,420)	(69,616,905)

9 Equity

The details of account as at December 31, 2023 and 2022:

	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)
Total issued and paid	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.

As at December 31, 2023, there are 190 shareholders each owning more than one hundred (100) shares of the Parent Company.

No collection occurred during 2023 and 2022 relating to the outstanding subscription receivable.

10 Advances from prospective shareholders

Advances from prospective shareholders represent funds received from prospective shareholders which are expected to be settled by way of issuance of shares.

11 Other expenses

The details of account as at December 31:

	2023	2022	2021
Transportation and travel	2,525,064	2,473,244	1,829,525
Taxes and licenses	2,395,865	1,515,841	1,533,859
Security services	1,043,327	435,427	427,196
Communication, light and water	711,654	828,184	510,493
Association dues	755,879	770,779	1,162,333
Office supplies	733,867	633,955	663,980
Repairs and maintenance	440,509	535,031	387,595
Insurance	240,768	167,979	179,449
Postage	12,917	41,346	20,190
Penalties	-	-	426,088
Miscellaneous	305,857	1,394,127	679,377
	9,165,707	8,795,913	7,820,085

12 Income Tax

The details of income tax benefit (expense) as at December 31:

	2023	2022	2021
Current	(827,382)	(781,946)	(5,849,367)
Deferred	1,112,269	(931,919)	27,568,823
	284,887	(1,713,865)	21,719,456

The net deferred income tax liabilities as at December 31 consist of:

	2023	2022
Deferred income tax liabilities		
Fair value gain on investment properties	136,627,909	130,712,309
Unrealized gain on revaluation of financial assets at FVPL	-	1,490,712
Unrealized foreign exchange gain, net	-	128,960
	136,627,909	132,331,981
Deferred income tax assets		
Unrealized loss on revaluation of securities	(5,221,732)	-
Unrealized foreign exchange loss, net	(12,982)	-
Retirement benefits obligation	(819,011)	(645,528)
Deferred rental income	(265,904)	(265,904)
	(6,319,629)	(911,432)
	130,308,280	131,420,549

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, 2023 amounting to P12.08 million (2022 - P51.42 million). However, the related deferred income tax asset of P20.01 million (2022 - P12.86 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	2023	2022
2023	2026	12,078,515	
2022	2025	51,423,234	51,423,234
2021	2026	10,273,991	10,273,991
2020	2025	7,922,733	7,922,733
2019	2022	-	48,108,398
Total NOLCO		81,698,473	117,728,356
Applied during the year		-	-
Expired during the year		-	(48,108,398)
		81,698,473	69,619,958
Deferred income tax assets not recognized		20,014,333	12,862,995

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	2023	2022
2023	2026	63,218	-
2022	2025	42,153	42,153
2021	2024	26,655	26,655
2020	2023	139,588	139,588
2019	2022	-	524,700
Total MCIT		271,614	733,096
Expired during the year		(139,588)	(524,700)
Unrecognized MCIT		132,027	132,026

In 2023, the MCIT amounting to P0.06 million (2022 - P0.04 million; 2021 - P0.03 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:

	2023	2022	2021
Income (loss) before income tax	(65,069,433)	(69,742,465)	(37,967,732)
Tax on pretax income	(19,242,566)	(19,243,340)	(13,297,711)
Effects of change in enacted tax rate	-	-	(25,926,159)
Non-taxable income	(155,169)	(208,719)	(242,835)
Unrecognized NOLCO and MCIT	2,988,045	10,481,468	1,094,541
Non-deductible expenses	2,562,955	-	-
Adjustment for income subjected to lower tax rates	4,395,549	1,586,349	1,878,890
Difference in tax rate on unrealized fair value loss on shares	-	2,448,680	5,838,872
Others	9,166,299	6,649,426	8,934,946
	(284,887)	1,713,865	(21,719,456)

As at December 31, 2023, income tax payable amounted to P0.34 million (2022 - P0.12 million).

13 Basic and diluted loss per share

The information used in the computation of basic and diluted earnings (loss) per share for the years ended December 31 follow:

	2023	2022	2021
Net loss attributable to the shareholders of Parent Company	(63,157,288)	(72,362,944)	(35,591,866)
Divided by the average number of outstanding common shares	975,534,053	975,534,053	975,534,053
Loss per share - basic and diluted	(0.06)	(0.07)	(0.04)

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

14 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:

	Notes	Transactions 2023	Transactions 2022	Transactions 2021	Outstanding balances 2023	Outstanding balances 2022	Terms and conditions
Due from other related parties							
Intrinsic Value Management (IVM)	4	(324,650)	1,481,190	-	1,647,286	1,971,936	Unsecured, non-interest bearing and collectible in cash on demand.
Philippine Strategic International Holdings, Inc.(PSIHI)							
South China Holdings Corporation (SCHC)							
Borrowings from							
IVM	8	-	-	-	(13,624,642)	(13,624,642)	Unsecured, non-interest bearing and payable in cash on demand.
Interest on borrowings							
IVM	7	-	-	-	(2,879,506)	(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		279,484	-	(334,099)	(9,186,216)	(8,906,737)	Unsecured, non-interest bearing and payable in cash on demand.
Other related party					(85,659)	(85,659)	
					(9,271,875)	(8,992,396)	
Salaries and employee benefits		3,180,000	3,180,000	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 2023 amount to P620.30 million (2022 - P610.40 million).

Based on management's assessment, the carrying values of receivables from related parties are deemed collectible.

15 Leases

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; and
b. Seven (7) car parking rights lease renewable annually until September 14, 2023 with monthly rate of P29,960.

In 2023, rental income from investment in a commercial unit amounted to P4.02 million (2022 - P3.94 million; 2021 - P1.60 million) (Note 6).

As at December 31, the minimum aggregate rental receivables for future years follow:

	2023	2022	2021
Within one (1) year	2,967,288	4,073,446	3,646,544
After one (1) year but not more than five (5) years	-	2,704,973	6,394,951
	2,967,288	6,778,419	10,041,495

16 Salaries and employee benefits

The details of account as at December 31:

	2023	2022	2021
Salaries and wages	4,988,461	4,449,572	4,364,828
Employee benefits	2,715,382	1,365,956	1,315,886
Bonus and allowances	217,650	200,000	200,650
SSS, Philhealth and HDMF	275,166	221,891	203,818
	8,196,659	6,237,419	6,085,182

17 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 1/2 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:

	2023	2022
At January 1	2,582,111	2,856,914
Current service cost	693,933	(274,803)
Net interest cost (income)	242,416	(717,655)
Total amount charged to profit or loss	693,933	(274,803)
At December 31	3,276,044	2,582,111

The retirement income is included under salaries and employee benefits (Note 16) in profit or loss.

