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	7750-2000	0908 8941610

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

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
GLORIA GEORGIA G. GARCIA	ggg.mhc@gmail.com	7750-2000	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, 2021**
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) 7750-2000**
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, 2021	0.375
Aggregate market value of voting stock held by non-affiliates	**₱161,407,592**

Year 2021 Form 17-A

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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 November 26, 2021.

As of December 31, 2021, 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 and The Taal Co., Inc., each hold an inventory of real properties in strategic locations like Tagaytay City, Batangas and Cavite. As of December 31, 2021, the aggregate landholdings of the Registrant's investees totalled 12.3 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, 2021, 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

* 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 P1.6M in 2021 as reflected in the Consolidated Statements of Total Comprehensive Income, Note 7 and 16 of the Consolidated Financial Statements as of and for the year ended December 31, 2021, which are an integral part of this report.

The Registrant has plans to acquire property in the next 12 months or beyond as discussed in Note 1 to the Consolidated Financial Statements.

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 except for the case mentioned in Note 19 of the Audited Financial Statements for which adequate provisions have been made.

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 2021. The last meeting of the Registrant's stockholders was the annual stockholders' meeting, which was held on November 26, 2021. In that meeting, the stockholders elected the directors for 2022. 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, 2021, 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 2021 and 2020:

	2021		**2020**	
	High	**Low**	**High**	**Low**
First Quarter	0.79	0.43	0.64	0.27
Second Quarter	0.67	0.38	0.54	0.39
Third Quarter	0.58	0.42	0.60	0.43
Fourth Quarter	0.46	0.375	0.58	0.45

The listed price of MHC shares as of end of first quarter of 2022 is P0.325, with a high of P0.380 and a low of P325**.**

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, 2021 total one hundred ninety five (195) in number, broken down as follows:

Citizen	No. of Shares	Percentage	No. of Holders
Filipino	772,736,890	64.39%	183
American	908,000	0.08%	7
Chinese	105,050	0.00%	2
Other Alien	426,250,060	35.53%	3
	1,200,000,000	**100.00%**	**195**

Top 20 Stockholders as at December 31, 2021 all holding Common Stock**:**

Rank	Name of Stockholder	No. of Shares Held	Percentage
1	PCD Nominee Corporation (NF)	426,250,009	35.52%
2	Prokey Investments Ltd.	351,289,763	29.27%
3	PCD Nominee Corporation (F)	260,321,088	21.69%
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, 2021, the project is still under construction and development with expected completion by June 2022.

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

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

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

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

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

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

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

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

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

2021

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.

Key Performance and Financial Soundness Indicators
Definition of Ratios

Net Profit Ratio - $\frac{\text{Consolidated Net Income (Loss)}}{\text{Total Revenues}}$

Return on Assets - $\frac{\text{Net Income}}{\text{Total Assets}}$

Return on Equity - $\frac{\text{Net Income}}{\text{Total Stockholders' Equity}}$

Current Ratio - $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

Acid Test - $\frac{\text{Cash on hand and in banks + Financial Assets at Fair Value+ Notes and other receivables}}{\text{Current Liabilities}}$

Debt to Equity - $\frac{\text{Total Liabilities}}{\text{Total Equity}}$

Debt to Assets - $\frac{\text{Total Liabilities}}{\text{Total Assets}}$

Asset to Equity - $\frac{\text{Total Assets}}{\text{Total Equity}}$

Interest Coverage - $\frac{\text{Net Income Before Tax and Interest Expense}}{\text{Interest Expense}}$

Earnings (Loss) Per Share - $\frac{\text{Net Income Attributable to Equity Holders of Parent Co.}}{\text{Average number of Outstanding Common Shares}}$

(%)	**Dec. 31, 2021***	**Dec. 31, 2020***	**Dec. 31, 2019***
Net Profit Ratio	-0.5399	0.9514	-2.5561
Return on Assets	-0.0165	0.0897	-0.2177
Return on equity	-0.0286	0.1571	-0.4157
Current ratio	1.6304	1.7826	1.7058
Acid test	1.3183	1.6713	1.6960
Debt to equity	0.7339	0.7508	0.9094
Debt to assets	0.4233	0.4288	0.4763
Asset to equity	1.7339	1.7508	1.9094
Interest coverage	-	-	-
Earnings (loss) per share	-0.0365	0.0655	-0.2206

*Audited

2020

Results of Financial Operations

	Year Ended December 31			
	2020	**2019**	**Increase (Decrease)**	**%**
Income	99,751,821	103,532,502	(3,780,681)	(3.65%)
Expenses	17,513,196	258,393,896	(240,880,700)	(93.22%)
Net Income (Loss)	91,926,004	(205,019,129)	296,945,133	(144.84%)

A comparative review of the Registrant's financial operations for the year ended **December 31, 2020** vis-à-vis the same period last year showed the following:

Total revenues decreased by P3.78M or 3.65% mainly due to the unrealized gain on revaluation of financial assets at FVPL of P27.34M recognized in 2020 offset by decrease in other income from P5.4M in 2019 as compared to none in 2020. Net finance income registered at P2.8M with no finance costs in 2020 as compared to P23.13M in 2019. Interest income decreased by P20.2M with no finance costs and increase in net foreign exchange loss of P103K. Total expenses decreased by P240.88M or 93.22% mainly due to the one-time effect of the unrealized loss on revaluation of financial assets at FVPL amounting to P171.42M in 2019 as compared to none in 2020 and the loss on write-off of receivables booked in 2019.

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

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

Financial Position

	December 31, 2020	**December 31, 2019**	**Increase (Decrease)**	**%**
Current Assets	495,310,647	473,087,346	22,223,301	4.70%
Non-current Assets	529,034,814	468,564,732	60,470,082	12.91%
Total Assets	1,024,345,461	941,652,078	82,693,383	8.78%
Current Liabilities	277,858,549	277,345,466	513,083	0.18%
Non-current Liabilities	161,399,804	171,145,508	(9,745,704)	(5.69%)
Equity	585,087,108	493,161,104	91,926,004	18.64%

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

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

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

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

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

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

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

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

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

2019

Results of Financial Operations

	Year Ended December 31			
	2019	**2018**	**Increase (Decrease)**	**%**
Income	80,207,974	94,389,874	(14,181,900)	(15.02%)
Expenses	258,203,451	525,218,138	(267,014,687)	(50.84%)
Finance Income (Cost)	23,134,083	(6,660,631)	29,794,714	(447.33%)
Net Income (loss)	(205,019,129)	(460,376,246)	255,357,117	(55.47%)

A comparative review of the Registrant's financial operations for the period ended **December 31, 2019** vis-à-vis the same period last year showed the following:

Total revenues decreased by P14.2M or 15.02% mainly due to other income which registered at P21.96M in 2018 as compared to P5.4M in 2019. Total expenses decreased by P267.0M or 50.84% mainly due to the one-time effect of the loss on disposal of investment in an associate, Philippine Infradev Holdings, Inc. (formerly IRC Properties, Inc.) (PIHI) in 2018 offset by an increase in unrealized loss on revaluation of securities of P83.1M in 2019. Net finance income registered at P23.1M with no fnance costs in 2019 as compared to P6.66M in 2018. Interest income increased by P3.3M offset by decrease in finance costs of P20.97M in 2019 and decrease in net foreign exchange loss of P5.5M.

Share in net earnings of IRC registered at P7.5M for the 1st quarter of 2018 prior to the disposal of part of shareholdings and P6.8M in 2017.

Net loss before income taxes registered at P154.86M for 2019 and net loss for the year registered at P205.02M after income tax provision.

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

Financial Position

	December 31, 2019	**December 31, 2018**	**Increase (Decrease)**	**%**
Current Assets	473,087,346	700,729,103	(227,641,757)	(32.49%)
Non-current Assets	468,564,732	402,601,546	65,963,186	16.38%
Total Assets	941,652,078	1,103,330,649	(161,678,571)	(14.65%)
Current Liabilities	277,345,466	284,422,791	(7,077,325)	(2.49%)
Non-current Liabilities	171,145,508	120,727,625	50,417,883	41.76%
Equity	493,161,104	698,180,233	(205,019,129)	(29.36%)

Explanation to Accounts with Material Variance (December 2019 vs. December 2018)

Current Assets
Cash amounted to P181.600 million as of December 31, 2019 as compared to P193.312 million as of December 31, 2018 or a decrease of P11.7M or 6.06% mainly due to additional investments in financial assets and used for working capital.

Financial assets at fair value through profit or loss amounted to P224.282 million as of December 31, 2019 as compared to P392.937 million as of December 31, 2018 or a decrease of P168.7M or 42.9% mainly due to the decline in fair value of the Group's remaining investments in PIHI shares from P2.25/share in 2018 to P1.25/share in 2019.

Notes receivables amounted to P60 million as of December 31, 2019 as compared to P104.149 million as of December 31, 2018 or a decrease of P44.15M or 42.3% mainly due to the amounts written-off after a final settlement agreement with PIHI as discussed in Note 4 to the Consolidated Financial Statements.

Investment in an associate - the 100% decrease in the account is discussed in details in Note 7 to the Consolidated Financial Statements.

Non-current Assets
Property and equipment, net amounted to P1.57 million as of December 31, 2019 as compared to P2.332 million as of December 31, 2018 or decrease of P0.76M or 32.7% mainly due to charges for depreciation.

Investment properties
amounted to P466.995 million as of December 31, 2019 as compared to P400.270 million as of December 31, 2018 or an increase of P66.73M or 16.7% due to gain on fair value as a result of the appraisal of the properties.

Current Liabilities
Borrowings - no movement in borrowings during the year.

Accounts payable and other current liabilities amounted to P12.168 million as of December 31, 2019 as compared to P19.254 million as of December 31, 2018 or a decrease of P7.09M or 36.8% mainly due to payment of accruals and write-off of long outstanding payables.

Non-current Liabilities
Deferred income tax liabilities, net
amounted to P168.141 million as of December 31, 2019 as compared to P118.846 million as of December 31, 2018 or an increase of P49.3M or 41.5% due mainly to the tax effect of unrealized gain on fair value change in investment property.

Item 7 – Financial Statements

The audited consolidated financial statements of the Registrant as of and for the year ended December 31, 2021, 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, 2021 and 2020.

(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, 2021 and 2020. 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 80 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 74 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 64 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 53 years old.

Andrew Charles Ferguson, Director - Mr. Ferguson, 49 years old, British citizen, was elected Director on August 2, 2021. He holds a Bachelor of Science Degree in Natural Resource Development. Mr. Ferguson worked as a mining engineer in Western Australia in the mid 1990's. In 2003, Mr. Ferguson co-founded New City Investment Managers in the United Kingdom. He has a proven track record in fund management and was the former co-fund manager of City Natural Resources High Yield Trust, which was awarded "Best UK Investment Trust" in 2006. In addition, he managed New City High Yield Trust Ltd. and Geiger Counter Ltd. He worked for New City Investment Managers CQS Hong Kong, a financial institution providing investment management services to a variety of investors. He has 26 years of experience in the finance industry specializing in global natural resources. Being a fund manager for assets in London and Hong Kong, he was responsible for day to day management of portfolios, risk management, business development, relationship management and working with independent boards, custodians and auditors to ensure that all shareholders' funds were managed properly. Mr. Ferguson is currently an Executive Director and the Chief Executive Officer of APAC Resources Limited (Stock Code: 1104), a company listed on the main board of The Stock Exchange of Hong Kong Limited, and an alternate director in Mount Gibson Iron Limited (Stock Code: MGX), a company listed on the Australian Securities Exchange.

Rodrigo B. Supeña, Independent Director - Mr. Rodrigo B. Supeña has been elected as Independent Director of the Company since March 31, 2009, and has served as such for more than two years now . Mr. Supeña, a seasoned banker 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 82 years old.

Steven Gamboa Virata, Independent Director – Mr. Steven Virata joined the Company in 2001. A degree holder of B.S. Architecture from the University of the Philippines, he has more than 10 years experience in the aviation industry, marketing, architecture, graphic design and production, theater industry and farm management. His other business experiences in the last 5 years are as follows: currently, he is a Director of C. Virata and Associates, ATAR-IV, Inc., Chilco Holdings Inc., and V.L. Araneta Properties, Inc. He was elected last year and is nominated this year, as an independent director. Mr. Virata, a Filipino, is 64 years old.

Rodolfo D. Santiago, Independent Director - Retired Major General Rodolfo D. Santiago, Filipino, 61, is a graduate of the Philippine Military Academy, Class of 1982. He has more than 38 years of military service holding various positions in several specialized fields. He held command and staff positions of major importance in the fields of military communications, intelligence, civil military operations and infantry operations. He capped his military career as an educator serving as the 54th Commandant of the Armed Forces of the Philippines Command and General Staff College. He completed his 15-year intelligence career serving as a Commander of the Defense Intelligence and Security Group. His civil-military operations stint was topped by being designated as the Assistant Deputy Chief of Staff for Civil-Military Operations, J7 (AJ7). He also led the AFP in disaster response operations, training and education. He is currently serving as Chief Technology Officer of Dito Telecommunity Corporation and as a member of the Board of Advisers of the Tech Peace, Build Peace Movement. He works as an independent consultant of the Department of Education since January 2017 dealing largely with other stakeholders, disaster resiliency, peace education and schools in conflict areas. He is also a research consultant of Ateneo de Manila University on disaster resiliency since May 2017. Maj. Gen. Santiago served as an Independent Director of Philippine Infradev Holdings, Inc. from Aug. 17, 2017 to May 21, 2020.

Messrs. Rodrigo B. Supeña, Steven G. Virata and Rodolfo D. Santiago were elected as the Company's independent directors at the last annual stockholders' meeting held on November 26, 2021.

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.	Anselm Wong	-	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 51 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 2022 (estimate) are as follows:

Name and Principal Position	Salary			Bonus	Other Annual Compensation
	2022 (Estimate)	2021	2020		
Roberto V. San Jose *Chairnan of the Board*					
Esteban G. Peña Sy *President*					
Delfin P. Angcao *Corporate Secretary*					
Gloria Georgia G. Garcia *Treasurer*					
Aggregate compensation (all key officers and directors as a group) Note: Registrant has no other executive officers except those named above.	P4.8M	P4.8M	P4.8M	None	None

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, 2021:

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	426,250,009	35.52
TOTAL				777,539,772	64.79

* 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, 2021:

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 2021 through official disclosures dated:

Date	Disclosures
August 3, 2021	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
September 13, 2021	Notice of Annual Stockholders' Meeting
November 24, 2021	Notice of Annual Stockholders' Meeting - Amendment
November 29, 2021	Results of Annual Stockholders' Meeting
November 29, 2021	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 _____.

