COVER SHEET

9142

SEC Registration No.

METRO GLOBAL HOLDINGS CORPORATION

(Company's Full Name)

MEZZANINE FLOOR, RENAISSANCE TOWERS, MERALCO AVE., PASIG

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

RAMON G. JIMENEZ

Contact Person

86336205 loc. 804

Company Telephone Number

12 **31**

Month Day

fiscal year

20-IS

FORM TYPE

1st Thursday of March

Month Day

Annual Meeting

Listed

Secondary License Type, If Appplicable

MSRD

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

METRO GLOBAL HOLDINGS CORP.

Mezzanine Floor, Renaissance Tower, Meralco Avenue, Ortigas Center, Pasig City

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

You are cordially invited to attend the Annual Stockholders' Meeting of **METRO GLOBAL HOLDINGS CORPORATION** (the "Company") which will be held virtually on **11 December 2020** (Friday) **at 10:00** o'clock in the morning, Philippine time. The Agenda of the meeting is as follows:

1. Call to Order
2. Determination and Certification of Quorum
3. Approval of the Minutes of the previous annual stockholders' meeting held on 6 December 2019
4. Report of the Chairman
5. Approval of the Annual Report and the Audited Financial Statements for the period ended December 31, 2019
6. Approval and Ratification of acts, contracts, resolutions of the Board, Committees and Management since the last annual stockholders meeting
7. Election of Directors (including Independent Directors)
8. Appointment of External Auditor
9. Other matters
10. Adjournment

These items are fully discussed in the Information Statement published in the Company's website at www.metroglobalholdings.com and on PSE EDGE.

In view of the Government's imposition of a community quarantine and taking into consideration the safety of everyone, stockholders may only attend the meeting via remote communication. Only stockholders of record in the books of the Company at the close of business hours on November 4, 2020 will be entitled to notice of, participation via remote communication, and voting in absentia at such meeting and any adjournment thereof.

Stockholders who intend to participate in the meeting via remote communication and to exercise their vote in absentia must register by filling up the form that can be downloaded at www.metroglobalholdings.com. Online registration will be open from 9 November 2020 at 8:00am to 4 December 2020 at 5:00pm. All information submitted will be subject to verification and validation by the Corporate Secretary and the Stock and Transfer Agent.

We are not soliciting your proxy. However, if you would be unable to attend the meeting but would like to be represented thereat, you should send a scanned copy of the herein proxy form, with other supporting documents via email to investor-relations@metroglobalholdings.com not later than 4 December 2020. A hard copy of the Proxy Form should be delivered to the Office of the Corporate Secretary at Poblador Bautista & Reyes Law Office, 5th Floor, SEDDCO Building, Rada Street, Legaspi Village, Makati City once the community quarantine has been lifted. Validation of proxies shall be held on 05 December 2020 at 9:00am at the Office of the Corporate Secretary.

Stockholders who have successfully registered can cast their votes and will be provided access to the live streaming of the meeting. The procedures for attending the meeting via remote communication and for casting votes in absentia are explained further in the "Requirements and Procedure for Registration, Participation and Voting In Absentia" appended to the Information Statement.

METRO GLOBAL HOLDINGS CORPORATION
By:

Gilbert R. T. Reyes

GILBERT RAYMUND T. REYES
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box

    _____Preliminary Information Statement

    __X_ Definitive Information Statement

2. Name of registrant as specified in its charter: **METRO GLOBAL HOLDINGS CORPORATION**

3. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**

4. SEC Identification Number: **9142**

5. BIR Tax Identification Code: **000-194-408-000**

6. Address of Principal Office: **Mezzanine Floor, Renaissance Towers Meralco Avenue, Pasig City 1604 Philippines**

7. Registrant's Telephone Number, including area code: **(+632) 8633-6205**

8. Date, time and place of the meeting of security holders

    11 December 2020, Friday at 10:00 a.m. (Philippine time)
    Via Remote Communication)

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **13 November 2020**

10. Securities registered pursuant to Section 4 & 8 of the RSA (as of 30 September 2019)

Title of Each Class	Number of Shares Outstanding of Common Stock
Common Shares	**2,000,000,000**