The principal assumptions made as at December 31 follow:

	2023	2022
Discount rate	6.08%	6.85%
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.

18 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 P39.36 million payment is recognized as loss on litigation in the statement of comprehensive income.

19 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 2023 and 2022.

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 2023 and 2022.

20 Financial risk and capital management

20.1 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 2023 and 2022.

20.1.1 Market risk

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 as at December 31 follows:

	2023	2022
	In USD	In USD
Cash in bank	94,819	96,398
Exchange rates	55.57	56.12
Peso equivalent	5,269,092	5,409,856

Details of net foreign exchange gains for the years ended December 31 follow:

	2023	2022	2021
Realized	73,937	-	-
Unrealized	(125,866)	515,837	(278,089)
	(51,929)	515,837	(278,089)

As at December 31, 2023 and 2022, the Group'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 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 Dollars		
December 31, 2023	+/- 0.98%	+/- 38,729
December 31, 2022	+/- 10.54%	+/- 427,557

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.

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, 2023 and 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 P1.18 million (2022 - P1.80 million) in profit or loss.

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, 2023 and 2022.

20.1.2 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:

	Fully performing
2023	
Cash in bank	39,376,062
Receivables and other current assets*	4,598,255
	43,974,317
2022	
Cash in bank	83,211,547
Receivables and other current assets*	4,799,663
	88,011,210

**This account excludes 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 Group 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 P54.35 million as at December 31, 2023 (2022 - P56.49 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.

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 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, 2023			
Borrowings	-	13,624,642	13,624,642
Accounts payable and other current liabilities*	2,879,506	16,734,907	19,614,413
Advances from related parties	-	9,271,875	9,271,875
Advances from prospective shareholders	-	194,695,274	194,695,274
	2,879,506	234,326,698	237,206,204
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

**This account excludes taxes payable, deposits from customer and deferred rental income*

All financial assets and liabilities are classified as current as at reporting dates.

20.2 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:

	2023	2022
Total equity attributable to Parent Company	222,453,161	285,610,449
Advances from prospective shareholders	194,695,274	194,695,274
	27,757,887	90,915,175

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, 2023 and 2022. 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 2023 and 2022.

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 as at December 31 as follows:

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Fair value through profit or loss	117,980,762	117,980,762	179,709,295	179,709,295
Fair value at amortized cost				
Cash	39,408,062	39,408,062	83,241,547	83,241,547
Receivables and other current assets*	54,347,001	54,347,001	56,486,741	56,486,741
Total assets	211,735,825	211,735,825	319,437,583	319,437,583
Financial liabilities at amortized cost				
Borrowings	13,624,642	13,624,642	13,624,642	13,624,642
Accounts payable and other current liabilities**	19,614,413	19,614,413	11,675,344	11,675,344
Advances from related parties	9,271,875	9,271,875	8,992,396	8,992,396
Advances from prospective shareholders	194,695,274	194,695,274	194,695,274	194,695,274
Total liabilities	237,206,204	237,206,204	228,987,656	228,987,656

**This account excludes prepayments*
*** This account 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.

20.4 Fair value hierarchy

As at December 31, 2023 and 2022, 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.

21 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.

21.1 Critical accounting estimates and assumptions

Estimate of fair value of investment properties (Note 6)

The Group's investment properties have an estimated market value of P242,000 per square meter (2022 - P237,000 per square meter) for the commercial unit and P400 to P4,835 per square meter (2022 - P380 to P4,300 per square meter) for the land as at December 31, 2023.

The following are the 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 2023 amounted to P590.20 million (2022 - P539.52 million). Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment properties would have been P1.37 million (2022 - P1.74 million) higher or lower.

21.2 Critical accounting judgments

Recognition of deferred income tax assets (Note 12)

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.

Entities in which the Group holds less than 50% interest (Note 22.3)

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.

Provision for litigation claims (Note 18)

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.

22 Summary of material accounting policies

The material 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.

22.1 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 21.

22.2 Changes in accounting policies and disclosures

(a) Amended standards adopted by the Group

The following amendments to existing standards were relevant and adopted by the Group for the first time from January 1, 2023:

- Amendments to PAS 1, *'Presentation of Financial Statements'*, and PFRS Practice Statement 2

  The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) 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.

  To support this amendment, PFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

- Amendment to PAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors'*
  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.

- Amendments to PAS 12, *'Income Taxes'*

  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.

The adoption of the amendments of PAS 1 was considered by management in the December 31, 2023 separate financial statements by disclosing material accounting policy information rather than significant account policies. All other amendments to existing standards are not expected to have a material impact on the financial statements of the Group.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Group's financial statements.

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

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Group. None of these are expected to be relevant and have an effect on the financial reporting of the Group, while the most relevant ones are set out as follows:

- Amendments to PAS 1, *'Presentation of Financial Statements'*

  Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified 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 entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

  Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

  The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

  - the carrying amount of the liability
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

  The amendments must be applied retrospectively in accordance with the normal requirements in PAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors'*. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The amendments did not significantly affect the Group's accounting policies and financial statements. Other new standards, and amendments and interpretations to existing standards.

22.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2023 and 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.

Details of subsidiaries follow:

Subsidiaries	Percentage of ownership in 2023 and 2022		
	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:

	TPHC	MAC	TTCI	TAC
2023	(In thousands of Pesos)			
	10,966	27,055	25,067	1,853
Total current assets	396,131	-	8,843	-
Total non-current assets	407,097	27,055	33,910	1,853
Total assets	30,847	32,320	4,923	10,768
Total current liabilities	94,068	-	1,728	-
Total non-current liabilities	124,915	32,320	6,651	10,768
Total liabilities	282,182	(5,265)	27,259	(8,915)
Net assets (liabilities)	208,703	(3,027)	15,140	(4,147)
Income	9,945	-	533	2
Expenses	(2,127)	(6,652)	(206)	(59)
Income (loss) before income tax	7,818	(6,652)	327	(57)
Provision for income tax	(4,986)	-	(98)	-
Net income (loss) for the year	2,832	(6,652)	229	(57)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income (loss) for the year	2,832	(6,652)	229	(57)
Cash flows from:	2,095	(3,825)	127	(27)
Operating activities				
Investing activities	(3,556)	(8)	(342)	(40)

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 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	-	-	-	-

	TPHC	MAC	TTCI	TAC	Total
	(In thousands of Pesos)				
Accumulated balance of non-controlling interest					
December 31, 2022	199,414	(3,711)	19,177	(4,737)	210,143
December 31, 2022	197,320	115	19,047	(4,710)	211,772
Non-controlling interest share in total comprehensive income (loss)					
December 31, 2023	2,095	(3,826)	130	(27)	(1,628)
December 31, 2022	5,646	(5,200)	487	(26)	907

(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.

(i) 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.