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)

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this _____ day of MAY 12 2022, 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	Driver's License N-14-59-041665	expiring November 7, 2022
Esteban G. Peña Sy	P8276657A	August 09, 2018/ DFA NCR Central
Delfin P. Angcao	Sr. Ctizen ID 44196	February 15, 2018/ San Pedro, Laguna
Gloria Georgia G. Garcia	P8316836A	August 11, 2018/ DFA NCR NorthEast

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2022
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-82-(2021-2022)
PTR No. 8852511 Jan. 3, 2022
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

Doc. No. 70
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MABUHAY HOLDINGS CORPORATION

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Voting Trust Agreement	*
Material Contracts	*
Annual Report of Security Holders, Form 17-Q or Quarterly Report to Security Holders	*
Report Furnished to Security Holders	*
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Published Report Regarding Matters Submitted to Vote of Security Holders	*
Consents of Experts and Independent Counsel	*
Power of Attorney	*
Additional Exhibits	*

* 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

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, 2021 and 2020,** in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud of error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Isla Lipana & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ROBERTO V. SAN JOSE
Chairman of the Board

ESTEBAN G. PEÑA SY
President

GLORIA GEORGIA G. GARCIA
Chief Financial Officer

Signed this 26th day of April 2022.

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 MAY 13 2022 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	Driver's License N-14-59-041665	expiring November 07, 2022
Esteban G. Peña Sy	P8276657A	August 09, 2018/DFA NCR Central
Gloria Georgia G. Garcia	P8316836A	August 01, 2018/DFA NCR North East

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
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101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

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Independent Auditor's Report

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Mabuhay Holdings Corporation (the "Parent Company") and Subsidiaries (together, the "Group") as at December 31, 2021 and 2020, and the financial performance and cash flows for each of the three years in the period ended December 31, 2021 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, 2021 and 2020;
- the consolidated statements of comprehensive income for each of the three years in the period ended December 31, 2021;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2021;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2021; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audits in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is as follow:

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Estimation of fair value of investment properties Refer to Note 7 to the consolidated financial statements for the details of the investment properties and Note 22.1 for discussion on critical accounting estimates and assumptions. This is a key audit matter mainly due to the materiality of the account and volatility of the market in relation to the determination of the fair value of the investment properties. As at December 31, 2021, total investment properties, carried at fair value amounts to P522.13 million. An annual fair value assessment is performed based on the requirements of PFRS 13, Fair Value Measurement, and Philippine Accounting Standards (PAS) 40, Investment Property. In 2021, the Group recognized a fair value gain amounting to P22.11 million. This is based on the report prepared by an independent appraiser engaged by the Group using the market approach. This approach uses sales and listing of comparable properties registered within the vicinity premised on the factors of time, unit area or size, unit location, unit improvements, building location, building features or amenities, bargaining allowance, and others.	We addressed the matter by obtaining the appraisal report prepared by third party experts and reviewing the appropriateness of the method and reasonableness of the significant assumptions and estimates used in calculating the fair value and assessed in accordance with PFRS 13 requirements. In particular, audit evidence over the reliability of the appraiser report was obtained through independent verification of certain fair value assumptions (i.e., similar market listing in the area) over the Group's properties. We evaluated competence, capabilities and objectivity of the independent appraiser by reviewing their profile, qualifications, client portfolio and business relationship with the Group. We also reviewed the accounting policy adopted by the Group's management on fair value measurement of investment properties in accordance with PFRS 13 and PAS 40.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A (Annual Report) for the year ended December 31, 2021, but do not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A (Annual Report) are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of each entity within the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each entity within the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an entity within the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Zaldy D. Aguirre.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 6, 2022, Makati City
SEC A.N. (individual) as general auditors 105660-SEC, Category A,
valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
TIN 221-755-698
BIR A.N. 08-000745-77-2020, issued on December 14, 2020; effective until December 13, 2023
BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
April 26, 2022

Isla Lipana & Co.

Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

We have audited the consolidated financial statements of Mabuhay Holdings Corporation (Parent Company) and Subsidiaries as at and for the year ended December 31, 2021, on which we have rendered the attached report dated April 26, 2022. The supplementary information shown in the Map of the Group of Companies within which the Reporting Entity Belongs and the Reconciliation of Retained Earnings Available for Dividend Declaration, as additional components required by Rule 68 of the SRC, and Schedules A, B, C, D, E, F, and G, as required by Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the consolidated financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in the audit of the consolidated financial statements. In our opinion, the supplementary information have been prepared in accordance with Rule 68 of the SRC.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 6, 2022, Makati City
SEC A.N. (individual) as general auditors 105660-SEC, Category A,
valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
TIN 221-755-698
BIR A.N. 08-000745-77-2020, issued on December 14, 2020; effective until December 13, 2023
BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
April 26, 2022

Isla Lipana & Co.

Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Mabuhay Holdings Corporation (the "Parent Company") and Subsidiaries (together, the "Group") as at December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated April 26, 2022. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of the operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2021 and 2020 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 6, 2022, Makati City
SEC A.N. (individual) as general auditors 105660-SEC, Category A,
valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
TIN 221-755-698
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BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
April 26, 2022

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Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2021 and 2020
(All amounts in Philippine Peso)

	Notes	2021	2020
A S S E T S			
Current assets			
Cash	2	171,836,936	212,751,853
Financial assets at fair value through profit or loss (FVPL)	3	202,743,583	251,619,701
Receivables and other current assets	5	88,689,173	30,939,093
Total current assets		463,269,692	495,310,647
Non-current assets			
Property and equipment, net	6	930,927	1,234,864
Investment properties	7	522,127,000	527,799,950
Total non-current assets		523,057,927	529,034,814
Total assets		986,327,619	1,024,345,461
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other current liabilities	8	13,162,963	12,283,578
Borrowings	9	13,624,642	13,624,642
Advances from related parties	15	9,560,485	9,226,385
Income tax payable		5,329,825	258,618
Provision for litigation claims	19	47,770,052	47,770,052
Advances from prospective shareholders	10	194,695,274	194,695,274
Total current liabilities		284,143,241	277,858,549
Non-current liabilities			
Retirement benefits obligation	18	2,856,914	3,342,349
Deferred income tax liabilities, net	13	130,488,632	158,057,455
Total non-current liabilities		133,345,546	161,399,804
Total liabilities		417,488,787	439,258,353
Equity			
Attributable to shareholders of the Parent Company			
Share capital	11	975,534,053	975,534,053
Treasury shares	11	(58,627,864)	(58,627,864)
Deficit		(558,932,797)	(523,340,931)
		357,973,392	393,565,258
Non-controlling interest		210,865,440	191,521,850
Total equity		568,838,832	585,087,108
Total liabilities and equity		986,327,619	1,024,345,461

The notes on pages 1 to 33 are an integral part of these consolidated financial statements.

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income
For each of the three years in the period ended December 31, 2021
(All amounts in Philippine Peso)

	Notes	2021	2020	2019
Income				
Gain on fair value change in investment properties	7	22,112,050	60,804,950	66,725,000
Gain on disposal of investment properties	7	4,358,661	-	-
Management and service fee	5	1,943,558	-	-
Rental income	7	1,601,914	8,242,891	7,760,805
Interest income	2,4	894,422	3,133,894	23,324,528
Foreign exchange gain	21.1	278,089	-	-
Dividend income	3	77,385	232,482	78,758
Unrealized gain on revaluation of financial assets at FVPL	3	-	27,337,604	-
Gain on disposal of financial assets at FVPL	3	-	-	227,867
Other income	8	-	-	5,415,544
		31,266,079	99,751,821	103,532,502
Expenses				
Unrealized loss on revaluation of financial assets at FVPL	3	48,876,118	-	171,429,440
Salaries and employee benefits	17	6,085,182	6,277,940	8,295,824
Meeting expenses		2,229,554	3,082,500	4,306,642
Professional fees		3,683,795	1,296,050	1,311,528
Depreciation	6	539,077	477,757	761,814
Foreign exchange loss, net	21.1	-	293,630	190,445
Loss on write-off of receivables	4	-	-	64,576,561
Other expenses	12	7,820,085	6,085,319	7,521,642
		69,233,811	17,513,196	258,393,896
Income (loss) before income tax		(37,967,732)	82,238,625	(154,861,394)
Benefit from (provision for) income tax	13	21,719,456	9,687,379	(50,157,735)
Net income (loss) for the year		(16,248,276)	91,926,004	(205,019,129)
Other comprehensive income for the year		-	-	-
Total comprehensive income (loss) for the year		(16,248,276)	91,926,004	(205,019,129)
Basic and diluted earnings (loss) per share attributable to shareholders of the Parent Company	14	(0.0365)	0.0655	(0.2206)
Net income (loss) attributable to:				
Shareholders of the Parent Company		(35,591,866)	63,852,518	(215,172,889)
Non-controlling interest		19,343,590	28,073,486	10,153,760
		(16,248,276)	91,926,004	(205,019,129)
Total comprehensive income (loss) attributable to:				
Shareholders of the Parent Company		(35,591,866)	63,852,518	(215,172,889)
Non-controlling interest		19,343,590	28,073,486	10,153,760
		(16,248,276)	91,926,004	(205,019,129)

The notes on pages 1 to 33 are an integral part of these consolidated financial statements.

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2021
(All amounts in Philippine Peso)

	Shareholders of the Parent Company				
	Share capital (Note 11)	Treasury shares (Note 11)	Deficit	Non-controlling interest	Total
Balances as at January 1, 2019	975,534,053	(58,627,864)	(372,020,560)	153,294,604	698,180,233
Comprehensive income (loss)					
Net income (loss) for the year	-	-	(215,172,889)	10,153,760	(205,019,129)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	(215,172,889)	10,153,760	(205,019,129)
Balances as at Decembre 31, 2019	975,534,053	(58,627,864)	(587,193,449)	163,448,364	493,161,104
Comprehensive income					
Net income for the year	-	-	63,852,518	28,073,486	91,926,004
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	63,852,518	28,073,486	91,926,004
Balances as at December 31, 2020	975,534,053	(58,627,864)	(523,340,931)	191,521,850	585,087,108
Comprehensive income (loss)					
Net income (loss) for the year	-	-	(35,591,866)	19,343,590	(16,248,276)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	(35,591,866)	19,343,590	(16,248,276)
Balances as at December 31, 2021	975,534,053	(58,627,864)	(558,932,797)	210,865,440	568,838,832

The notes on pages 1 to 33 are an integral part of these consolidated financial statements.

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2021
(All amounts in Philippine Peso)

	Notes	2021	2020	2019
Cash flows from operating activities				
Income (loss) before income tax		(37,967,732)	82,238,625	(154,861,394)
Adjustments for:				
Unrealized loss (gain) on revaluation of financial assets at FVPL	3	48,876,118	(27,337,604)	171,429,440
Depreciation	6	539,077	477,757	761,814
Loss on write-off of receivables	4	-	-	64,576,561
Gain on disposal of financial assets at FVPL	3	-	-	(227,867)
Accounts written-off	8,12	-	-	(5,384,305)
Dividend income	3	(77,385)	(232,482)	(78,758)
Unrealized foreign exchange loss (gain)	21.1	(278,089)	(138,128)	190,445
Provision for (reversal of) retirement obligation	18	(485,435)	338,179	1,122,377
Interest income	2,4	(894,422)	(3,133,894)	(23,324,528)
Gain on disposal of investment properties	7	(4,358,661)	-	-
Gain on fair value change in investment properties	7	(22,112,050)	(60,804,950)	(66,725,000)
Operating loss before working capital changes		(16,758,579)	(8,592,497)	(12,521,215)
Increase (decrease) in:				
Receivables and other current assets		(58,269,623)	(23,733,939)	(688,032)
Increase (decrease) in:				
Advances from related parties		334,816	223,402	-
Accounts payable and other current liabilities		878,670	116,364	(2,200,808)
Cash absorbed by operations		(73,814,716)	(31,986,670)	(15,410,055)
Interest received		894,422	3,133,894	6,684,651
Dividend received		77,385	232,482	78,758
Income tax paid		(258,618)	(223,189)	(328,542)
Net cash used in operating activities		(73,101,527)	(28,843,483)	(8,975,188)
Cash flows from investing activities				
Proceeds from disposal investment properties	7	32,143,661	-	-
Collection of notes receivable	4	-	58,350,678	-
Interest received	4	-	1,649,322	-
Proceeds from disposal of financial assets at FVPL	3	-	-	1,863,814
Acquisitions of financial assets at FVPL	3	-	-	(4,410,540)
Acquisitions of property and equipment	6	(235,140)	(142,889)	-
Net cash provided by (used in) investing activities		31,908,521	59,857,111	(2,546,726)
Net increase (decrease) in cash for the year		(41,193,006)	31,013,628	(11,521,914)
Cash as at January 1		212,751,853	181,600,097	193,312,456
Effect of exchange rates on cash		278,089	138,128	(190,445)
Cash as at December 31	2	171,836,936	212,751,853	181,600,097

The notes on pages 1 to 33 are an integral part of these consolidated financial statements.

Mabuhay Holdings Corporation and Subsidiaries

Notes to the Consolidated Financial Statements
As at December 31, 2021 and 2020 and
for each of the three years in the period ended December 31, 2021
(In the Notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - General information; status of operations

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

The consolidated financial statements include the financial information of the Parent Company and its Subsidiaries (the Group) detailed in Note 23.3.

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

The Parent Company has 8 employees as at December 31, 2021 and 2020.

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 that is expected to be completed by June 2022.

As for its investment properties, the Group sold two parcels of land during the year (Note 7) and has entered into a new lease contract with a new tenant for a period of three (3) years commencing on September 15, 2021 (Note 16).

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

1. To acquire and develop properties for lease purposes;
2. To acquire properties for development of affordable housing units as part of our corporate social responsibility to contribute to the housing requirements of the country; and,
3. To continue to retain its investment properties for appreciation, and to plan for the possible development of the prime properties.

The planned acquisitions of rental yielding properties are expected to generate sustained cash inflows to support the Group's operations.

COVID-19 impact and assessment

In 2020, the Philippine Government declared community quarantine due to the COVID-19 pandemic in several areas that has resulted in significant disruptions in the local business operations and trading activities in the Philippine stock exchange. The Company has suspended its normal operations based on the quarantine guidelines.

The Group has significant investments in traded equity instruments classified as financial assets at FVPL. The market values of these traded equity instruments are still heavily affected by the impact of the pandemic causing decline of 19% for the year ended December 31, 2021 resulted in a loss of P48.88 million (Note 3). The Company has not acquired or disposed any listed equity shares in 2021.

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

The consolidated financial statements have been approved and authorized for issue by the Board of Directors on April 26, 2022.