11. Are any or all registrant's securities listed in the Philippine Stock Exchange

    Yes [√]   No [ ]

    299,850,000 common shares are listed on the Philippine Stock Exchange ("PSE")

METRO GLOBAL HOLDINGS CORPORATION
FORM OF PROXY

The undersigned shareholder(s) of METRO GLOBAL HOLDINGS CORPORATION, (the "Company") hereby appoint/s:

[NAME OF AUTHORIZED REPRESENTATIVE]
or in his absence,
the
Chairman of the Meeting

as my proxy to represent and vote on my behalf all of my shares in the Company at the 2020 Annual Stockholders' Meeting of the Company to be held on 11 December 2020, at 10:00am, and at any adjournment or postponement thereof, for the purpose of acting on the following matters:

ITEM NO.	SUBJECT	ACTION		
		FOR	AGAINST	ABSTAIN
3	Approval of the Minutes of the previous annual stockholders' meeting held on 6 December 2019			
5	Approval of the Annual Report and Audited Financial Statements for the period ended 31 December 2019			
6	Approval and Ratification of acts, contracts and resolutions of the Board, Committees and Management since the last annual stockholders' meeting			
7	Election of Directors (including Independent Directors) for the ensuing year:			
	Robert John L. Sobrepeña			
	Ferdinand T. Santos			
	Noel M. Cariño			
	Rafael Perez De Tagle, Jr.			
	Roberto S. Roco			
	Jaime M. Cacho			
	Alice Odchigue-Bondoc			
	Francisco C. Gonzalez (Independent Director)			
	Rafael Alunan, III (Independent Director)			
8	Appointment of External Auditor			

Printed Name of Shareholder	Signature of Shareholder/ Authorized Signatory	Number of Shares to to be represented	Date

A scanned copy of this Proxy Form, with other supporting documents, should be sent via email to investor-relations@metroglobalholdings.com not later than 4 December 2020. A hard copy of the Proxy Form should be delivered to the Office of the Corporate Secretary at Poblador Bautista & Reyes Law Office, 5th Floor, SEDDCO Building, Rada Street, Legaspi Village, Makati City once the community quarantine has been lifted. Validation of proxies shall be held on 05 December 2020 at 9:00am at the Office of the Corporate Secretary.

For corporate stockholders, please attach to this Proxy Form the Secretary's Certificate on the authority of the signatory to appoint the proxy and sign this form.

This proxy when properly executed will be voted in the manner as directed herein by the shareholder/s. If no direction is made, the proxy will be voted for such other matters as may properly come before the meeting in the manner described in the Information Statement.

This proxy does not need to be notarized.

PART I

INFORMATION STATEMENT

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

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders (hereinafter the "Annual Stockholders' Meeting" or "Annual Meeting")

(a) **Date** — **11 December 2020**
Time — **10:00 a.m.**
Place — **Via Remote Communication**

Principal Office — **Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, 1604 Philippines**.

(b) **The approximate date on which the Information Statement will be first sent or given to security holders:**

Date — **13 November 2020**

Item 2. Dissenters' Right of Appraisal

A shareholders has the right to dissent and demand payment of the fair value of his shares in the following instances stated in the Revised Corporation Code, to wit:

(1) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence. (Sec. 80);

(2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Sec. 80);

(3) In case of merger or consolidation of the Corporation with or into another entity (Sec 80); and

(4) In case of any investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized (Sec. 80)

No matter will be presented for stockholders' approval during the Annual Meeting that may give rise to the exercise of a right of appraisal.