22.4 Financial instruments

Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Group did not hold financial assets under the category financial assets at FVOCI as at December 31, 2023 and 2022.

(i) 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 other current assets (excluding prepayments) (Note 4).

(ii) 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) Recognition and measurement

(i) 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.

(ii) Subsequent measurement

- 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.

- 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 Group's right to receive payment is established.

(c) Impairment

The Group 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 Group 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.

(d) 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.

Financial liabilities

(a) Classification

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.

(i) Amortized cost

Liabilities that are held for payment of contractual cash flows where those cash outflows represent solely payments of principal and interest are measured at amortized cost. Interest expense from these financial liabilities is included in finance expense 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.

The Group 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 7), borrowings (Note 8), advances from other related parties (Note 14) and advances from prospective shareholders (Note 10).

(b) Recognition and measurement

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

(c) Derecognition

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

22.5 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 22.7).

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.

22.6 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 22.8.

22.7 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.

22.8 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.

22.9 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.

22.10 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.

22.11 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.

22.12 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.

22.13 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.

22.14 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.

(a) Expenses

Expenses are recognized when these are incurred.

22.18 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.

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

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As at December 31, 2023

Other Supporting Schedules

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

Schedule A
Financial Assets
As at December 31, 2023
(All amount in 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 statements of financial position	Income received and accrued
Financial assets at fair value through profit or loss			
AYALA CORPORATION	5,069	3,451,989	-
AYALA LAND INC.	153,800	3,454,184	-
BASIC ENERGY CORP.	1,110,000	196,470	-
BDO UNIBANK, INC.	147	23,100	-
BPI	64,110	2,261,216	-
COSCO CAPITAL, INC./ALCORN	5,000	49,708	-
FILINVEST LAND, INC.	84,250	6,508	-
FILIPINO FUND INC.	330	8,400	-
GLOBAL/F-ESTATE LAND INC.	6,850	14,267	-
GMA NETWORK,INC.	1,000	20	-
GREENERGY H./MUSX CORP.	62,300	41	-
IRC PROPERTIES INC.	102,718,625	55,452,165	-
MLA MINING CORP. "A"	4,345	2,410	-
MLA MINING CORP. "B"	9,551	95	-
NAT'L. REINS. CORP.	5,000	1,038	-
PHIL. REALTY A	70,252,392	19,593	-
SWIFT FOOD INC.	44,621	262,200	-
SWIFT FOOD INC.CONV. PREF.	1,759	38,570,930	-
THE PHILODRILL CORPORATION	128,100	1,853,410	-
UNITED P. MINING CORP.	750,000	4,578,618	-
PLDT - Preferred	1,050	1,341,900	-
AREIT, Inc.	150,000	5,002,500	-
Security Bank	20,000	1,430,000	-
Total financial assets at fair value through profit or loss		117,980,762	
Cash		39,408,062	470,539
Receivables		54,347,001	-
Total financial assets		211,735,825	470,539

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Schedule B
Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
As at December 31, 2023

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected, liquidated or reclassified	Amounts written off	Total	Current	Non-current	Balance at end of year
Tagaytay Properties and Holdings Corporation(TPHC)	1,402,851	-	(1,382,491)	-	20,360	20,360	-	20,360
Mindanao Appreciation Corporation (MAC)	29,080,634	669,750	-	-	29,750,384	29,750,384	-	29,750,384
The Taal Company, Inc. (TTCI)	4,397	-	-	-	4,397	4,397	-	4,397
Intrinsic Value Management (IVM)	1,694,894		(402,360)	-	1,292,534	1,292,534	-	1,292,534
Philippine Strategic International Holdings, Inc.(PSIHI)	84,801	21,360	-	-	106,161	106,161	-	106,161
South China Holdings Corporation (SCHC)	165,001	56,350	-	-	221,351	221,351	-	221,351
Water Jet Shipping Corp.	22,240	-	-	-	22,240	22,240	-	22,240
Greenroof Corporation	5,000	-	-	-	5,000	5,000	-	5,000
	32,459,818	747,460	(1,784,851)	-	31,422,427	31,422,427	-	31,422,427

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Schedule C
Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of Financial Statements
As at December 31, 2023

Receivables of the Parent Company from its subsidiaries are as follows:

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected, liquidated or reclassified	Amounts written off	Total	Current	Non-current	Balance at end of year
Tagaytay Properties and Holdings Corporation(TPHC)	1,402,851	-	(1,382,491)	-	20,360	20,360	-	20,360
Mindanao Appreciation Corporation (MAC)	29,080,634	669,750	-	-	29,750,384	29,750,384	-	29,750,384
The Taal Company, Inc. (TTCI)	4,397	-	-	-	4,397	4,397	-	4,397
	30,487,882	669,750	(1,382,491)	-	29,775,141	29,775,141	-	29,775,141

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Schedule D
Long Term Debt
As at December 31, 2023

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of borrowing" in related balance sheet	Amount shown under caption "borrowing" in related balance sheet
Promissory Notes	13,624,642	13,624,642	-

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Schedule E
Indebtedness to Related Parties
As at December 31, 2023

Name of related party	Balance at beginning of period	Balance at end of period
Intrinsic Value Management (IVM)	8,906,737	9,186,216
Water Jet Shipping Corp	85,659	85,659
	8,992,396	9,271,875

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Schedule F
Guarantees of Securities of Other Issuers
As at December 31, 2023

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
		NOT APPLICABLE		

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Schedule G
Capital Stock
As at December 31, 2023

The details of authorized and paid-up capital stock are as follows:

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	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

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Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2023

Unappropriated Retained Earnings, beginning of the year/period		(694,453,028)
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Treasury shares	-	
Unappropriated Retained Earnings, as adjusted		(694,453,028)
Add/Less: Net Income (loss) for the current year/period		(63,157,288)
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	(13,742,000)	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	(13,742,000)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	63,583,583	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	63,583,583
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	

forward

forwarded.

Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Adjusted net income/loss		(13,315,705)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories		
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and setup of service concession asset and concession payable		
Adjustment due to deviation from PFRS/GAAP - gain (loss)		
Cumulative unrealized fair value gain on FVTPL in prior years	82,543,807	
Cumulative fair value gain in prior years	(103,827,730)	(21,283,923)
Total Retained Earnings, end of the year/period available for dividend declaration		(729,052,656)

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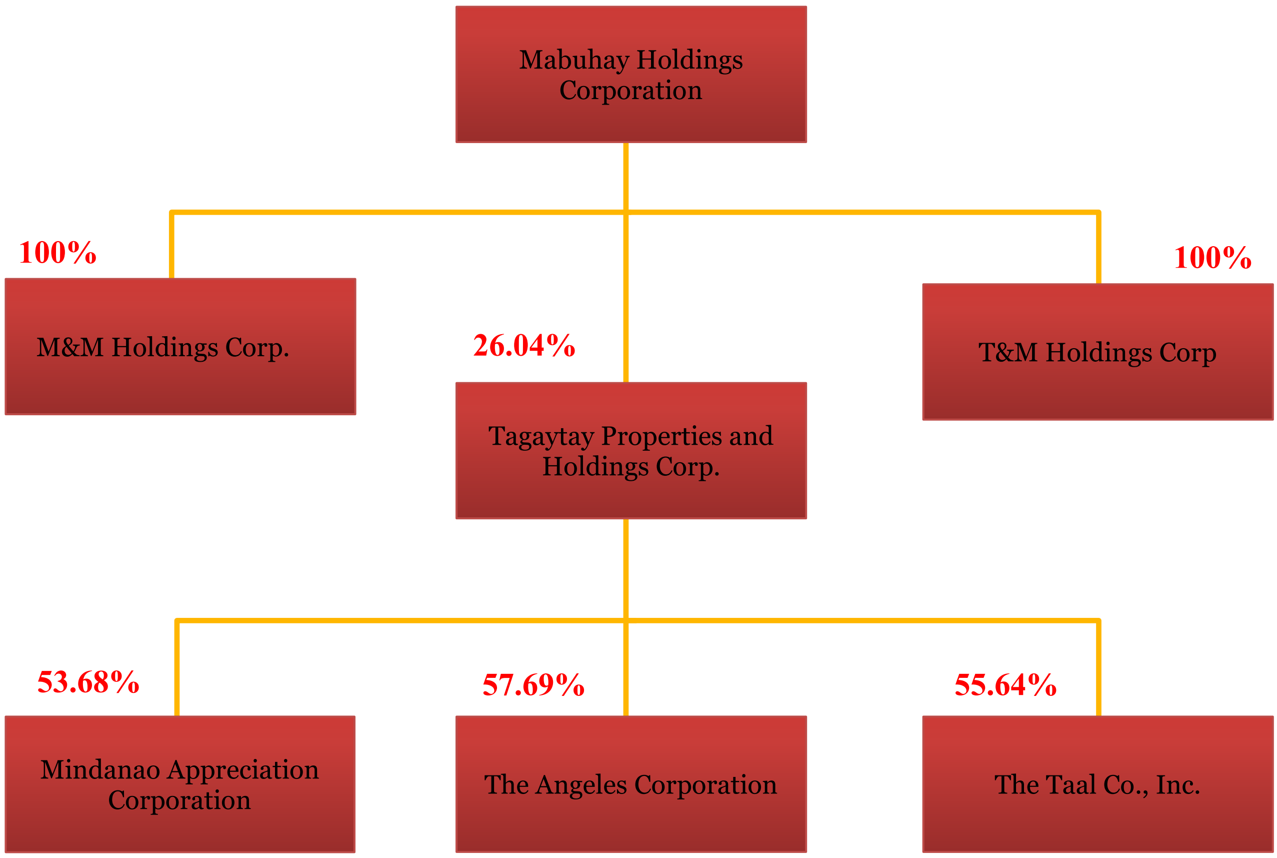
Financial Soundness Indicators
As at December 31, 2023
(With comparatives as at December 31, 2022 and 2021)

Financial ratio	Calculation		2023	2022	2021
Liquidity/current ratio	**Total current assets divided by total current liabilities**		0.90	1.40	1.63
	Total current assets	214,289,081			
	Divided by: Total current liabilities	238,669,014			
	Liquidity/current ratio	0.90			
Acid test ratio	**Quick assets (total current assets less prepayments and other current assets) divided by total current liabilities**		0.89	1.14	1.32
	Total current assets	214,289,081			
	Less: Prepayments and other current assets	(2,553,256)			
	Total	211,735,825			
	Divided by: Total current liabilities	238,669,014			
	Acid test ratio	0.89			
Solvency ratio	**Net income after tax plus non-cash expenses divided by total liabilities**		(0.17)	(0.19)	(0.04)
	Net loss from operations	(64,784,546)			
	Add: Depreciation and amortization	290,286			
	Total	(64,494,260)			
	Divided by: Total liabilities	372,253,338			
	Solvency ratio	(0.17)			
Debt-to-equity ratio	**Total liabilities divided by total equity**		0.86	0.73	1.47
	Total liabilities	372,253,338			
	Divided by: Total equity	432,597,958			
	Debt-to-equity ratio	0.86			
Asset-to-equity ratio	**Total assets divided by total equity**		1.86	1.73	1.73
	Total assets	804,851,296			
	Divided by: Total equity	432,597,958			
	Asset-to-equity ratio	1.86			
Return on equity	**Net income after tax divided by total equity**		(0.14)	(0.14)	(0.03)
	Net loss from operations	(64,784,546)			
	Divided by: Average Total equity	464,990,231			
	Return on equity	(0.14)			
Return on assets	**Net income after tax divided by total assets at beginning**		(0.08)	(0.08)	(0.02)
	Net loss from operations	(64,784,546)			
	Divided by: Average Total assets	861,628,211			
	Return on assets	(0.08)			
Net profit margin	**Net income after tax divided by total revenue and income**		(2.73)	(2.58)	(0.54)
	Net loss from operations	(64,784,546)			
	Divided by: Total revenue	23,699,578			
	Net profit margin from continuing operations	(2.73)			
Earnings per share	**Net income divided by number of common stock outstanding**		(0.06)	(0.07)	(0.04)
	Net loss from operations	(63,157,288)			
	Divided by: Number of common stock outstanding	975,534,053			
	Earnings per share from continuing operations	(0.06)			

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, 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
AFS	SEC	

2023 AUDITED PARENT FINANCIAL STATEMENTS

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
mabuhayholdings@yahoo.com	8850-2000	0908 8941610

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
198	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	8850-2000	0908891610

CONTACT PERSON's ADDRESS

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

Note 1: 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.

Note 2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

MABUHAY
HOLDINGS CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **MABUHAY HOLDINGS CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, 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 or members.

ISLA LIPANA & CO., the independent auditor, 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 or members, 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
Treasurer & Chief Financial Officer

Signed this 15th day of April 2024

35TH FLOOR, RUFINO PACIFIC TOWER, 6784 AYALA AVENUE, MAKATI CITY 1223, PHILIPPINES
TEL. NO: (632) 750-2000 FAX NO.: (632) 751-0773

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this APR 15 2024 day of __________, affiants exhibiting to me their Community Tax Certificate/Driver's License / Passport, as follows:

Affiant	CTC No./DL/SC Passport No.	Date of Issue/Place of Issue/Expiry
Roberto V. San Jose	Senior Citizen ID 2957	September 29, 2008 / Muntinlupa
Esteban G. Peña Sy	P8276657A	August 09, 2018/DFA NCR Central
Gloria Georgia G. Garcia	P8316836A	August 01, 2018/DFA NCR North East

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Book No. XIV
Series of 2024

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. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

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 financial statements present fairly, in all material respects, the financial position of Mabuhay Holdings Corporation (the "Company") as at December 31, 2023 and 2022, and its financial performance 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, 2023 and 2022;
- the statements of comprehensive income for the years ended December 31, 2023 and 2022;
- the statements of changes in equity for the years ended December 31, 2023 and 2022;
- the statements of cash flows for the years ended December 31, 2023 and 2022; and
- the notes to the separate financial statements, including material accounting policy information.