Note 2 - Cash

Cash as at December 31 consist of:

	2021	2020
Cash on hand	30,000	15,000
Cash in bank	171,806,936	212,736,853
	171,836,936	212,751,853

Cash in bank earns interest at the prevailing bank deposit rates. Interest income from cash in bank for the year ended December 31, 2021 amounted to P0.89 million (2020 - P3.13 million; 2019 - P6.68 million).

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

Movements in financial assets at FVPL for the years ended December 31 follow:

	Note	2021	2020
At January 1		251,619,701	224,282,097
Gain (loss) on revaluation	1.b	(48,876,118)	27,337,604
At December 31		202,743,583	251,619,701

The account consists of equity shares listed in Philippine Stock Exchange with fair value based on current bid prices in an active market (Level 1 valuation). Changes in fair value are recorded in unrealized gain (loss) on revaluation of financial assets at FVPL in profit or loss amounting to P48.88 million loss for the year ended December 31, 2021 (2020 - P27.34 million gain; 2019 - P171.43 million loss).

In 2019, the Group acquired additional investments amounting to P4.41 million and sold listed equity shares with proceeds of P1.86 million resulting in a gain of P0.23 million. In 2021 and 2020, the Group has not acquired or sold any listed equity shares.

Dividends earned for the year ended December 31, 2021 amounted to P0.08 million (2020 - P0.23 million; 2019 - P0.08 million) credited to profit or loss.

Note 4 - Notes receivable

In 2019, the Group had long outstanding receivables from PIHI amounting to P120.80 million in notes and interest receivables and P3.78 million in rent receivables totaling P124.58 million. On June 12, 2020, the Group and PIHI entered into a final settlement agreement and collected P60.00 million as full settlement, which resulted in a loss on write-off of uncollected receivables for the year ended December 31, 2019 amounting to P64.58 million.

The amounted collected represents principal and interest amounting P58.35 million and P1.65 million, respectively.

Total interest income recognized in 2019 amounted to P16.64 million.

Note 5 - Receivables and other current assets

The account as at December 31 consist of:

	Notes	2021	2020
Advances to a contractor		57,753,944	22,615,612
Receivables	7	22,157,698	-
Prepayments		4,070,320	3,238,698
Advances to third parties		2,910,533	3,114,272
Advances to employees		1,154,568	254,990
Due from other related parties	15	490,746	657,925
Dividend receivable		149,966	149,966
Other receivables		1,398	907,630
		88,689,173	30,939,093

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, 2021, the Subsidiary has earned management and service fee arising from the arrangement amounting to P1.94 million.

Prepayments mainly comprise of prepaid taxes and insurance.

Advances to third parties represent cash advances that are collectible in cash.

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

Note 6 - Property and equipment, net

Details and movements of property and equipment as at and for the years ended December 31 follow:

	Office condominium	Building improvements	Office equipment	Transportation equipment	Communication and other equipment	Furniture and fixtures	Total
Cost							
January 1, 2020	13,746,305	3,859,242	760,592	6,047,054	185,182	1,662,116	26,260,491
Additions	-	-	142,889	-	-	-	142,889
December 31, 2020	13,746,305	3,859,242	903,481	6,047,054	185,182	1,662,116	26,403,380
Additions	-	-	157,560	71,339	6,241	-	235,140
December 31, 2021	13,746,305	3,859,242	1,061,041	6,118,393	191,423	1,662,116	26,638,520
Accumulated depreciation							
January 1, 2020	13,746,305	3,859,242	722,308	4,523,465	177,323	1,662,116	24,690,759
Charges during the year	-	-	24,183	450,483	3,091	-	477,757
December 31, 2020	13,746,305	3,859,242	746,491	4,973,948	180,414	1,662,116	25,168,516
Charges during the year	-	-	73,444	459,994	5,639	-	539,077
December 31, 2021	13,746,305	3,859,242	819,935	5,433,942	186,053	1,662,116	25,707,593
Net book values							
December 31, 2020	-	-	156,990	1,073,106	4,768	-	1,234,864
December 31, 2021	-	-	241,106	684,451	5,370	-	930,927

As at December 31, 2021 and 2020, management assessed that there were no indicators present that would otherwise require an assessment and subsequent recognition of impairment for its property and equipment.

There are no property and equipment pledged as collateral for borrowings as at December 31, 2021 and 2020.

Note 7 - Investment properties

The Group's investment properties include several parcels of land and a commercial unit held for lease. Land includes properties of The Taal Company, Inc. (TTCI) and Tagaytay Properties and Holdings Corporation (TPHC), subsidiaries, held for appreciation purposes, including those in Batangas and Tagaytay City with a total land area of 29 hectares. The condominium unit, which is located in Makati with a total floor area of 676 square meters, is being leased out to third parties by the Parent Company (Note 16).

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

	2021	2020	2019
At January 1	527,799,950	466,995,000	400,270,000
Fair value gains	22,112,050	60,804,950	66,725,000
Disposals	(27,785,000)	-	-
At December 31	522,127,000	527,799,950	466,995,000

The fair value of investment properties is determined on the basis of appraisal made by an external appraiser duly certified by the management (Level 3 valuation). Valuation methods employed by the appraisers mainly include the market data approach (Note 23.10).

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

	2021	2020	2019
At January 1	482,351,025	421,546,075	354,821,075
Fair value gains	22,112,050	60,804,950	66,725,000
Disposals	(26,662,168)	-	-
At December 31	477,800,907	482,351,025	421,546,075

On September 3, 2021, the Group sold two parcels of land in Batangas with carrying value of P27.79 million for P32.14 million resulting in gain of P4.36 million. Out of the total proceeds, P22.16 million is outstanding as at December 31, 2021 and is fully collected in first quarter of 2022 (Note 5).

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

	Notes	2021	2020	2019
Rental income	16	1,601,914	8,242,891	7,760,805
Operating expenses arising from investment properties that generate rental income	12	(3,773,729)	(1,147,395)	(1,322,586)
		(2,171,815)	7,095,496	6,438,219

Direct expenses are recorded in communication, light and water, repairs and maintenance, association dues, taxes and licenses, and insurance under other expenses (Note 12).

Note 8 - Accounts payable and other current liabilities

Accounts payable and other current liabilities as at December 31 consist of:

	Note	2021	2020
Accounts payable and accrued expenses		9,061,539	7,917,523
Accrued interest on borrowings	15	2,879,506	2,879,506
Deferred rental income		1,063,615	-
Withholding taxes		155,803	632,049
Subscription payable		2,500	2,500
Deposits from customers		-	852,000
		13,162,963	12,283,578

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

Deposits from customers pertain to cash paid by the buyers which were fully applied during the year.

In 2019, the Group wrote-off long-outstanding payables amounting to P5.41 million following final reconciliation with its creditors. The amount is credited to other income. There were no write-offs in 2021 and 2020.

Note 9 - Borrowings

The outstanding borrowings, which are unsecured, non-interest bearing and with no definite repayment date, pertain to a loan from a related party amounting to P13.62 million as at December 31, 2021 and 2020 (Note 15).

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

	Notes	2021	2020
Borrowings as at December 31	15	13,624,642	13,624,642
Cash as at December 31	2	(171,836,936)	(212,751,853)
Net debt as at December 31		(158,212,294)	(199,127,211)

Note 10 - Advances from prospective shareholders

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

Note 11 - Equity

Share capital as at December 31, 2021 and 2020 consist of:

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

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

No collection occurred during 2021 and 2020 regarding the outstanding subscription receivable.

As at December 31, 2021, there are 187 shareholders (2020 - 188) each owning more than one hundred (100) shares of the Parent Company.

Note 12 - Other expenses

Details of other expenses for the years ended December 31 follow:

	2021	2020	2019
Transportation and travel	1,829,525	1,709,560	2,650,123
Taxes and licenses	1,533,859	1,464,624	1,480,888
Association dues	1,162,333	368,964	407,037
Office supplies	663,980	820,453	1,192,399
Communication, light and water	510,493	667,068	647,373
Security services	427,196	427,196	400,252
Penalties	426,088	-	-
Repairs and maintenance	387,595	175,309	414,901
Insurance	179,449	194,446	181,897
Postage	20,190	19,545	13,211
Accounts written-off	-	-	31,240
Miscellaneous	679,377	238,154	102,321
	7,820,085	6,085,319	7,521,642

Note 13 - Income taxes

Details of provision for (benefit from) income tax for the years ended December 31 follow:

	2021	2020	2019
Current	5,849,367	396,503	862,229
Deferred	(27,568,823)	(10,083,882)	49,295,506
	(21,719,456)	(9,687,379)	50,157,735

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

	2021	2020
Deferred income tax liabilities		
Fair value gain on investment properties	129,641,468	156,389,766
Unrealized gain on revaluation of financial assets at FVPL	1,757,774	2,628,955
Unrealized foreign exchange gain, net	69,523	41,438
	131,468,765	159,060,159
Deferred income tax assets		
Retirement benefits obligation	(714,229)	(1,002,704)
Deferred rental income	(265,904)	-
	(980,133)	(1,002,704)
	130,488,632	158,057,455

On March 26, 2021, Republic Act No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises or CREATE Act, was signed into law. The CREATE Act will take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation. Among the salient provisions of CREATE include changes to the corporate income tax as follows:

- lowering of regular corporate income tax (RCIT) rate to 20% from 30% for domestic corporations with net taxable income not exceeding P5 million and with total assets not exceeding P100 million (excluding land on which the business entity's office, plant and equipment are situated) from July 1, 2020;
- lowering of regular corporate income tax (RCIT) to 25% from 30% for all other domestic and foreign corporations from July 1, 2020; and
- for the period beginning July 1, 2020 until June 30, 2023, the MCIT rate shall be 1%, instead of 2%.

In compliance with the National Internal Revenue Code (NIRC) of 1997, NOLCO is carried forward annually and can be applied to taxable income for three (3) succeeding taxable years. In 2020, Republic Act No. 11494 or the Bayanihan to Recover As One Act is enacted. Under the Bayanihan Act, net operating loss of a business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Deferred income tax assets are recognized to the extent that the realization of the related tax benefit through the future taxable profits is probable. The Group incurred net operating loss carry-over (NOLCO) for the year ended December 31, 2021 amounting to P10.27 million (2020 - P7.92 million; 2019 - P48.11 million). However, the related deferred income tax asset of P2.56 million (2020 - P2.38 million; 2019 - P14.43 million) was not recognized since the probability that those benefits would be utilized through future taxable profits is uncertain.

The details of NOLCO as at December 31, which could be carried over as deductible expense from taxable income follow:

Year of incurrence	Year of expiration	2021	2020
2021	2026	10,273,991	-
2020	2025	7,922,732	7,922,732
2019	2022	48,108,398	48,108,397
2018	2021	48,996,318	48,996,322
2017	2020	-	1,446,774
Total NOLCO		115,301,439	106,474,225
Applied during the year		(5,908,835)	-
Expired during the year		(47,426,831)	(1,446,774)
		61,965,773	105,027,451
Deferred income tax assets not recognized at 20%-25% (2020 - 30%)		15,491,443	29,565,448

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	2021	2020
2021	2024	26,655	-
2020	2023	139,588	139,588
2019	2022	524,700	524,700
2018	2021	521,243	521,243
Total MCIT		1,212,186	1,185,531
Expired during the year		(521,243)	-
Unrecognized MCI		690,943	1,185,531

In 2021, the MCIT amounting to P0.03 million (2020 - P0.14 million; 2019 - P0.52 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:

	2021	2020	2019
Income (loss) before income tax	(37,967,732)	82,238,625	(154,861,394)
Tax on pretax income at 20%-25% (2020 and 2019 - 30%)	(13,297,711)	24,671,588	(46,458,418)
Effects of change in enacted tax rate	(25,926,159)	-	-
Non-taxable income	(242,835)	(581,716)	(2,923,119)
Unrecognized NOLCO and MCIT	1,094,541	11,361,660	15,484,301
Non-deductible expenses	1,878,890	702,777	1,151,422
Adjustment for income subjected to lower tax rates	5,838,872	(2,879,041)	53,116,525
Difference in tax rate on unrealized fair value loss on unlisted shares	8,934,947	(42,811,903)	28,919,349
Others	-	(150,744)	867,675
	(21,719,455)	(9,687,379)	50,157,735

Note 14 - Basic and diluted earnings (loss) per share

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

	2021	2020	2019
Net income (loss) attributable to the shareholders of Parent Company	(35,591,866)	63,852,518	(215,172,889)
Divided by the average number of outstanding common shares	975,534,053	975,534,053	975,534,053
Earnings (loss) per share - basic and diluted	(0.0365)	0.0655	(0.2206)

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

Note 15 - Related party transactions and balances

The table below summarizes the Group's transactions and balances with its related parties as at and for the year ended December 31, 2021.

		2021		
	Notes	Transactions	Outstanding balances	Terms and conditions
Due from other related parties Intrinsic Value Management (IVM) Philippine Strategic International Holdings, Inc.(PSIHI) South China Holdings Corporation (SCHC)	5	(167,179)	490,746	Unsecured, non-interest bearing and collectible in cash on demand.
Borrowings from				
IVM	9	-	(13,624,642)	Unsecured, non-interest bearing and payable in cash on demand.
Interest on borrowings				
IVM	8	-	(2,879,506)	Interest on borrowings represent interest accrued in prior years on its borrowing from a related party. Interest is discontinued starting 2014 upon mutual agreement of both parties.
Advances from				
IVM, PSIHI		(334,099)	(9,474,826)	Unsecured, non-interest bearing and payable in cash on demand.
Other related party		-	(85,659)	

	Notes	2021		
		Transactions	Outstanding balances	Terms and conditions
Salaries and employee benefits				
Key management personnel		3,120,000	-	These are determined based on contract of employment and payable in cash in accordance with the Group's payroll period. These were fully paid at reporting date.

The table below summarizes the Group's transactions and balances with its related parties as at and for the year ended December 31, 2020.

	Notes	2020		
		Transactions	Outstanding balances	Terms and conditions
Due from other related parties	5	448,249	657,925	Unsecured, non-interest bearing and collectible in cash on demand.
Intrinsic Value Management (IVM)				
Philippine Strategic International Holdings, Inc.(PSIHI)				
South China Holdings Corporation (SCHC)				
Borrowings from				
IVM	9	-	(13,624,642)	Unsecured, non-interest bearing and payable in cash on demand.
Interest on borrowings				
IVM	8	-	(2,879,506)	Interest on borrowings represent interest accrued in prior years on its borrowing from a related party. Interest is discontinued starting 2014 upon mutual agreement of both parties.
Advances from				
IVM, PSIHI		138,459	(9,140,726)	Unsecured, non-interest bearing and payable in cash on demand.
Other related party		-	(85,659)	
Salaries and employee benefits				
Key management personnel		2,820,000	-	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 2021 amount to P580.95 million (2020 - P578.45 million).