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 financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Material Uncertainty Related to Going Concern

The Company is in a capital deficiency position amounting to P59.45 million as at December 31, 2023 (2022 - P19.93 million). This condition indicates existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Management's plans regarding this matter are disclosed in Note 1. We have performed adequate audit procedures to validate and assess the viability of management plans in improving the financial situation of the Company. Our opinion is not qualified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, 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 or 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 23 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 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024

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, 2023, on which we have rendered the attached report dated April 15, 2024.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary, the Company has one hundred ninety (190) shareholders owning 100 or more shares as at December 31, 2023.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 15, 2024

Mabuhay Holdings Corporation

Statements of Financial Position
December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash	2	5,539,184	5,988,910
Financial assets at fair value through profit or loss (FVPL)	3	45,639,998	71,644,346
Due from related parties	15	30,510,823	26,305,072
Other current assets	4	4,828,148	4,732,599
Total current assets		86,518,153	108,670,927
Non-current assets			
Investments in and advances to subsidiaries, net	5	92,252,857	99,006,627
Investment property	6	163,580,000	160,200,000
Property and equipment, net	7	330,652	427,871
Total non-current assets		256,163,509	259,634,498
Total assets		342,681,662	368,305,425
Liabilities and Equity			
Current liabilities			
Accounts payable and other current liabilities	8	11,921,126	13,463,147
Borrowings	9, 15	12,393,900	12,393,900
Advances from related parties	15	146,116,132	125,407,117
Advances from prospective shareholders	10	194,695,274	194,695,274
Total current liabilities		365,126,432	345,959,438
Non-current liabilities			
Retirement benefits obligation	18	3,276,044	2,582,111
Deferred income tax liabilities, net	13	33,725,882	39,697,394
Total non-current liabilities		37,001,926	42,279,505
Total liabilities		402,128,358	388,238,943
Equity			
Share capital	11	975,534,053	975,534,053
Deficit		(1,034,980,749)	(995,467,571)
Total capital deficiency		(59,446,696)	(19,933,518)
Total liabilities and equity		342,681,662	368,305,425

(The notes on pages 1 to 29 are an integral part of these separate financial statements.)

Mabuhay Holdings Corporation

Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Income			
Rental income	6,16	4,018,401	3,935,158
Gain on fair value change in investment property	6	3,380,000	6,759,000
Dividend income	3	155,440	132,332
Interest income	2	3,035	186,483
Foreign exchange gain, net	20.1	-	515,837
Other income		196,154	280,282
		7,753,030	11,809,092
Expenses			
Unrealized loss on revaluation of securities	3	26,004,348	14,410,858
Salaries and employee benefits	17	8,135,316	6,237,419
Provision for impairment loss of investments in subsidiaries	5	6,753,770	-
Meeting expenses		5,558,729	6,347,595
Transportation and travel		2,380,748	2,426,135
Professional fees		1,061,287	887,311
Depreciation	7	275,790	517,492
Foreign exchange loss, net	20.1	51,929	-
Loss on litigation	19	-	39,358,145
Others	12	2,952,585	3,792,384
		53,174,502	73,977,339
Loss before income tax		(45,421,472)	(62,168,247)
Income tax benefit (expense)	13	5,908,294	(1,773,577)
Net loss for the year		(39,513,178)	(63,941,824)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(39,513,178)	(63,941,824)
Basic and diluted loss per share	14	(0.04)	(0.07)

(The notes on pages 1 to 29 are an integral part of these separate financial statements.)

Mabuhay Holdings Corporation

Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Share capital (Note 11)	Deficit	Total
Balances as at January 1, 2022	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)
Comprehensive loss			
Net loss for the year	-	(39,513,178)	(39,513,178)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(39,513,178)	(39,513,178)
Balances as at December 31, 2023	975,534,053	(1,034,980,749)	(59,446,696)

(The notes on pages 1 to 29 are an integral part of these separate financial statements.)

Mabuhay Holdings Corporation

Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Cash flows from operating activities			
Loss before income tax		(45,421,472)	(62,168,247)
Adjustments for:			
Unrealized loss on revaluation of financial assets at FVPL	3	26,004,348	14,410,858
Provision for impairment loss of investments in subsidiaries	5	6,753,770	-
Loss on litigation		-	39,358,145
Retirement expense (income)	18	693,933	(274,803)
Depreciation	7	275,790	517,492
Unrealized foreign exchange loss (gains)	21.1	51,929	(515,837)
Interest income	2	(3,035)	(186,483)
Dividend income	3	(155,440)	(132,332)
Gain on fair value change in investment property	6	(3,380,000)	(6,759,000)
Other income		-	(280,282)
Operating loss before working capital changes		(15,180,177)	(16,030,489)
(Increase) in:			
Other current assets		(158,767)	(805,601)
Increase (decrease) in:			
Advances from related parties		16,503,264	30,005,989
Accounts payable and other current liabilities		(1,542,021)	(128,055)
Provision for litigation claims		-	(87,128,197)
Cash absorbed by operations		(377,701)	(74,086,353)
Interest received		3,035	186,483
Dividend received		155,440	132,332
Net cash used in operating activities		(219,226)	(73,767,538)
Cash flows from investing activity			
Collection of principal amount of notes receivable		-	7,741,619
Acquisitions of property and equipment	7	(178,571)	(75,526)
Net cash used in operating activities		(178,571)	7,666,093
Net decrease in cash for the year		(397,797)	(66,101,445)
Cash as at January 1		5,988,910	71,574,518
Effect of exchange rates on cash		(51,929)	515,837
Cash as at December 31	2	5,539,184	5,988,910

(The notes on pages 1 to 29 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, 2023 and 2022
(In the Notes, all amounts are shown in Philippine Peso unless otherwise stated)

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 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 36% for the year ended December 31, 2023 or in a loss of P26.00 million (Note 3). The Company has not acquired or disposed any listed equity shares in 2023.

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 shareholder of the Company. The Company incurred additional loss on litigation amounting to P39.40 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. Mabuhay Holdings Corporation will continue to look for opportunities to invest in projects that will bring benefit to our shareholders and the community as a whole.