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

Note 16 - Leases - the Company as lessor

The Parent Company occupies a portion of its investment property and uses it as an office space. The portion which is owner-occupied is properly classified as property and equipment (Note 6). The remaining portion is leased to third parties.

The Parent Company (as a lessor) has lease agreements with third parties under operating lease as follows:

a. One (1) unit of office space and two (2) parking rights for a period of one (1) year until January 2021 with annual rate of P1,323 per square meter. The lease was no longer renewed in 2021.
b. 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.
c. Six (6) car parking rights lease renewable annually until January 11, 2022 with monthly rate of P20,439. The lease was no longer renewed, however, a new tenant has leased all car parking rights from March 15, 2022 to September 14, 2023 at the same rate.

In 2021, rental income from investment in a commercial unit amounted to P1.60 million (2020 - P8.24 million; 2019 - P7.76 million) (Note 7).

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

	2021	2020	2019
Within one (1) year	3,646,544	218,988	7,972,480
After one (1) year but not more than five (5) years	6,394,951	-	16,091,712
	10,041,495	218,988	24,064,192

Note 17 - Salaries and employee benefits

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

	Note	2021	2020	2019
Salaries and wages		4,364,828	3,619,765	3,914,827
Employee benefits	18	1,315,886	2,108,627	3,796,385
Bonus and allowances		200,650	371,425	387,351
SSS, Philhealth and HDMF		203,818	178,123	197,261
		6,085,182	6,277,940	8,295,824

Note 18 - Retirement benefits obligation

The Group has yet to adopt a formal retirement plan and only provided for the retirement obligation based on minimum required retirement benefit under Republic Act (RA) 7641. Under RA 7641, otherwise known as the Retirement Pay Law, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five (5) years in a private company, may retire and shall be entitled to retirement pay equivalent to at least ½ month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year.

The retirement benefit obligation and retirement benefit expense (income) as at and for the years ended December 31 follow:

	2021	2020
Retirement benefit obligation	2,856,914	3,342,349
Retirement expense (income)	(485,434)	338,179

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

	2021	2020
At January 1	3,342,349	3,004,170
Current service cost	454,940	485,303
Impact of discount	(940,375)	(147,124)
At December 31	2,856,914	3,342,349

The retirement expense (income) is included under salaries and employee benefits (Note 19) in profit or loss.

The principal assumptions made as at December 31 follow:

	2021	2020
Discount rate	4.85%	3.25%
Expected future salary increase	3.00%	3.00%

Discount rate assumption is based on the theoretical spot yield curve calculated from Bloomberg market yields by stripping the coupons from government bonds to create virtual zero coupon bonds as of the valuation date, while considering the average years of remaining working life of the employees as the estimated term of the employee.

Note 19 - Provision for litigation claims

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

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

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

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

As at December 31, 2021 and 2020, management is still assessing other legal remedies available to settle the case.

Note 20 - Segment information

The Group has only one segment as it derives its revenues primarily from rental and capital appreciation of investment properties.

The operating segment is reported in a manner consistent with the internal reporting provided by the chief operating decision maker, the chief executive officer of the Group.

All revenues are from domestic entities incorporated in the Philippines, hence, the Group did not present geographical information required by PFRS 8, *Operating Segments*.
There are no revenues derived from a single external customer above 10% of total revenue in 2021 and 2020.

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 2021 and 2020.

Note 21 - Financial risk and capital management

21.1 Financial risk factors

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

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

There were no changes in the Group's strategies and policies during 2021 and 2020.

21.1.1 Market risk

(a) Foreign exchange risk

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

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

The Group's foreign currency denominated monetary asset and liabilities for the years ended December 31 follow:

	2021	2020
	In USD	In USD
Cash in bank	97,771	104,306
Exchange rates	50.77	48.0360
Peso equivalent	4,963,834	5,010,437

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

	2021	2020	2019
Realized	-	431,758	-
Unrealized	(278,089)	(138,128)	190,445
	(278,089)	293,630	190,445

As at December 31, 2021 and 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 Dollar		
December 31, 2021	+/-5.69%	+/-211,890
December 31, 2020	+/-5.34%	+/-131,714

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

(b) Price risk

The Group's exposure on price risk is minimal and limited only to financial assets at FVPL (Note 3) in the statement of financial position. Changes in market prices of these investments are expected to impact significantly the financial position or results of operations of the Group.

As at December 31, 2021, the impact of 1% increase (decrease) in the bid share prices of the Group's financial assets at fair value through profit or loss based on management's assessment of historical movements in price, with all variable held constant, would have an impact of possible increase (decrease) of P0.86 million (2020 - P1.06 million) in profit or loss.

(c) Interest rate risk

Interest rate risk refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group is not exposed to interest rate risk as it has no interest-bearing financial instruments as at December 31, 2021 and 2020.

21.1.2 Credit risk

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

Maximum exposure to credit risk

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

The table below shows the credit quality of significant financial assets (i.e., cash in banks and financial receivables) as at December 31:

	Current and fully performing	Past due and underperforming
2021		
Cash in bank	171,806,936	-
Receivables and other current assets*	79,911,642	4,707,211
	251,718,578	4,707,211
2020		
Cash in bank	212,736,853	-
Receivables and other current assets*	22,615,612	5,084,783
	235,352,465	5,084,783

**excluding prepayments*

Fully performing financial assets are fully recoverable with no overdue balances and with no history of credit losses. Underperforming financial assets are with long overdue balances and with exposure to credit losses. Both categories of financial assets are subjected to lifetime expected credit loss allowance assessment.

(i) Cash in bank

The Group deposits its cash balances in a universal bank to minimize the credit risk exposure. The Company assessed no significant credit risk.

(ii) Receivables and other current assets (excluding prepayments)

Advances, due from related parties and other receivables reported under receivables and other current assets totaling P84.62 million as at December 31, 2021 (2020 - P27.70 million) are monitored on an ongoing basis which normally results in an assessment that the Group's exposure to bad debts is not material. There were no historical losses recognized on these balances.

21.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding

through advances from related parties within the Group, extending payment terms for due to related parties, and an efficient collection of its notes receivables from third parties. The Group likewise regularly evaluates other financing instruments to broaden the Group's range of financing resources.

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances, as the impact of discounting is not significant.

	0 - 180 days	181 - 360 days	Total
As at December 31, 2021			
Borrowings	-	13,624,642	13,624,642
Accounts payable and other current liabilities*	5,598,285	6,345,260	11,943,545
Advances from related parties	-	9,560,485	9,560,485
Advances from prospective shareholders	-	194,695,274	194,695,274
	5,598,285	224,225,661	229,823,946
As at December 31, 2020			
Borrowings	-	13,624,642	13,624,642
Accounts payable and other current liabilities *	5,519,183	5,280,346	10,799,529
Advances from related parties	-	2,588,913	2,588,913
Advances from prospective shareholders	-	194,695,274	194,695,274
	5,519,183	216,189,175	221,708,358

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

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

21.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. For this purpose, capital is represented by total equity as shown in the consolidated statement of financial position, as well as advances from prospective shareholders presented under liabilities as follows:

	2021	2020
Total equity	568,838,832	585,087,108
Advances from prospective shareholders	194,695,274	194,695,274
	763,534,106	779,782,382

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, 2021 and 2020. 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 2021 and 2020.

21.3 Fair value of financial assets and liabilities

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities as at December 31 as follows:

	2021		2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Fair value through profit or loss	202,743,583	202,743,583	251,619,701	251,619,701
Fair value at amortized cost				
Cash	171,836,936	171,836,936	212,751,853	212,751,853
Receivables and other current assets*	84,618,853	84,618,853	27,700,395	27,700,395
Total assets	459,199,372	459,199,372	492,071,949	492,071,949
Financial liabilities at amortized cost				
Borrowings	13,624,642	13,624,642	13,624,642	13,624,642
Accounts payable and other current liabilities**	11,943,545	11,943,545	10,799,529	10,799,529
Advances from related parties	9,560,485	9,560,485	9,226,385	9,226,385
Advances from prospective shareholders	194,695,274	194,695,274	194,695,274	194,695,274
Total liabilities	229,823,946	229,823,946	228,345,830	228,345,830

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

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

21.4 Fair value hierarchy

The Group follows the fair value measurement hierarchy to disclose the fair values of its financial assets and liabilities. As at December 31, 2021 and 2020, the Group's financial assets at FVPL 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 features/amenities, bargaining allowance and others.

Note 22 - Critical accounting estimate and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

22.1 Critical accounting estimates and assumptions

(a) Estimate of fair value of investment properties (Note 7)

The Group's investment properties have an estimated market value of P227,000 per square meter (2020 - P226,000 per square meter) for the commercial unit and P350 to P4,000 per square meter (2020 - P290 to P3,700 per square meter) for the land as at December 31, 2021 based on the following significant assumptions used by the independent appraiser:

- current prices in an active market for properties of similar nature, condition or location, adjusted to reflect possible differences on the factors of time, unit area or size, unit location, unit improvements, building location, building features or amenities, bargaining allowance and others; and

- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

Investment properties in 2021 amounted to P522.13 million (2020 - P527.80 million). Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment properties would have been P52.21 million (2020 - P52.78 million) higher or lower.

(b) Retirement benefits (Note 18)

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

The sensitivities of the defined benefit obligation to changes in the principal assumptions as at December 31 follow:

Assumptions	2021	2020
Discount rate		
1% decrease	355,871	382,201
1% increase	(313,619)	(339,849)
Rate of salary increase		
1% decrease	471,949	535,223
1% increase	(211,924)	(260,414)

(c) Impairment of financial assets (Note 5)

The loss allowances for receivables and other current assets (excluding prepayments) 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. Details of the key assumptions and inputs used are disclosed in Note 23.5.3.

22.2 Critical accounting judgments

(a) Recognition of deferred income tax assets (Note 13)

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

Management believes that the non-recognition of deferred income tax assets from NOLCO and MCIT amounting to P15.49 million and P0.69 million, respectively, (2020 - P29.57 million and P1.19 million), respectively) is appropriate due to the Group's limited capacity to generate sufficient taxable income in the immediately succeeding three to five years given current development activities.

(b) Entities in which the Group holds less than 50% interest (Note 23.3)

Management consider that the Parent Company has de facto control over TAC, MAC, TTCI and TPHC even though it has less than 50% of the voting rights. There is no history of other shareholders forming a group to exercise their votes collectively. Based on the absolute size of the Parent Company's shareholding and the relative size of the other shareholdings, management has concluded that the Parent Company has sufficiently dominant voting interest to have the power to direct the relevant activities of these entities. Consistent with PFRS 10, the entities have been fully consolidated into the Group's consolidated financial statements.

(c) Impairment of investment properties (Note 7)

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 features/amenities, bargaining allowance and others which management believes are reasonable.

The carrying amount of investment properties amounted to P522.13 million as at December 31, 2021 (2020 - P527.80 million). No impairment loss was recognized on investment properties for the years ended December 31, 2021 and 2020.

(d) Provision for litigation claims (Note 19)

The Parent Company is a party to certain lawsuits or claims arising from the ordinary course of business. The provision for litigation claims is based on the final decision rendered by the Court of Appeals. The Parent Company's management and legal counsel believe that the liabilities under these lawsuits or claims will not have a material impact on the Group's consolidated financial statements. The Group's provision for litigation claims amounted to P47.77 million as at December 31, 2021 and 2020 and is shown as a separate line item in the statement of financial position.

Note 23 - Summary of significant accounting policies

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

23.1 Basis of preparation

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

The preparation of consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements as disclosed in Note 22.

23.2 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

There are no new standards, amendments to existing standards and interpretations that are effective from January 1, 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.

23.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2021 and 2020. 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:

	Percentage of ownership in 2021 and 2020		
Subsidiaries	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
2021	(In thousands of Pesos)			
Total current assets	17,143	42,780	30,401	1,932
Total non-current assets	386,937	-	7,787	-
Total assets	404,080	42,780	38,188	1,932
Total current liabilities	43,180	32,245	9,911	10,735
Total non-current liabilities	89,182	108	2,099	-
Total liabilities	132,362	32,353	12,010	10,735
Net assets (liabilities)	271,718	10,427	26,178	(8,803)
Income	22,908	-	3,207	2
Expenses	(1,636)	(10,513)	(4,211)	(57)
Income (loss) before income tax	21,272	(10,513)	(1,004)	(55)
Provision for income tax	13,220	191	638	-
Net income (loss) for the year	34,492	(10,322)	(366)	(55)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income (loss) for the year	34,492	(10,322)	(366)	(55)
Cash flows from:				
Operating activities	(7,118)	(9)	(17,344)	(40)
Investing activities	9,056	-	23,087	-

	TPHC	MAC	TTCI	TAC
2020	(In thousands of Pesos)			
Total current assets	8,505	52,521	11,852	1,972
Total non-current assets	373,402	-	27,671	-
Total assets	381,907	52,521	39,523	1,972
Total current liabilities	41,875	31,473	4,842	10,719
Total non-current liabilities	102,807	299	8,137	-
Total liabilities	144,682	31,772	12,979	10,719
Net assets (liabilities)	237,225	20,749	26,544	(8,747)
Income	54,626	745	1,909	2
Expenses	(1,591)	(65)	(115)	(58)
Income (loss) before tax	53,035	680	1,794	(56)
Provision for income tax	(16,352)	(207)	(540)	-
Net income (loss) for the year	36,683	473	1,254	(56)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income (loss) for the year	36,683	473	1,254	(56)
Cash flows from:				
Operating activities	(160)	(8)	(116)	(39)

	TPHC	MAC	TTCI	TAC	Total
	(In thousands of Pesos)				
Accumulated balance of non-controlling interest					
December 31, 2021	191,674	5,315	18,560	(4,684)	210,865
December 31, 2020	166,164	11,253	18,763	(4,658)	191,522
Non-controlling interest share in total comprehensive income (loss)					
December 31, 2021	25,510	(5,938)	(203)	(26)	19,343
December 31, 2020	27,131	272	696	(26)	28,073

(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.

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

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

(c) Disposal of subsidiaries

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

23.4 Cash

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

23.5 Financial instruments

23.5.1 Classification

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

(a) Financial assets

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

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

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

(i) Financial assets at amortized cost

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

These are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. The Group's financial assets at amortized cost comprise cash (Note 2) and receivables and other current assets (except prepayments) (Note 5).

(ii) Financial assets at FVPL

Investment in equity instruments that are held for trading are measured at fair value. Gains and losses for these financial assets are recorded in profit or loss. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, these are classified as non-current.