The management is still looking at the prospects of developing affordable housing units to satisfy the housing requirements of the lower income group as our endeavors, since such projects will not only bring profits to our company but will also help us fulfill our social responsibility as a Company.

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, 2023 and 2022.

The separate financial statements have been approved and authorized for issue by the Board of Directors (BOD) on April 15, 2024.

2 Cash

The account as at December 31 consist of:

	2023	2022
Cash on hand	15,000	15,000
Cash in bank	5,524,184	5,973,910
	5,539,184	5,988,910

Cash in bank earns interest at the prevailing bank deposit rate. Interest income from cash in bank for the year ended December 31, 2023 amounted to P3,035 (2022 - P186,483).

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

Movements in the account for the years ended December 31 follow:

	2023	2022
January 1	71,644,346	86,055,204
Loss on revaluation	(26,004,348)	(14,410,858)
December 31	45,639,998	71,644,346

The account as at December 31, 2023 and 2022 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 2023 and 2022, the Company has not acquired nor sold any listed equity shares.

Dividends earned for the year ended December 31, 2023 amounts to P155,440 (2022 - P132,332).

4 Other current assets

The account as at December 31 consist of:

	2023	2022
Prepayments	2,241,836	1,957,702
Advances to employees	1,700,701	1,698,884
Advances to third parties	-	120,000
Other receivables	885,611	956,013
	4,828,148	4,732,599

Prepayments mainly comprise of prepaid taxes and prepaid insurance.

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

5 Investments in and advances to subsidiaries, net

The account as at December 31 consist of:

	Ownership %	Amount 2023	2022
Acquisition costs			
M&M Holdings Corporation (MMHC)	100	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	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		(491,465,614)	(484,711,844)
		92,252,857	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 2023, the Company recognized full impairment of its investment to MAC totaling to P6.75 million considering the current results of operation and financial position of MAC.
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 movement of allowance for impairment losses as at December 31:

	2023	2022
January 1	484,711,844	484,711,844
Additional	6,753,770	-
December 31	491,465,614	484,711,844

In 2023, the Company recognized full impairment of its investment to MAC totaling to P6.75 million considering the current results of operation and financial position of MAC.

The details of allowance for impairment losses as at December 31 follow:

	2023	2022
Advances to TMHI	417,497,503	417,497,503
TPHC	25,267,900	25,267,900
MAC	20,000,000	13,246,230
MMHC	15,606,108	15,606,108
TTCI	12,094,103	12,094,103
TAC	1,000,000	1,000,000
	491,465,614	484,711,844

The summarized financial information of subsidiaries with significant non-controlling interest as at and for the year ended December 31, 2023 follows:

	TPHC	MAC	TTCI	TAC
	(In thousands of Pesos)			
Total current assets	10,966	27,055	25,067	1,853
Total non-current assets	396,131	-	8,843	-
Total assets	407,097	27,055	33,910	1,853
Total current liabilities	30,847	32,320	4,923	10,768
Total non-current liabilities	94,068	-	1,728	-
Total liabilities	124,915	32,320	6,651	10,768
Net assets (liabilities)	282,182	(5,265)	27,259	(8,915)
Non-controlling interest share in net assets (liabilities)	208,703	(3,027)	15,140	(4,147)
Income	9,945	-	533	2
Expenses	(2,127)	(6,652)	(206)	(59)
Income (loss) before income tax	7,818	(6,652)	327	(57)
Income tax benefit	(4,986)	-	(98)	-
Net income (loss) for the year	2,832	(6,652)	229	(57)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the year	2,832	(6,652)	229	(57)
Non-controlling interest share in total comprehensive income (loss) for the year	2,095	(3,825)	127	(27)
Cash flows (used in) provide by:				
Operating activities	(3,556)	(8)	(342)	(40)
Investing activities	-	-	-	-

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	-	-	-	-

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 2023, income from this property amounting to P4.02 million (2022 - P3.94 million) was presented as rental income in profit or loss. Direct expenses incurred for this investment property amounted to P2.01 million (2022 - P2.18 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 movement of the account as at December 31:

	2023	2022
January 1	160,200,000	153,441,000
Fair value gains	3,380,000	6,759,000
December 31	163,580,000	160,200,000

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:

	2023	2022
January 1	121,251,807	114,492,807
Fair value gains	3,380,000	6,759,000
December 31	124,631,807	121,251,807

7 Property and equipment, net

Details and movements of the account 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, 2022	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
Additions	-	-	178,571	-	-	-	178,571
December 31, 2023	13,746,305	3,859,242	1,242,659	6,118,393	191,423	1,662,116	26,820,138
Accumulated depreciation							
January 1, 2022	13,746,305	3,859,242	808,547	5,433,942	186,052	1,662,116	25,696,204
Additions	-	-	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
Additions	-	-	79,007	196,783	-	-	275,790
December 31, 2023	13,746,305	3,859,242	945,297	6,085,103	191,423	1,662,116	26,489,486
Net book values							
December 31, 2022	-	-	197,798	230,073	-	-	427,871
December 31, 2023	-	-	297,362	33,290	-	-	330,652

As at December 31, 2023 and 2022, 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, 2023 and 2022.

8 Accounts payable and other current liabilities

The account as at December 31 consist of:

	2023	2022
Accounts payable and accrued expenses	4,779,162	6,310,690
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	62,343	72,836
	11,921,126	13,463,147

Accounts payable and accrued expenses represent third party payables and accruals on 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.

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, 2023 and 2022 (Note 15).

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

	2023	2022
Borrowings as at December 31	12,393,900	12,393,900
Cash as at December 31	(5,539,184)	(5,988,910)
Net debt as at December 31	6,854,716	6,404,990

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.

11 Equity

The account as at December 31, 2023 and 2022 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
Subscription receivable	(224,465,947)
Paid, issued and outstanding	975,534,053

No collection occurred during 2023 and 2022 with regard to the outstanding subscription receivable.

As at December 31, 2023 and 2022, there are 190 shareholders each owning more than one hundred (100) shares.