The Group's financial assets at FVPL (Note 3) are classified under this category.

(b) Financial liabilities

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

The Group only has financial liabilities measured at amortized cost which include accounts payable and other current liabilities (excluding payable to government agencies and deposits from customer) (Note 8), advances from related parties (Note 15) and advances from prospective shareholders (Note 10).

23.5.2 Recognition and measurement

(a) Initial recognition and measurement

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

(b) Subsequent measurement

(i) Financial assets at amortized cost

Financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method, less provision for impairment.

(ii) Financial assets at FVPL

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

(iii) Financial liabilities

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

23.5.3 Impairment

The Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables. This did not result in any increase of the loss allowance for receivables in 2021 and 2020.

To measure the expected credit losses, notes receivable, advances and other receivables and due to related parties have individually specific assessed credit risk characteristics and the days past due. When a receivable remains uncollectible after the Group has exerted all legal remedies, it is written-off against an allowance account.

As at December 31, 2021 and 2020, all receivables are assessed as fully collectible based on the reasonable credit worthiness of the debtor, collection history and the Group's legal remedies.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss. Subsequent recoveries of amounts previously written-off are credited against operating expenses in profit or loss.

23.5.4 Derecognition

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

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

23.5.5 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. As at December 31, 2021 and 2020, there are no financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

23.6 Receivables

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

Relevant accounting policies for classification, recognition, measurement and derecognition of receivables are presented in Note 23.5.

23.7 Prepayments

Prepayments are recognized in the event that payment has been made in advance of obtaining right of access to receipt of services and measured at the amount of cash paid, which is equal to its nominal amount.

Prepayments are included in current assets, except when the related services are expected to be received or rendered for more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

Prepayments are derecognized upon expiration with the passage of time or consumed in operations.

23.8 Property and equipment

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

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use (Note 23.11).

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

23.9 Investment properties

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

Investment properties, principally comprising of land and a commercial unit, are held for long-term rental yields and are not occupied by the Group. Investment properties are carried at fair value, representing open market value determined annually by external valuators. Changes in fair values are recorded in profit or loss.

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

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

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

Impairment of investment properties is presented in Note 23.11.

23.10 Fair value measurement

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

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.
The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

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

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques for non-financial assets follow:

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

Specific valuation techniques used to value financial instruments include:

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

- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group's financial assets at FVPL are classified under Level 1 category. Investment properties are classified under Level 3 category.

23.11 Impairment of non-financial assets

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

23.12 Accounts payable and other current liabilities

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

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

Relevant accounting policies for classification, recognition, measurement and derecognition of accounts payable and other current liabilities and financial liabilities at amortized cost are presented in Note 23.5.

23.13 Borrowings and borrowing costs

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

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

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

23.14 Deposits from customer

Deposits from customer are recognized for any cash received from buyers of the low-cost housing units These are derecognized and applied to the agreed transaction price under the contract, upon completion and transfer of title. The development and construction of the units is estimated not to exceed one year.

23.15 Current and deferred income tax

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

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

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

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

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are derecognized when related bases are realized or when it is no longer realizable.

23.16 Employee benefits

(a) Retirement benefit obligation

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

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

(b) Other short-term benefits

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

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

23.17 Provisions

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

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

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

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

23.18 Equity

(a) Common shares

Share capital consists of common shares, which are stated at par value, that are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

(b) Share premium

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

(c) Treasury shares

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

(d) Retained earnings (deficit)

Retained earnings (deficit) include current and prior years' results of operations, net of transactions with shareholders and dividends declared, if any.

23.19 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net income attributable to the Parent Company by the weighted average number of common shares in issue during the year.

Diluted earnings (loss) per share is computed in the same manner as basic earnings per share, however, profit attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

23.20 Income and expense recognition

(a) Management and service fee income

Management and service fee income are recognized when services are rendered, and amounts are mutually agreed by the contracting parties.

(b) Rental income

Rental income from operating leases (the Group is the lessor) is recognized as income on a straight-line basis over the lease term in accordance with PFRS 16. When the Group provides incentives to its lessees, the cost of incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income.

(c) Interest income and expense

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

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

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

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

(d) Dividend income

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

(e) Other income

Other income is recognized when earned.

(e) Expenses

Expenses are recognized when these are incurred.

23.21 Foreign currency transactions and translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

23.22 Related party relationships and transactions

(a) Related party relationship

A related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its shareholders.
In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

(b) Related party transaction

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

Mabuhay Holdings Corporation and Subsidiaries

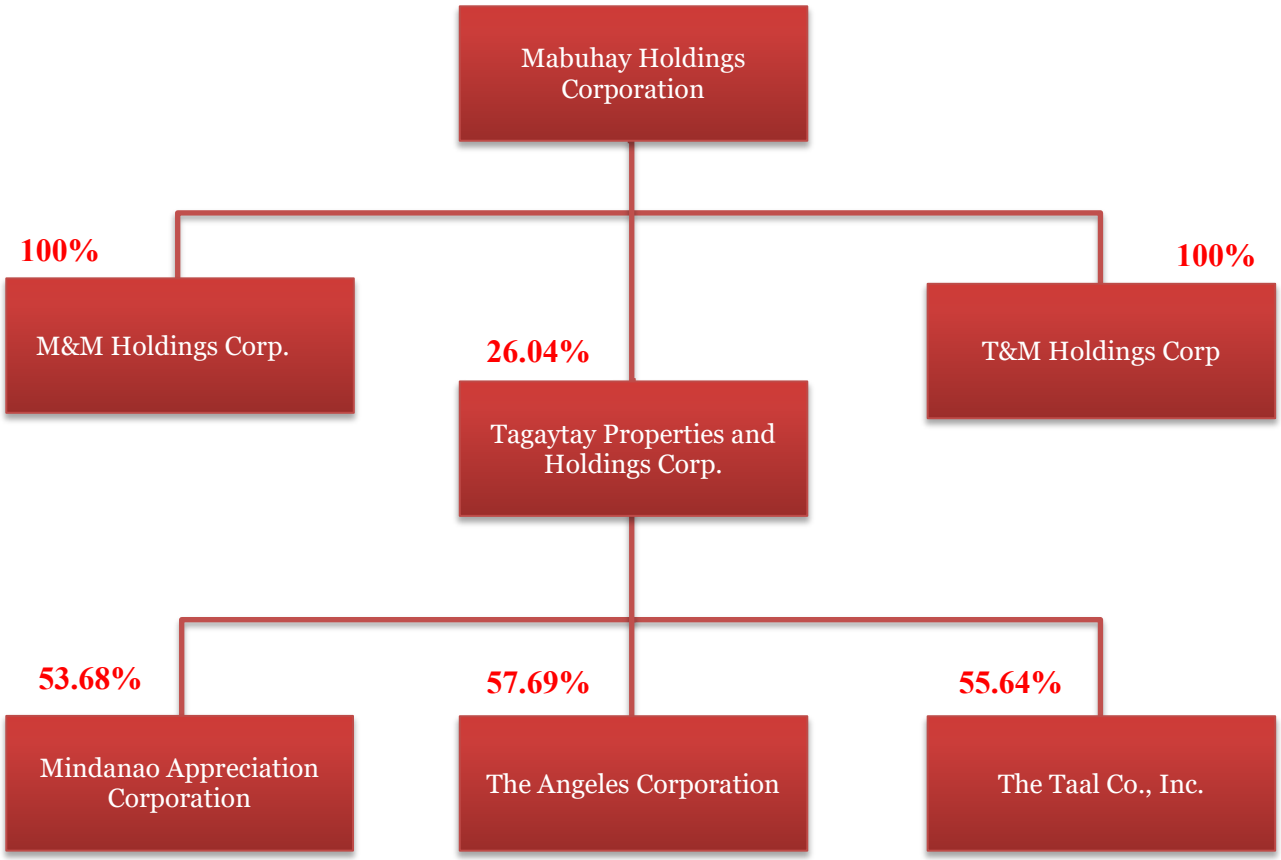
Additional Components of Financial Statements
Schedule of Financial Soundness Indicators
As at and for years ended December 31, 2021 and 2020

Ratio	Formula		2021	2020
Current ratio	Total current assets divided by total current liabilities			
	Total current assets	463,269,692	1.6304:1	1.7826:1
	Divide by: total current liabilities	284,143,241		
	Current ratio	1.6304		
Quick asset ratio	Quick assets (*total current assets less prepayments and other current assets)* divided by total current liabilities			
	Total current assets	463,269,692	1.3183:1	1.6713:1
	Less: Prepayments and other current assets	(88,689,173)		
	Quick assets	374,580,519		
	Divide by: total current liabilities	284,143,241		
	Quick asset ratio	1.3183		
Solvency ratio	[Net loss after tax plus non-cash expenses (e.g depreciation)] divided by total liabilities			
	Net loss after tax	(16,248,276)	(0.0376):1	0.2105:1
	Add: depreciation and amortization	539,077		
		(15,709,199)		
	Divided by: total liabilities	417,488,787		
	Solvency ratio	(0.0376)		
Debt-to-asset ratio	Total liabilities divided by total asset			
	Total liabilities	417,488,787	0.4233:1	0.4288:1
	Divided by: total asset	986,327,619		
	Debt-to-asset ratio	0.4233		
Debt-to-equity ratio	Total liabilities divided by total equity			
	Total liabilities	417,488,787	0.7339:1	0.7508:1
	Divided by: total equity	568,838,832		
	Debt-to-equity ratio	0.7339		
Asset-to-equity ratio	Total assets divided by total equity			
	Total Assets	986,327,619	1.7339:1	1.7508:1
	Divided by: total equity	568,838,832		
	Asset-to-equity ratio	1.7339		

Ratio	Formula		2021	2020
Interest rate coverage ratio	Net loss before interest and tax divided by interest expense Net loss before interest and tax Divided by: interest expense Interest rate coverage ratio	(37,967,732) - -	-	-
Return on equity	Net loss after tax divided by total equity Net loss after tax Divided by: total equity Return on equity	(16,248,276) 568,838,832 (0.0286)	(0.0286)	0.1571
Return on asset	Net loss after tax divided by total assets Net loss after tax Divided by: total assets Return on asset	(16,248,276) 986,327,619 (0.0165)	(0.0165)	0.0897
Net profit (loss) ratio	Net loss after tax divided by total income Net loss after tax Divided by: total income Net profit (loss) ratio	(16,248,276) 30,093,568 (0.5399)	(0.5399)	0.9514
Earnings per share	Net loss attributable to the Parent divided by number of common stock outstanding Net loss after tax Divided by: number of common stock outstanding Earnings per share	(35,591,866) 975,534,053 (0.0365)	P(0.0365)	P0.0655

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, 2021



Mabuhay Holdings Corporation and Subsidiaries

Schedule A - Financial Assets
As at December 31, 2021
(All amounts in thousand Philippine Peso)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Philippine Infradev Holdings, Inc.	170,947,589	191,461,299	191,461,299	-
Bank of the Philippine Islands	64,110	5,907,736	5,907,736	-
Ayala Land Inc.	53,800	1,974,460	1,974,460	-
Philippine Long Distance	1,050	1,902,600	1,902,600	-
Basic Energy Corp.	1,110,000	699,300	699,300	-
Phil. Realty A	2,023,428	423,020	423,020	-
Greenergy H./Musx Corp.	62,300	142,044	142,044	-
Filinvest Land, Inc.	84,250	91,832	91,832	-
Ayala Corporation	69	57,339	57,339	-
Cosco Capital Inc.	5,000	26,000	26,000	-
BDO Unibank, Inc.	147	17,743	17,743	-
GMA Network,Inc.	1,000	13,840	13,840	-
Global/F-Estate Land Inc.	6,850	6,919	6,919	-
United P. Mining Corp.	750,000	5,175	5,175	-
Swift Food Inc.	44,621	4,641	4,641	-
National Reinsurance Corp.	5,000	3,350	3,350	-
Swift Food Inc. (Preference)	1,759	2,673	2,673	-
Filipino Fund Inc.	330	2,178	2,178	-
The Philodrill Corporation	128,100	1,281	1,281	-
Mla Mining Corp. "B"	9,551	105	105	-
Mla Mining Corp. "A"	4,345	48	48	-
Total	175,303,299	202,743,583	202,743,583	-

Mabuhay Holdings Corporation and Subsidiaries

Schedule B - Amounts Receivable from Directors, Officers,
Employees, Related Parties and Principal Shareholders
(Other than Related Parties)
As at December 31, 2021
(All amounts in thousand Philippine Peso)

Name of Employee	Balance at beginning of year	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at end of year
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Mabuhay Holdings Corporation and Subsidiaries

Schedule C - Amounts Receivable from Related Parties
which are Eliminated during the Consolidation of Financial Statements
As at December 31, 2021
(All amounts in thousand Philippine Peso)

Name and Designation of Debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written-off	Current	Not Current	Balance at end of period
Mabuhay Holdings Corporation	34,111,716	1,399,739	(1,493,985)	-	34,017,470	-	34,017,470
Mindanao Appreciation Corporation	18,523,641	-	-	-	18,523,641	-	18,523,641
M&M Holdings Corporation	68,271,461	-	-	-	68,271,461	-	68,271,461
The Angeles Corporation	-	-	-	-	-	-	-
T&M Holdings, Inc.	1,273,586	1,188,603	-	-	2,462,189	-	2,462,189
Tagaytay Properties Holdings Corporation	4,689,207	1,401,539	-	-	6,090,746	-	6,090,746
The Taal Company, Inc.	2,276,864	-	-	-	2,276,864	-	2,276,864
Total	129,146,475	3,989,881	(1,493,985)	-	131,642,371	-	131,642,371

Mabuhay Holdings Corporation and Subsidiaries

Schedule D - Long-Term Debt
As at December 31, 2021
(All amounts in thousand Philippine Peso)

Title of issue and Type of obligation	Amount authorized by indenture	Amount shown under caption "current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term Debt" in related balance sheet
N/A	N/A	N/A	N/A

Mabuhay Holdings Corporation and Subsidiaries

Schedule E - Indebtedness to Related Parties
(Long-Term Loans from Related Companies)
As at December 31, 2021
(All amounts in thousand Philippine Peso)

Name of related party	Balance at beginning of period	Balance at end of period
N/A	N/A	N/A

Mabuhay Holdings Corporation and Subsidiaries

Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2021
(All amounts in thousand Philippine Peso)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

Mabuhay Holdings Corporation and Subsidiaries

Schedule G - Capital Stock
As at December 31, 2021

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related balance sheet caption	Numbers of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common	4,000,000,000	1,200,000,000	N/A	58,627,864	1,641	1,141,370,495

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

Reconciliation of Parent Company's Retained Earnings for Dividend Declaration
For the year ended December 31, 2021
(All amounts in Philippine Peso)

Deficit, as per audited financial statements, beginning		(901,741,176)
Adjustments		
Cumulative fair value change on financial assets at FVPL		26,972,058
Cumulative fair value change on investment property gain		(79,671,730)
Unappropriated Deficit, as adjusted to available for dividend distribution, beginning of the year		(954,440,848)
Net loss during the period closed to Deficit	(29,784,571)	
Less: Non-actual/unrealized income net of tax		
Equity in Net income of associate/joint venture		
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)		
Fair value adjustment (mark-to-market gains)		
Fair value adjustment of Investment Property resulting to gain	507,038	
Adjustment due to deviation from PFRS - gain		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS		
Subtotal	507,038	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)		
Unrealized foreign exchange loss - net except (Cash and Cash Equivalents)		
Adjustment due to deviation from PFRS/GAAP - loss		
Unrealized fair value adjustment (mark-to-market loss)	15,251,892	
Loss on fair value adjustment of investment property (after tax)		
Subtotal	15,251,892	
Net loss actually incurred during the period		(15,039,717)
Add (Less):		
Dividend declarations during the period		
Appropriations of Retained Earnings during the period		
Reversals of appropriations		
Treasury shares		
Subtotal		
Total Deficit, end of the year		(969,480,565)

Independent Auditor's Report

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

Report on the Audits of the Separate Financial Statements

Our Opinion

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial positions of Mabuhay Holdings Corporation (the "Company") as at December 31, 2021 and 2020, and its financial performances and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The separate financial statements of the Company comprise:

- the statements of financial position as at December 31, 2021 and 2020;
- the statements of comprehensive income for the years ended December 31, 2021 and 2020;
- the statements of changes in equity for the years ended December 31, 2021 and 2020;
- the statements of cash flows for the years ended December 31, 2021 and 2020; and
- the notes to the separate financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Separate Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the separate financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audits of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 24 to the separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic separate financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Zaldy D. Aguirre.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 6, 2022, Makati City
SEC A.N. (individual) as general auditors 105660-SEC, Category A,
valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
TIN 221-755-698
BIR A.N. 08-000745-77-2020, issued on December 14,2020; effective until December 13, 2023
BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
April 26, 2022

Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

We have audited the separate financial statements of Mabuhay Holdings Corporation (the "Company") as at and for the year ended December 31, 2021, on which we have rendered the attached report dated April 26, 2022.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary, the Company has one hundred eighty-seven (187) shareholders owning 100 or more shares as at December 31, 2021.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 6, 2022, Makati City
SEC A.N. (individual) as general auditors 105660-SEC, Category A,
valid to audit 2020 to 2024 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
TIN 221-755-698
BIR A.N. 08-000745-77-2020, issued on December 14,2020; effective until December 13, 2023
BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
April 26, 2022

Mabuhay Holdings Corporation

Statements of Financial Position
December 31, 2021 and 2020
(All amounts in Philippine Peso)

	Notes	2021	2020
A S S E T S			
Current assets			
Cash	2	71,574,518	81,819,497
Financial assets at fair value through profit or loss (FVPL)	3	86,055,204	106,391,060
Due from related parties	15	34,046,691	34,111,716
Other current assets	4	3,969,152	5,592,071
Total current assets		195,645,565	227,914,344
Non-current assets			
Investments in and advances to subsidiaries, net	5	99,006,627	101,728,110
Investment property	6	153,441,000	152,764,950
Property and equipment, net	7	869,837	1,234,866
Total non-current assets		253,317,464	255,727,926
Total assets		448,963,029	483,642,270
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other current liabilities	8	13,871,484	12,141,601
Borrowings	9	12,393,900	12,393,900
Advances from related parties	15	95,401,128	93,999,653
Advances from prospective shareholders	10	194,695,274	194,695,274
Provision for litigation claims	19	47,770,052	47,770,052
Total current liabilities		364,131,838	361,000,480
Non-current liabilities			
Retirement benefits obligation	18	2,856,914	3,342,348
Deferred income tax liabilities, net	13	37,965,971	45,506,565
Total non-current liabilities		40,822,885	48,848,913
Total liabilities		404,954,723	409,849,393
Equity			
Share capital	11	975,534,053	975,534,053
Deficit		(931,525,747)	(901,741,176)
Total equity		44,008,306	73,792,877
Total liabilities and equity		448,963,029	483,642,270

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, 2021 and 2020
(All amounts in Philippine Peso)

	Notes	2021	2020
Income			
Rental income	6,16	1,601,914	8,242,891
Gain on fair value change in investment property	6	676,050	4,731,950
Interest income	2	371,875	678,541
Foreign exchange gain	20.1	278,089	-
Dividend income	3	37,385	196,482
Unrealized gain on revaluation of financial assets at FVPL	3	-	10,964,673
		2,965,313	24,814,537
Expenses			
Unrealized loss on revaluation of securities	3	20,335,856	-
Salaries and employee benefits	17	6,085,182	6,277,940
Professional fees		3,088,138	1,040,869
Provision for impairment loss of investments in subsidiaries	5	2,721,483	456,069
Meeting expenses		2,229,554	3,082,499
Transportation and travel		1,791,623	1,704,211
Depreciation	7	527,689	477,757
Foreign exchange loss, net	20.1		293,630
Others	12	3,484,298	2,680,934
		40,263,823	16,013,909
Income (loss) before income tax		(37,298,510)	8,800,628
Income tax benefit (expense)	13	7,513,939	(1,944,004)
Net income (loss) for the year		(29,784,571)	6,856,624
Other comprehensive income for the year		-	-
Total comprehensive income (loss) for the year		(29,784,571)	6,856,624
Basic and diluted earnings (loss) per share	14	(0.028)	0.007

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, 2021 and 2020
(All amounts in Philippine Peso)

	Share capital (Note 11)	Deficit	Total
Balances as at January 1, 2020	975,534,053	(908,597,800)	66,936,253
Comprehensive income			
Net income for the year	-	6,856,624	6,856,624
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	6,856,624	6,856,624
Balances as at December 31, 2020	975,534,053	(901,741,176)	73,792,877
Comprehensive loss			
Net loss for the year	-	(29,784,571)	(29,784,571)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(29,784,571)	(29,784,571)
Balances as at December 31, 2021	975,534,053	(931,525,747)	44,008,306

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, 2021 and 2020
(All amounts in Philippine Peso)

	Notes	2021	2020
Cash flows from operating activities			
Income (loss) before income tax		(37,298,510)	8,800,628
Adjustments for:			
Unrealized loss (gain) on revaluation of financial assets at FVPL	3	20,335,856	(10,964,673)
Provision for impairment loss of investments in subsidiaries	5	2,721,483	456,069
Depreciation	7	527,689	477,757
Dividend income	3	(37,385)	(196,482)
Unrealized foreign exchange losses (gains)	20.1	(278,089)	(138,128)
Interest income	2	(371,875)	(678,541)
Provision for (reversal of) retirement obligation	18	(485,434)	338,179
Gain on fair value change in investment property	6	(676,050)	(4,731,950)
Operating loss before working capital changes		(15,988,403)	(6,637,141)
Decrease (increase) in:			
Other current assets		1,661,288	9,122,501
Increase (decrease) in:			
Accounts payable and other current liabilities		2,155,973	(559,504)
Advances from related parties		1,401,475	(1,736)
Cash generated from (absorbed by) operations		(10,769,667)	1,924,120
Interest received		371,875	678,541
Dividend received		37,385	46,516
Net cash provided by (used in) operating activities		(10,360,407)	2,649,177
Cash flows from investing activities			
Acquisitions of property and equipment	7	(162,661)	(142,889)
Net cash used in investing activities		(162,661)	(142,889)
Cash flows from financing activity			
Collection of principal amount of notes receivable	4	-	51,607,286
Net cash provided by financing activity		-	51,607,286
Net increase (decrease) in cash for the year		(10,523,068)	54,113,574
Cash as at January 1		81,819,497	27,567,795
Effect of exchange rates on cash		278,089	138,128
Cash as at December 31	2	71,574,518	81,819,497

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, 2021 and 2020
(In the Notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 - General information; status of operations

Mabuhay Holdings Corporation (the "Company") was incorporated in the Philippines on April 6, 1988 primarily to engage in the acquisition and disposal of investments in marketable securities, shares of stock and real estate properties. The Company is 29.83% owned by Zenith Element Limited, a company incorporated and registered under the laws of the British Virgin Islands on April 17, 2018 as an investment holding company. The remaining 70.17% is owned by various individuals and corporations.

The Company's common shares were listed in the Philippines Stock Exchange (PSE) in 1990. Other than its share listing in 1990, there were no other share offerings subsequent thereto. Accordingly, the Company is considered a public company under Rule 3.1 of the Implementing Rules and Regulations of the Securities Regulation Code.

The Company and its Subsidiaries have no significant commercial operations for the years ended December 31, 2021 and 2020. The subsidiaries' operations consist mainly of preservation and maintenance of existing investment properties. On November 18, 2020, one of the Company's subsidiaries entered into an agreement to finance the development of an affordable housing project. The project is still under development with expected completion by June 2022.

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

The Company has 8 employees as at December 31, 2021 and 2020.

In 2020, the Philippine Government declared community quarantine due to the COVID-19 pandemic in several areas that has resulted in significant disruptions in the local business operations and trading activities in the Philippine stock exchange. The Company has suspended its normal operations based on the quarantine guidelines.

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 19% for the year ended December 31, 2021 resulted in a loss of P20.34 million (Note 3). The Company has not acquired or disposed any listed equity shares in 2021.

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 June 15, 2020, the Company made final settlement and collected its long overdue receivables with Philippine Infradev Holdings Inc. (PIHI) (Note 4). The Company plans to use the proceeds to acquire properties for rental purposes and concentrate on this as its main short-term operating activity and support its Subsidiaries in their operations. The Company intends to become more liquid and flexible while pursuing bigger urban real property development projects together with its foreign business partners.

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 requirement and most are currently dormant.

The separate financial statements have been approved and authorized for issue by the Board of Directors (BOD) on April 26, 2022.

Note 2 - Cash

Cash as at December 31 consist of:

	2021	2020
Cash on hand	15,000	15,000
Cash in bank	71,559,518	81,804,497
	71,574,518	81,819,497

Cash in bank earns interest at the prevailing bank deposit rate. Interest income from cash in bank for the year ended December 31, 2021 amounted to P371,875 (2020 - P678,541).

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

Movements in financial assets at FVPL for the years ended December 31 follow:

	Note	2021	2020
January 1		106,391,060	95,426,387
Gain (loss) on revaluation	1.b	(20,335,856)	10,964,673
December 31		86,055,204	106,391,060

The account as at December 31, 2021 and 2020 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 gain (loss) on revaluation of securities in profit or loss.

In 2021 and 2020, the Company has not acquired nor sold any listed equity shares.

Dividends earned for the year ended December 31, 2021 amounts to P37,385 (2020 - P196,482).

Note 4 - Other current assets

Other current assets as at December 31 consist of:

	2021	2020
Prepayments	1,882,815	2,086,124
Advances to employees	919,242	199,243
Dividend receivables	149,966	149,966
Advances to third parties	129,716	2,249,140
Other receivables	887,413	907,598
	3,969,152	5,592,071

Prepayments mainly comprise of prepaid taxes and prepaid insurance.

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

On June 12, 2020, the Company and PIHI entered into a final settlement agreement wherein PIHI will pay P51.61 million to settle the outstanding receivables of the Company. The settlement amount was fully collected on June 15, 2020.

Note 5 - Investments in and advances to subsidiaries, net

Investments in and advances to subsidiaries, net as at December 31 consist of:

		Amount	
	Ownership %	2021	2020
Acquisition costs			
M&M Holdings Corporation (MMHC)	100.00	80,630,518	80,630,518
Tagaytay Properties and Holdings Corporation (TPHC)	26.04	41,390,450	41,390,450
The Taal Company, Inc. (TTCI)	44.46	23,200,000	23,200,000
Mindanao Appreciation Corporation (MAC)	42.49	20,000,000	20,000,000
The Angeles Corporation (TAC)	53.48	1,000,000	1,000,000
T&M Holdings, Inc. (TMHI)	100.00	100,000	100,000
		166,320,968	166,320,968
Advances to TMHI		417,397,503	417,397,503
		583,718,471	583,718,471
Allowance for impairment losses		(484,711,844)	(481,990,361)
		99,006,627	101,728,110

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.

The advances to TMHI account is presented as part of "Investments in and advances to subsidiaries and associate, net" as the amounts of advances have been made perpetual and payment is solely at the discretion of the subsidiary.

In 2021, the Company recognized additional impairment of its investment in MMHC amounting to P2.72 million considering the current results of operation and financial position of MMHC.

In 2020, the Company recognized full impairment of its investment in and advances to TMHI totaling P0.46 million considering the current results of operation and financial position of TMHI.
There are no significant restrictions on the ability of the Subsidiaries to transfer cash assets, pay dividend or pay advances to the Company and between Subsidiaries. Since most of the Subsidiaries are not operational, the Company provides financial support to its Subsidiaries.