12 Other expenses

Details of the account for the years ended December 31 follow:

	2023	2022
Association dues	667,854	667,854
Office supplies	635,857	601,145
Communication, light and water	530,209	620,387
Taxes and licenses	422,241	260,477
Insurance	227,018	152,911
Repairs and maintenance	166,150	479,658
Magazines and periodicals	20,610	10,912
Postage	9,603	32,832
Miscellaneous	273,043	966,208
	2,952,585	3,792,384

13 Income taxes

Details of income tax benefit (expense) for the years ended December 31 relate to the following:

	2023	2022
Current	(63,218)	(42,154)
Deferred	5,971,512	(1,731,423)
	5,908,294	(1,773,577)

The net deferred income tax liabilities as at December 31 consist of:

	2023	2022
Deferred income tax liabilities		
Fair value gain on investment property	40,895,000	40,050,000
Unrealized gain on revaluation of securities	-	429,866
Unrealized foreign exchange gain, net	-	128,960
	40,895,000	40,608,826
Deferred income tax assets		
Retirement benefits obligation	(819,011)	(645,528)
Unrealized loss on revaluation of securities	(6,071,221)	-
Unrealized foreign exchange gain, net	(12,982)	-
Deferred rental income	(265,904)	(265,904)
	(7,169,118)	(911,432)
Net liabilities	33,725,882	39,697,394

Movements in net deferred income tax liabilities for the years ended December 31 follow:

	2023	2022
January 1	39,697,394	37,965,971
Charged (credited) to profit or loss	(5,971,512)	1,731,423
December 31	33,725,882	39,697,394

Deferred income tax assets are recognized to the extent that the realization of the related tax benefit through the future taxable profits is probable.

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	2023	2022
2023	2026	9,592,129	-
2022	2025	49,002,361	49,002,361
2021	2026	10,094,183	10,094,183
2020	2025	6,035,829	6,035,829
Total NOLCO		74,724,502	65,132,373
Deferred income tax asset not recognized at 25%		18,681,126	16,283,093

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	2023	2022
2023	2026	63,218	-
2022	2025	42,154	42,154
2021	2024	26,655	26,655
2020	2023	-	139,587
Total MCIT		132,027	208,396
Unrecognized		(132,027)	(208,396)
Recognized MCIT		-	-

As at December 31, 2023, the MCIT amounting to P63,218 (2022 - P42,154) 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:

	2023	2022
Loss before income tax	(45,421,472)	(62,168,247)
Tax on pretax income at 25%	(11,355,368)	(15,542,062)
Unrecognized NOLCO	2,398,032	12,250,590
Non-deductible expenses	3,025,443	1,586,349
Unrecognized MCIT	63,218	42,154
Income subjected to final tax	(759)	(46,621)
Non-taxable income	(38,860)	(33,083)
Adjustment for income subject to lower tax rate	-	3,516,250
	(5,908,294)	1,773,577

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:

	2023	2022
Net loss available to common shares	(39,513,178)	(63,941,824)
Divide by the average number of outstanding common shares	975,534,053	975,534,053
Loss per share - basic and diluted	(0.04)	(0.07)

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

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:

		2023		
	Notes	Transactions	Outstanding receivables (payables)	Terms and conditions
Advances to Subsidiaries (MAC,TAC, TTCI, TMHI, MMHC, TPHC)	4	4,205,751	30,510,823	Unsecured, non-interest bearing and collectible in cash on demand.
Borrowings from Entity under common control (IVM)	9	-	(12,393,900)	Unsecured, non-interest bearing and collectible in cash on demand.
Advances from Subsidiaries (TAC, MMHC, TPHC)		(20,709,015)	(146,030,473)	Unsecured, non-interest bearing and collectible 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 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, 2022.

		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 (IVM)	9	-	(12,393,900)	Unsecured, non-interest bearing and collectible in cash on demand.
Advances from Subsidiaries (TAC, MMHC, TPHC)		(30,005,989)	(125,321,458)	Unsecured, non-interest bearing
Other related party		-	(85,659)	and collectible in cash on demand.
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.

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 2023, rental income from investment in a condominium unit amounted to P 4.2 million (2022 - P3.94 million) (Note 6).

As at December 31, the minimum aggregate rental receivables for future years follow:

	2023	2022
Within one (1) year	2,967,288	4,073,446
After one (1) year but not more than five (5) years	-	2,704,973
	2,967,288	6,778,419

17 Salaries and employee benefits

Details of salaries and employee benefits for the years ended December 31 follow:

	2023	2022
Salaries and wages	4,988,461	4,449,572
Employee benefits	2,654,039	1,365,956
Bonus and allowances	217,650	200,000
SSS, Philhealth and HDMF	275,166	221,891
	8,135,316	6,237,419

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 1/2 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:

	2023	2022
Retirement benefit obligation	3,276,044	2,582,111
Retirement expense (income)	693,933	(274,803)

The movements in the unfunded retirement benefit obligation for the years ended December 31 follow:

	2023	2022
January 1	2,582,111	2,856,914
Current service cost	451,517	442,852
Impact of discount	242,416	(717,655)
December 31	3,276,044	2,582,111

The retirement income is included under employee benefits (Note 17) in profit or loss.

The principal assumptions made as at December 31 follow:

	2023	2022
Discount rate	6.08%	6.85%
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.

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.

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

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:

	2023	2022
	In USD	In USD
Cash in bank	94,819	96,398
Exchange rates	55.57	56.12
Peso equivalent	5,269,092	5,409,856

Details of net foreign exchange gains for the years ended December 31 follow:

	2023	2022
Realized	73,937	-
Unrealized	(125,866)	515,837
	(51,929)	515,837

As at December 31, 2023 and 2022, 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, 2023	+/- 0.98%	+/- 38,729
December 31, 2022	+/- 10.54%	+/- 427,557

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.

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, 2023 and 2022, 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 P0.46 million (2022 - P 0.72 million) in profit or loss.

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, 2023 and 2022.

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
2023			
Cash in bank (i)	2	5,524,184	-
Other current assets* (ii)	4	-	2,586,312
		5,524,184	2,586,312
2022			
Cash in bank (i)	2	5,973,910	-
Other current assets* (ii)	4	-	2,774,898
		5,973,910	2,774,898

**This excludes 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 P2.59 million as at December 31, 2023 (2022 - P2.78 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, 2023				
Borrowings	9,15	-	12,393,900	12,393,900
Accounts payable and accrued expenses*	8	6,016,006	4,779,162	10,795,168
Advances from related parties	15	-	146,116,132	146,116,132
Advances from prospective shareholders	10	-	194,695,274	194,695,274
		6,016,006	357,984,468	364,000,474
December 31, 2022				
Borrowings	9,15	-	12,393,900	12,393,900
Accounts payable and accrued expenses*	8	6,016,006	6,310,690	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
		6,016,006	338,806,981	344,822,987

**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:

	2023	2022
Total (deficit) equity	(52,692,972)	(19,933,518)
Advances from prospective shareholders	194,695,274	194,695,274
	142,002,302	174,761,756

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, 2023 and 2022. 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 2023 and 2022.