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

	2021	2020
TMHI	417,497,503	417,497,503
TPHC	25,267,900	25,267,900
MAC	13,246,230	13,246,230
MMHC	15,606,108	12,884,625
TTCI	12,094,103	12,094,103
TAC	1,000,000	1,000,000
	484,711,844	481,990,361

The summarized financial information of subsidiaries with significant non-controlling interest as at and for the year ended December 31, 2021 follows:

	TPHC	MAC	TTCI	TAC
		(In thousands of Pesos)		
Total current assets	17,288	42,780	30,770	1,932
Total non-current assets	386,937	-	7,787	-
Total assets	404,225	42,780	38,557	1,932
Total current liabilities	43,325	32,245	10,280	10,735
Total non-current liabilities	89,182	108	2,099	-
Total liabilities	132,507	32,353	12,379	10,735
Net assets (liabilities)	271,718	10,427	26,178	(8,803)
Non-controlling interest share in net assets (liabilities)	200,963	5,997	14,539	(4,095)
Income	22,908	-	3,207	2
Expenses	(1,636)	(10,513)	(4,211)	(57)
Income (loss) before income tax	21,272	(10,513)	(1,004)	(55)
Income tax (expense)/benefit	13,220	191	638	-
Net income (loss) for the year	34,492	(10,322)	(366)	(55)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the year	34,492	(10,322)	(366)	(55)
Non-controlling interest share in total comprehensive income (loss) for the year	25,510	(5,358)	(203)	(26)
Cash flows provide by (used in):				
Operating activities	(7,118)	(9)	(17,344)	(40)
Investing activities	9,056	-	23,087	-

The summarized financial information of subsidiaries with significant non-controlling interest as at and for the year ended December 31, 2020 follows:

	TPHC	MAC	TTCI	TAC
		(In thousands of Pesos)		
Total current assets	8,505	52,521	11,852	1,972
Total non-current assets	373,402	-	27,671	-
Total assets	381,907	52,521	39,523	1,972
Total current liabilities	41,875	31,473	4,842	10,719
Total non-current liabilities	102,807	299	8,137	-
Total liabilities	144,682	31,772	12,979	10,719
Net assets (liabilities)	237,225	20,749	26,544	(8,747)
Non-controlling interest share in net assets (liabilities)	175,452	11,933	14,743	(4,069)
Income	54,626	745	1,909	2
Expenses	(1,591)	(65)	(115)	(58)
Income (loss) before income tax	53,035	680	1,794	(56)
Income tax expense	(16,352)	(207)	(540)	-
Net income (loss) for the year	36,683	473	1,254	(56)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the year	36,683	473	1,254	(56)
Non-controlling interest share in total comprehensive income (loss) for the year	27,131	246	696	(26)
Cash flows used in:				
Operating activities	(160)	(8)	(116)	(39)

Note 6 - Investment property

The Company's investment property pertains to a commercial unit held for lease. The commercial unit, which is located in Makati with a total floor area of 676 square meters, is being leased out to third parties (Note 16). In 2021, income from this property amounting to P1.60 million (2020 - P8.24 million) was presented as rental income in profit or loss. Direct expenses incurred for this investment property amounted to P2.73 million (2020 - P1.15 million) which were recorded in communication, light and water, repairs and maintenance, association dues, taxes and licenses, and insurance under other expenses (Note 12).

The changes in the fair value of investment property as at December 31 are summarized below:

	2021	2020
January 1	152,764,950	148,033,000
Fair value gains	676,050	4,731,950
December 31	153,441,000	152,764,950

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 3 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:

	2021	2020
January 1	113,816,757	109,084,807
Fair value gains	676,050	4,731,950
December 31	114,492,807	113,816,757

Note 7 - Property and equipment, net

Details and movements of property and equipment, net as at and for the years ended December 31 follow:

	Office condominium	Building improvements	Office equipment	Transportation equipment	Communication and other equipment	Furniture and fixtures	Total
Cost							
January 1, 2020	13,746,305	3,859,242	760,592	6,047,054	185,182	1,662,116	26,260,491
Additions	-	-	142,889	-	-	-	142,889
December 31, 2020	13,746,305	3,859,242	903,481	6,047,054	185,182	1,662,116	26,403,380
Additions	-	-	85,081	71,339	6,241	-	162,661
December 31, 2021	13,746,305	3,859,242	988,562	6,118,393	191,423	1,662,116	26,566,041
Accumulated depreciation							
January 1, 2020	13,746,305	3,859,242	722,308	4,523,465	177,322	1,662,116	24,690,758
Charges during the year	-	-	24,183	450,483	3,091	-	477,757
December 31, 2020	13,746,305	3,859,242	746,491	4,973,948	180,413	1,662,116	25,168,515
Charges during the year	-	-	62,056	459,994	5,639	-	527,689
December 31, 2021	13,746,305	3,859,242	808,547	5,433,942	186,052	1,662,116	25,696,204
Net book values							
December 31, 2020	-	-	156,990	1,073,107	4,769	-	1,234,866
December 31, 2021	-	-	180,015	684,451	5,371	-	869,837

As at December 31, 2021 and 2020, 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, 2021 and 2020.

Note 8 - Accounts payable and other current liabilities

Accounts payable and other current liabilities as at December 31 consist of:

	2021	2020
Accounts payable and accrued expenses	6,661,900	5,519,183
Subscriptions payable	3,136,500	3,136,500
Accrued interest on borrowings	2,879,506	2,879,506
Deferred rental income	1,063,615	-
Payable to government agencies	129,963	606,412
	13,871,484	12,141,601

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

Accrued interest represents interest charged in prior years on its loan from a related party (Note 9). Interest was discontinued starting 2014 upon mutual agreement of both parties.

Note 9 - Borrowings

Borrowings, which are unsecured, non-interest bearing and with no definite repayment date, pertain to a loan from a related party amounting to P12.39 million as at December 31, 2021 and 2020 (Note 15).

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

	Notes	2021	2020
Borrowings as at December 31	15	12,393,900	12,393,900
Cash as at December 31	2	(71,574,518)	(81,819,497)
Net debt as at December 31		(59,180,618)	(69,425,597)

Note 10 - Advances from prospective shareholders

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

Note 11 - Equity

Share capital as at December 31, 2021 and 2020 consists of:

	Amount
Common shares - P1 par value	
Authorized (4,000,000,000 shares)	4,000,000,000
Subscribed (1,200,000,000 shares)	1,200,000,000
Subscribed	1,200,000,000
Subscriptions receivable	(224,465,947)
Paid, issued and outstanding	975,534,053

No collection occurred during 2021 and 2020 with regard to the outstanding subscription receivable.

As at December 31, 2021, there are 187 shareholders (2020 - 188) each owning more than one hundred (100) shares.

Note 12 - Other expenses

Details of other expenses for the years ended December 31 follow:

	2021	2020
Association dues	1,075,644	368,964
Office supplies	601,777	811,709
Penalties	426,088	-
Communication, light and water	402,248	667,068
Repairs and maintenance	336,114	157,308
Taxes and licenses	327,848	311,199
Insurance	163,457	176,180
Postage	20,047	21,145
Magazines and periodicals	3,108	8,000
Subscription	-	16,778
Miscellaneous	127,967	142,583
	3,484,298	2,680,934

Note 13 - Income taxes

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

	2021	2020
Current	26,655	139,588
Deferred	(7,540,594)	1,804,416
	(7,513,939)	1,944,004

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

	2021	2020
Deferred income tax liabilities		
Fair value gain on investment property	38,360,250	45,829,485
Unrealized gain on revaluation of securities	516,331	638,346
Unrealized foreign exchange gain, net	69,523	41,438
	38,946,104	46,509,269
Deferred income tax assets		
Retirement benefits obligation	(714,229)	(1,002,704)
Deferred rental income	(265,904)	-
	(980,133)	(1,002,704)
Net liabilities	37,965,971	45,506,565

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

	2021	2020
January 1	45,506,565	43,702,149
Charged (credited) to profit or loss	(7,540,594)	1,804,416
December 31	37,965,971	45,506,565

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

On March 26, 2021, Republic Act No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises or CREATE Act, was signed into law. The CREATE Act will take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation. Among the salient provisions of CREATE include changes to the corporate income tax as follows:

- lowering of regular corporate income tax (RCIT) rate to 20% from 30% for domestic corporations with net taxable income not exceeding P5 million and with total assets not exceeding P100 million (excluding land on which the business entity's office, plant and equipment are situated) from July 1, 2020;
- lowering of regular corporate income tax (RCIT) to 25% from 30% for all other domestic and foreign corporations from July 1, 2020; and
- for the period beginning July 1, 2020 until June 30, 2023, the MCIT rate shall be 1%, instead of 2%.

In compliance with the National Internal Revenue Code (NIRC) of 1997, NOLCO is carried forward annually and can be applied to taxable income for three (3) succeeding taxable years. In 2020, Republic Act No. 11494 or the Bayanihan to Recover As One Act is enacted. Under the Bayanihan Act, net operating loss of a business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Details of net operating loss carry-over (NOLCO) as at December 31, which could be carried over as deductible expense from taxable income for three (3) to five (5) consecutive years following the year of incurrence follow:

Year of incurrence	Year of expiration	2021	2020
2021	2026	10,094,183	-
2020	2025	6,035,829	6,035,829
2019	2022	45,286,756	45,286,756
2018	2021	47,241,090	47,241,090
Total NOLCO		108,657,858	98,563,675
Expired during the year		(47,241,090)	-
		61,416,768	98,563,675
Deferred income tax asset not recognized at 25% (2020 - 30%)		15,354,192	29,569,103

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	2021	2020
2021	2024	26,655	-
2020	2023	139,588	139,588
2019	2022	524,700	524,700
2018	2021	-	521,243
Total MCIT		690,943	1,185,531
Unrecognized		(690,943)	(1,185,531)
Recognized MCIT		-	-

As at December 31, 2021, the MCIT amounting to P26,655 (2020 - P139,588) 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:

	2021	2020
Income (loss) before income tax	(37,298,510)	8,800,628
Tax on pretax income at 25% (2020 - 30%)	(9,324,628)	2,640,188
Adjustment for income subject to lower tax rate	4,961,949	(3,223,614)
Unrecognized NOLCO	2,523,546	1,810,749
Non-deductible expenses	1,878,890	839,600
Unrecognized MCIT	26,655	139,588
Non-taxable income	(9,346)	(58,945)
Income subjected to final tax	(92,969)	(203,562)
Effect of change in enacted tax rate	(7,478,036)	-
	(7,513,939)	1,944,004

Note 14 - Basic and diluted earnings (loss) per share

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

	2021	2020
Net income (loss) available to common shares	(29,784,571)	6,856,624
Divide by the average number of outstanding common shares	975,534,053	975,534,053
Earnings (loss) per share - basic and diluted	(0.031)	0.007

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

Note 15 - Related party transactions

Related companies in the financial statements refer to the Company's group of companies and the key management personnel. In the normal course of business, the Company transacts with companies which are considered related parties. The table below summarizes these transactions and outstanding balances as at and for the years ended December 31:

		2021		
	Notes	Transactions	Outstanding receivables (payables)	Terms and conditions
Advances to				
Subsidiaries (MAC,TAC, TTCI, TMHI,MMHC,TPHC)	4	(65,025)	34,046,691	Unsecured, non-interest bearing and collectible in cash on demand.
Borrowings from				
Entity under common control	9	-	(12,393,900)	Unsecured, non-interest bearing and payable in cash on demand.
Advances from				
Subsidiaries (TAC, MMHC, TPHC)		(1,401,475)	(95,315,469)	Unsecured, non-interest bearing and payable on demand.
Other related party		-	(85,659)	
			(95,401,128)	
Salaries and employee benefits				
Key management personnel		3,120,000	-	These are determined based on contract of employment and payable in cash in accordance with the Company's payroll period. These were fully paid at reporting date.

The table below summarizes the Company's transactions and balances with its related parties as at and for the year ended December 31, 2020.

	Notes	2020 Transactions	2020 Outstanding receivables (payables)	Terms and conditions
Advances to				
Subsidiaries (MAC,TAC, TTCI, TMHI,MMHC,TPHC)	4	10,000,000	34,111,716	Unsecured, non-interest bearing and collectible in cash on demand.
Borrowings from				
Entity under common control	9	-	(12,393,900)	Unsecured, non-interest bearing and payable in cash on demand.
Advances from				
Subsidiaries (TAC, MMHC, TPHC)		1,736	(93,913,994)	Unsecured, non-interest bearing and payable on demand.
Other related party		-	(85,659)	
			(93,999,653)	
Salaries and employee benefits				
Key management personnel		2,820,000	-	These are determined based on contract of employment and payable in cash in accordance with the Company's payroll period. These were fully paid at reporting date.

Note 16 - Leases

The Company occupied a portion of its investment property and converted it into an office space. The portion which is owner-occupied is properly classified as property and equipment (Note 7). The remaining portion is leased to third parties.

The Company (as a lessor) has lease agreements with third parties under operating lease as follows:

a. One (1) unit of office space and two (2) parking rights for a period of one (1) year until January 2021 with annual rate of P1,323 per square meter. The lease was no longer renewed in 2021.
b. 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.
c. Six (6) car parking rights lease renewable annually until January 11, 2022 with monthly rate of P20,439. The lease was no longer renewed, however, a new tenant has leased all car parking rights from March 15, 2022 to September 14, 2023 at the same rate.

In 2021, rental income from investment in a condominium unit amounted to P1.60 million (2020 - P8.24 million) (Note 6).

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

	2021	2020
Within one (1) year	3,646,544	218,988
After one (1) year but not more than five (5) years	6,394,951	-
	10,041,495	218,988

Note 17 - Salaries and employee benefits

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

	Note	2021	2020
Salaries and wages		4,364,828	3,619,765
Employee benefits	18	1,315,886	2,108,627
Bonus and allowances		200,650	371,425
SSS, Philhealth and HDMF		203,818	178,123
		6,085,182	6,277,940

Note 18 - Retirement benefits obligation

The Company has yet to adopt a formal retirement plan and only provided for the retirement obligation based on minimum required retirement benefit under Republic Act (RA) 7641. Under RA 7641, otherwise known as the Retirement Pay Law, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five (5) years in a private company, may retire and shall be entitled to retirement pay equivalent to at least ½ month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year.

The retirement benefit obligation and retirement benefit expense as at and for the years ended December 31 follow:

	2021	2020
Retirement benefit obligation	2,856,914	3,342,348
Retirement expense (income)	(485,434)	338,179

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

	2021	2020
January 1	3,342,348	3,004,169
Current service cost	454,940	485,303
Impact of discount	(940,374)	(147,124)
December 31	2,856,914	3,342,348

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

The principal assumptions made as at December 31 follow:

	2021	2020
Discount rate	4.85%	3.25%
Expected future salary increase	3.00%	3.00%

Discount rate assumption is based on the theoretical spot yield curve calculated from Bloomberg market yields by stripping the coupons from government bonds to create virtual zero coupon bonds as of the valuation date, while considering the average years of remaining working life of the employees as the estimated term of the employee.

Note 19 - Provision for litigation claims

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

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

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

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

As at December 31, 2021 and 2020, management is still assessing other legal remedies available to settle the case.

Note 20 - Financial risk and capital management

20.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Management, under the direction of the Board of Directors, is responsible for the management of financial risks. Its objective is to minimize the adverse impact on the Company's financial performance due to the unpredictability of the financial markets.

20.1.1 Market risk

(a) Foreign exchange risk

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

The Company manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained to meet current commitments.
The Company's foreign currency denominated monetary asset as at December 31 follows:

	2021	2020
	In USD	In USD
Cash in bank	97,771	104,306
Exchange rates	50.77	48.04
Peso equivalent	4,963,834	5,010,437

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

	2021	2020
Realized	-	431,758
Unrealized	(278,089)	(138,128)
	(278,089)	293,630

As at December 31, 2021 and 2020, 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, 2021	+/-5.69%	+/-211,890
December 31, 2020	+/-5.34%	+/-131,714

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

(b) Price risk

The Company's exposure to price risk is minimal and limited only to investments classified as financial assets at fair value through profit or loss (Note 3). Changes in market prices of these investments are not expected to impact significantly the financial position or results of operations of the Company.