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:

		2023		2022	
	Notes	Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Financial assets at fair value through profit or loss	3	45,639,998	45,639,998	71,644,346	71,644,346
Financial assets at amortized cost					
Cash	2	5,539,184	5,539,184	5,988,910	5,988,910
Other current assets*	4	2,586,312	2,586,312	2,774,898	2,774,898
Total assets		53,765,494	53,765,494	80,408,154	80,408,154
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	10,795,168	10,795,168	12,326,696	12,326,696
Advances from related parties	15	146,116,132	146,116,132	125,407,117	125,407,117
Advances from prospective shareholders	10	194,695,274	194,695,274	194,695,274	194,695,274
Total liabilities		364,000,474	364,000,474	344,822,987	344,822,987

**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, 2023 and 2022, 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.

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

Fair value of investment property (Note 6)

The Company's investment property has an estimated market value of P0.24 million per square meter at December 31, 2023 (2022 - P0.24 million) 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 2023 amounted to P163.58 million (2022 - P160.20 million). Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment property would be an estimated P16.36 million (2022 - P16.02 million) higher or lower.

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	2023	2022
Discount rate		
1% decrease	32,677	288,118
1% increase	(39,283)	(256,906)
Rate of salary increase		
1% decrease	300,386	393,619
1% increase	(333,996)	(179,974)

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, 2023 and 2022 is sufficient to cover non-recoverable amount.

As at December 31, 2023 and 2022, 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 P0.68 million (2022 - P0.72 million) in profit or loss.

21.2 Critical accounting judgments

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 P18.68 million and P0.13 million, respectively, (2022 - P16.28 million NOLCO and P0.21 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.

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.

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, 2023 and 2022.

22 Summary of material accounting policies

The material 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, except for the financial assets at FVPL and investment property measured at fair value.

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, 2023 and 2022 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

The following amendments to existing standards were relevant and adopted by the Company for the first time from January 1, 2023:

- Amendments to PAS 1, *'Presentation of Financial Statements'*, and PFRS Practice Statement 2

  The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) 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.

  To support this amendment, PFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

- Amendment to PAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors'*

  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.

- Amendments to PAS 12, *'Income Taxes'*

  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.

The adoption of the amendments of PAS 1 was considered by management in the December 31, 2023 separate financial statements by disclosing material accounting policy information rather than significant account policies. All other amendments to existing standards are not expected to have a material impact on the financial statements of the Company.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Parent Company's financial statements.

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

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Company. None of these are expected to be relevant and have an effect on the financial reporting of the Company, while the most relevant ones are set out as follows:

- Amendments to PAS 1, *'Presentation of Financial Statements'*

  Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified 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 entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

  Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

  The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

  - the carrying amount of the liability
  - information about the covenants, and
  - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

  The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

  The amendments must be applied retrospectively in accordance with the normal requirements in PAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors'*. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The amendments did not significantly affect the Company's accounting policies and financial statements. Other new standards, and amendments and interpretations to existing standards.

22.2 Financial instruments

Financial assets

(a) Classification

The Parent Company classifies its financial assets in the following measurement categories: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Company did not hold financial assets under the category financial assets at FVOCI as at December 31, 2023 and 2022.

(i) 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) 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) Recognition and measurement

(i) 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.

(ii) Subsequent measurement

- 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.

- 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.

(c) 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.

(d) 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.

Financial liabilities

(a) Classification

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.

(i) Amortized cost

Liabilities that are held for payment of contractual cash flows where those cash outflows represent solely payments of principal and interest are measured at amortized cost. Interest expense from these financial liabilities is included in finance expense 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.

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).

(b) Recognition and measurement

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

(c) Derecognition

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

22.3 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 22.7.

22.4 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 22.7).

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.

22.5 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 22.7.

22.6 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.

22.7 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.

22.8 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 22.2.

22.9 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.

22.10 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.

22.11 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.

22.12 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.

22.13 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.

22.14 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.

22.15 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.

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, 2023 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	4,214,959	505,795

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, 2023 follows:

	Amount
Beginning balance	2,635
Add: Current year's domestic purchases/payments for:	156,681
Services lodged under other accounts	329,474
Total input VAT	488,790

(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, 2023 consist of:

	Amount
Real property tax	234,630
Mayor's permit	22,853
Others	164,758
	234,630

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, 2023 consist of:

	Paid	Accrued	Total
Expanded withholding tax	17,079	971	18,050
Withholding tax on compensation	575,995	59,201	635,196

(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.

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-473-206-000
Name	: MABUHAY HOLDINGS CORPORATION
RDO	: 047
Form Type	: 1702
Reference No.	: 462400059102695
Amount Payable (Over Remittance)	: -2,082,494.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2023
Date Filed	: 04/11/2024
Tax Type	: IT

[BIR Main | eFPS Login | User Menu | Help]

Gmail MABUHAY HOLDINGS CORPORATION <mabuhayhldgscorp@gmail.com>

BIR Email Notification (eFiling of Tax Return)

1 message

no-reply@bir.gov.ph <no-reply@bir.gov.ph> Thu, Apr 11, 2024 at 2:47 PM
To: mabuhayhldgscorp@gmail.com

Good Day MABUHAY HOLDINGS CORPORATION,

Thank you for filing your Return through eFPS.

This email indicates that the eFiled Return has been submitted to BIR, see below the summary details of your tax filing transaction for your reference. To ensure that the said transaction was successfully submitted, please inquire your eReturn Details through the eFPS Tax Inquiry.

From,

Bureau of Internal Revenue

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-473-206-000
Name	: MABUHAY HOLDINGS CORPORATION
RDO	: 047
Form Type	: 1702
Reference No.	: **462400059102695**
Amount Payable / (Over Remittance)	: -2082494.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2023
Date Filed	: 04/11/2024
Tax Type	: IT

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Gmail

Gloria Georgia Garcia <ggg.mhc@gmail.com>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph> Mon, Apr 15, 2024 at 8:41 PM
To: MABUHAYHOLDINGS.EAFS@gmail.com
Cc: GGG.MHC@gmail.com

Hi MABUHAY HOLDINGS CORPORATION,

Valid files

- EAFS000473206OTHTY122023.pdf
- EAFS000473206TCRTY122023-01.pdf
- EAFS000473206AFSTY122023.pdf
- EAFS000473206ITRTY122023.pdf
- EAFS000473206RPTTY122023.pdf

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- <None>

Transaction Code: **AFS-0-43YQ21V02WV3V2PVMVM23SVN0BCKLGGGL**
Submission Date/Time: **Apr 15, 2024 08:41 PM**
Company TIN: **000-473-206**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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Gmail Gloria Georgia Garcia <ggg.mhc@gmail.com>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph> Mon, Apr 15, 2024 at 8:49 PM
To: MABUHAYHOLDINGS.EAFS@gmail.com
Cc: GGG.MHC@gmail.com

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Transaction Code: **AFS-0-BHJ8CAD608HBH9FC9MQMZTTR10MYVMT1ZW**
Submission Date/Time: **Apr 15, 2024 08:49 PM**
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