As at December 31, 2021 and 2020, 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 P0.86 million (2020 - P1.06 million) in profit or loss.

(c) Interest rate risk

Interest rate risk refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as it has no interest-bearing financial instruments as at December 31, 2021 and 2020.

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
2021			
Cash in bank	2	71,559,518	-
Other current assets*	4	-	36,133,028
		71,559,518	36,133,028
2020			
Cash in bank	2	81,804,497	-
Other current assets*	4	-	37,617,663
		81,804,497	37,617,663

**excluding prepayments*

Fully performing financial assets are fully recoverable with no overdue balances and with no history of credit losses. Underperforming financial assets are with long overdue balances and with exposure to credit losses. Both categories of financial assets are subjected to lifetime expected credit loss allowance assessment.

(i) Cash in bank

The Company deposits its cash balances in a universal bank to minimize the credit risk exposure. The Company assessed no significant credit risk.

(ii) Other current assets (excluding prepayments)

Other current assets (excluding prepayments) totaling P36.13 million as at December 31, 2021 (2020 - P37.62 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, 2021				
Borrowings	9,15	-	12,393,900	12,393,900
Accounts payable and accrued expenses*	8	6,661,900	6,016,006	12,677,906
Advances from related parties	15	-	95,401,128	95,401,128
Advances from prospective shareholders	10	-	194,695,274	194,695,274
		6,661,900	308,506,308	315,168,208
December 31, 2020				
Borrowings	9,15	-	12,393,900	12,393,900
Accounts payable and accrued expenses*	8	5,519,183	6,016,006	11,535,189
Advances from related parties	15	-	93,999,653	93,999,653
Advances from prospective shareholders	10	-	194,695,274	194,695,274
		5,519,183	307,104,833	312,624,016

**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:

	2021	2020
Total equity	44,008,306	73,792,877
Advances from prospective shareholders	194,695,274	194,695,274
	238,703,580	268,488,151

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, 2021 and 2020. 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 2021 and 2020.

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:

		2021		2020	
	Notes	Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Financial assets at fair value through profit or loss	3	86,055,204	86,055,204	106,391,060	106,391,060
Financial assets at amortized cost					
Cash	2	71,574,518	71,574,518	81,819,497	81,819,497
Other current assets*	4	36,133,028	36,133,028	37,617,663	37,617,663
Total assets		193,762,750	193,762,750	225,828,220	225,828,220
Financial liabilities at amortized cost					
Borrowings	9,15	12,393,900	12,393,900	12,393,900	12,393,900
Accounts payable and other current liabilities**	8	12,677,906	12,677,906	11,535,189	11,535,189
Advances from related parties	15	95,401,128	95,401,128	93,999,653	93,999,653
Advances from prospective shareholders	10	194,695,274	194,695,274	194,695,274	194,695,274
Total liabilities		315,168,208	315,168,208	312,624,016	312,624,016

**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, 2021 and 2020, 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 3 category. The Company uses the market approach for its investment property. The value of the investment property was based on sales and listings of comparable property registered within the vicinity premised on the factors of time, unit area/size, unit location, unit improvements, building location, building features/amenities, bargaining allowance and others.

Note 21 - Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

21.1 Critical accounting estimates and assumptions

(a) Fair value of investment property (Note 6)

The Company's investment property has an estimated market value of P227,000 per square meter at December 31, 2021 (2020 - P226,000) based on the following significant assumptions used by the independent appraiser:

- current prices in an active market for properties of similar nature, condition or location, adjusted to reflect possible differences on the factors of time, unit area or size, unit location, unit improvements, building location, building features or amenities, bargaining allowance and others; and
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

Investment property in 2021 amounted to P153.44 million (2020 - P152.76 million). Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment property would be an estimated P15.34 million (2020 - P15.28 million) higher or lower.

(b) Retirement benefits (Note 18)

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

The sensitivities of the defined benefit obligation to changes in the principal assumptions as at December 31 follow:

Assumptions	2021	2020
Discount rate		
1% decrease	355,871	382,201
1% increase	(313,619)	(339,849)
Rate of salary increase		
1% decrease	471,949	535,223
1% increase	(211,924)	(260,414)

(c) Impairment of subsidiaries (Note 5)

Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use calculated in accordance with accounting policy.

Management believes that the current level of allowance for impairment losses as at December 31, 2021 and 2020 is sufficient to cover non-recoverable amount.

As at December 31, 2021 and 2020, 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 P0.71 million (2020 - P0.68 million) in profit or loss.

21.2 Critical accounting judgments

(a) Recognition of deferred income tax assets (Note 13)

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

Management believes that the non-recognition of deferred income tax assets from NOLCO and MCIT of P15.46 million and P0.69 million, respectively, (2020 - P29.57 million NOLCO and P1.19 million MCIT) is appropriate due to the Company's limited capacity to generate sufficient taxable income in the immediately succeeding three (3) to five (5) years given current development activities.

(b) Entities in which the Company holds less than 50% interest (Note 5)

Management consider that the Company has de facto control over TAC, MAC, TTCI and TPHC even though it has less than 50% of the voting rights. There is no history of other shareholders forming a group to exercise their votes collectively. Based on the absolute size of the Company's shareholding and the relative size of the other shareholdings, management has concluded that the Company has sufficiently dominant voting interest to have the power to direct the relevant activities of these entities. Consistent with PFRS 10, the entities have been fully consolidated into the Group's consolidated financial statements.

(d) Impairment of investment property (Note 6)

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

No impairment loss was recognized on investment property for the years ended December 31, 2021 and 2020.

(e) Provision for litigation claims (Note 19)

The 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 Company's management and legal counsel believe that the liabilities under these lawsuits or claims will not have a material impact on the Company's separate financial statements. The Company's provision for litigation claims amounted to P47.77 million as at December 31, 2021 and 2020 and is shown as a separate line item in the statement of financial position.

Note 22 - Summary of significant accounting policies

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

22.1 Basis of preparation

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

The separate financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and investment property.

The preparation of separate financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 21.

The Company has also prepared consolidated financial statements, in accordance with PFRS, for the Parent Company and its Subsidiaries (the "Group"). In the consolidated financial statements subsidiary undertakings - which are those companies in which the Group, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations - have been fully consolidated.

Users of these separate financial statements should read them together with the Group's consolidated financial statements as at and for the years ended December 31, 2021 and 2020 in order to obtain full information on the financial positions, financial performances and changes in financial position of the Group as a whole. The consolidated financial statements of the Group can be obtained from the SEC or from the Company's website: www.mabuhayholdingscorp.com.

Changes in accounting policies and disclosures

(a) Amended standards adopted by the Company

No new standards, amendments to existing standards or interpretations, that are effective beginning January 1, 2021, are expected to have a material impact on the Company's separate financial statements.

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

A number of new standards, amendments to existing standards and interpretations are effective for the Company's annual periods after January 1, 2022 and have not been early adopted nor applied by the Company in preparing these separate financial statements. None of these are expected to be relevant and have an effect on the separate financial statements of the Company, 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 Company's classification of liabilities. The amendments provided clear guidance which will support the Company'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.

22.2 Cash

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

22.3 Financial instruments

22.3.1 Classification

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

(a) Financial assets

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

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

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

(i) Financial assets at amortized cost

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

These are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. The Company's financial assets at amortized cost comprise cash (Note 2) and other current assets (excluding prepayments) (Note 4).

(ii) Financial assets at FVPL

Investment in equity instruments that are held for trading are measured at fair value. Gains and losses for these financial assets are recorded in profit or loss. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, these are classified as non-current.

The Company's financial assets at FVPL (Note 3) are classified under this category.

(b) Financial liabilities

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

The Company only has financial liabilities measured at amortized cost which include accounts payable and other current liabilities (excluding payable to government agencies and deferred rental income) (Note 8), advances from related parties (Note 15) and advances from prospective shareholders (Note 10).

22.3.2 Recognition and measurement

(a) Initial recognition and measurement

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

(b) Subsequent measurement

(i) Financial assets at amortized cost

Financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method, less provision for impairment.

(ii) Financial assets at FVPL

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

(iii) Financial liabilities

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

22.3.3 Impairment

The Company applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables that are financial assets. The Company applies the PFRS 9 general approach to measuring expected credit losses which uses a 12-month loss allowance for cash and other receivables that are financial assets.

To measure the expected credit losses, notes and other receivables that are financial assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of customers over a period of 36 months before year-end reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss. Subsequent recoveries of amounts previously written-off are credited against operating expenses in profit or loss.

22.3.4 Derecognition

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

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

22.3.5 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. As at December 31, 2021 and 2020, there are no financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

22.4 Prepayments

Prepayments are recognized in the event that payment has been made in advance of obtaining right of access to receipt of services and measured at the amount of cash paid, which is equal to its nominal amount.

Prepayments are included in current assets, except when the related services are expected to be received or rendered for more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.
Prepayments are derecognized upon expiration with the passage of time or consumed in operations.

22.5 Investments in and advances to subsidiaries

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

The Company's investment in subsidiaries is carried at cost less impairment in value, if any. Under this method, the Company recognizes income from the investments only to the extent that the Company receives distribution from accumulated profits of the investee arising after the acquisition date. Advances to subsidiaries made perpetually with payment at the discretion of the latter are treated as additional investment. Distributions received in excess of such profits are regarded as recovery of investments and are recognized as a reduction of the cost of the investments.

Investment in subsidiaries is derecognized upon disposal. Gains and losses on disposals of these investments are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

Impairment of investment in subsidiaries is presented in Note 22.9.

22.6 Property and equipment

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

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use (Note 22.9).

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

22.7 Investment property

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

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

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

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

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

Impairment of investment property is presented in Note 22.9.

22.8 Fair value measurement

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

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.
The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

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

- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

Specific valuation techniques used to value financial instruments include:

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

The financial assets at fair value through profit or loss are classified under Level 1 category. Investment property is classified under Level 3 category.

22.9 Impairment of non-financial assets

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or in prior years. A reversal of an impairment loss is recognized as other operating income in profit or loss immediately.

22.10 Accounts payable and other current liabilities

Accounts payable and other current liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable and other current liabilities are classified as current liabilities if payment is due within one (1) year or less (or in the normal operating cycle of the business, if longer). If not, these are presented as non-current liabilities.

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

Relevant accounting policies for classification, recognition, measurement and derecognition of accounts payable and other current liabilities and financial liabilities at amortized cost are presented in Note 22.3.

22.11 Borrowings and borrowing costs

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

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

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

22.12 Current and deferred income tax

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

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

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

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

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

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Company is unable to control the reversal of the temporary difference for associate. Only where there is an agreement in place that gives the Company the ability to control the reversal of the temporary difference not recognized. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are derecognized when related bases are realized or when it is no longer realizable.

22.13 Employee benefits

(a) Retirement benefit obligation

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

The retirement obligation is equivalent to half-month compensation and calculated proportionately to the length of service of an employee. The amount is recorded as a separate line item in the statement of financial position.

(b) Other short-term benefits

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

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

22.14 Provisions

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

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

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

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

22.15 Equity

(a) Share capital and share premium

Share capital consists of common shares, which are stated at par value, that are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

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

(b) Deficit

Retained earnings (deficit) include current and prior years' results of operations, net of transactions with shareholders and dividends declared, if any.

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's Board of Directors.

22.16 Earnings per share

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares in issue during the year.

Diluted earnings per share is computed in the same manner as basic earnings per share, however, profit attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

22.17 Income and expense recognition

(a) Rental income

Rental income from operating leases (the Company is the lessor) is recognized as income on a straight-line basis over the lease term in accordance with PFRS 16. When the Company provides incentives to its lessees, the cost of incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income.

(b) Interest income and expense

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

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

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

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

(c) Dividend income

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

(d) Other income

Other income is recognized when earned.

(e) Expenses

Expenses are recognized when these are incurred.

22.18 Foreign currency transactions and translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

22.19 Related party relationships and transactions

(a) Related party relationship

A related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its shareholders.
In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

(b) Related party transaction

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

Note 23 - Supplementary information required by the Bureau of Internal Revenue (BIR)

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the BIR and is not a required part of the basic separate financial statements.

(i) Output value-added tax (VAT)

Output VAT declared for the year ended December 31, 2021 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	2,693,471	323,217

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, 2020 follows:

Beginning balance	124,217
Add: Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	51,310
Services lodged under other accounts	209,024
Total input VAT	384,551

(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, 2021 consist of:

Real property tax	234,630
Mayor's permit	69,659
Others	844
	305,133

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, 2021 consist of:

	Paid	Accrued	Total
Expanded withholding tax	23,563	-	23,563
Withholding tax on compensation	616,465	90,489	706,954
	640,028	90,489	730,517

(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.

Gmail

MABUHAY HOLDINGS CORPORATION <mabuhayhldgscorp@gmail.com>

Tax Return Receipt Confirmation

1 message

ebirforms-noreply@bir.gov.ph <ebirforms-noreply@bir.gov.ph> Fri, May 13, 2022 at 4:10 PM
To: mabuhayhldgscorp@gmail.com

This confirms receipt of your submission with the following details subject to validation by BIR:
File name: 000473206000-1702RTv2018C-122021V1.xml
Date received by BIR: 13 May 2022
Time received by BIR: 03:38 PM
Penalties may be imposed for any violation of the provisions of the NIRC and issuances thereof.

FOR RETURNS WITH PAYMENT
Please print this e-mail together with the RETURN and proceed to pay through the Authorized Agent Bank / Collection Agent / GCASH or use other payment options.

This is a system-generated email. Please do not reply.

Bureau of Internal Revenue

Gmail

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

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Sun, May 15, 2022 at 12:44 PM
To: MABUHAYHOLDINGS.EAFS@gmail.com
Cc: GGG.MHC@gmail.com

Hi MABUHAY HOLDINGS CORPORATION,

Valid files

- EAFS000473206TCRTY122021-01.pdf
- EAFS000473206ITRTY122021.pdf
- EAFS000473206AFSTY122021.pdf
- EAFS000473206RPTTY122021.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-95L5CJD50BFE89EKHMSXQV1QZ0ACC999J**
Submission Date/Time: **May 15, 2022 12:44 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.

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	

2021 SUSTAINABILITY REPORT

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
mabuhayholdings@yahoo.com	7750-2000	0908 8941610

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

CONTACT PERSON INFORMATION

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

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

CONTACT PERSON's ADDRESS

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

Note 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, 2021
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)	31,266,079	PhP
Direct economic value distributed:		
a. Operating costs	9,407,606	PhP
b. Employee wages and benefits	6,085,182	PhP
c. Payments to suppliers, other operating costs	3,331,046	Php
d. Dividends given to stockholders and interest payments to loan providers	0	PhP
e. Taxes given to government	1,533,859	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.