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

(a) No person who has been a director or officer of the Company, at any time since the beginning of the last fiscal year, or nominee for election as a director of the Company or associates thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the Annual Meeting, other than election to office.

(b) None of the directors of the Company has informed the Company that he intends to oppose any action to be taken by the Company at the Annual Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof:

(a) Number of Shares Outstanding as of 30 September 2020

Common Shares 2,000,000,000

Number of Votes Entitled: one (1) vote per share

(b) All stockholders of record as of 4 November 2020 are entitled to notice of and to vote at the Annual Meeting

(c) Manner of Voting

Under Article V, Section 6 of the By-Laws of the Company, at every meeting of the stockholders of the Company, each share of stock entitles the person in whose name it is registered in the books of the Corporation to one vote provided the shares have not been declared delinquent.

Article V, Section 7 of the By-Laws of the Company provides that the election of Directors shall be by ballot when requested by a voting stockholder, and each stockholder entitled to vote may vote such number of votes to which the number of Directors to be elected, multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of Directors to be elected. This procedure for voting in the election of Directors is also reflected in the Voting Procedures for Election of Directors in Item 19 of this Information Statement.

(d) **Security Ownership of Certain Record and Beneficial Owners and Management**

i. Security ownership of Record and Beneficial owners owning more than Five Percent (5%) of any class of the Company's voting securities as of 30 September 2020:

Title Of Class	Name and address of Record Owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (Based on total shares)
Common	Fil-Estate Management, Inc.[1] Mezzanine Floor Renaissance Tower, Meralco Ave. Ortigas, Pasig City	Fil-Estate Management, Inc.[2]	Filipino	1,759,750,195	87.988%
Common	PCD Nominee Corp. (Filipino)[3] 6/F MKSE Bldg. Ayala Avenue, Makati City	PCD participants acting for themselves or for their customers[4]	Filipino	100,579,633	5.029%

PCD Nominee Corporation has various beneficial owners. PCD Nominee Corporation operates as a subsidiary of Philippine Central Depository and provides highly efficient system for securities settlement for Metro Global Holdings Corporation, majority holder of which is Abacus Securities Corporation, with 2.38% of the total shares. Tower Securities, Inc. followed at 1.47% of the total 100,579,633 shares and the rest of the owners has below 1% ownership. As to date of this preliminary report the authorized persons to vote is not yet known.

ii. Security Ownership of Management

As of 30 September 2020, the Directors and Executive Officers of the Corporation are the beneficial owners of the following number of shares:

Title of Class	Name of Beneficial Owner	Citizenship	Amount and Nature of Beneficial Ownership	Percent of Class (of total outstanding shares)
Directors				

[1] Fil-Estate Management, Inc. ("FEMI") is the parent of the Company.
[2] Under the By-Laws and Revised Corporation Code, the FEMI Board has the power to decide how FEMI's shares are to be voted.
[3] PCD is not related to the Company.
[4] Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The Company has no record relating to the power to decide how the shares held by PCD are to be voted.

Common	Robert John L. Sobrepena	Filipino	241,000 (direct)	.013%
Common	Ferdinand T. Santos	Filipino	1,000 (direct)	.00005%
Common	Noel M. Cariño	Filipino	1,506,500 (direct)	.075%
Common	Jaime Cacho	Filipino	1(direct)	.000%
Common	Alice Odchigue-Bondoc	Filipino	1 (direct)	.000%
Common	Roberto S. Roco	Filipino	1 (direct)	.000%
Common	Rafael Perez de Tagle Jr.	Filipino	1,000 (direct)	.00005%
Common	Rafael M. Alunan III	Filipino	16 (direct)	.00008%
Common	Francisco C. Gonzalez	Filipino	1,000 (direct)	.00005%
Other Executive Officers				
Common	Gilbert Raymund T. Reyes ITF for various shareholders	Filipino	1,903,514 (direct)	
Common	Solita S. Alcantara	Filipino	15,000 (indirect)	
	TOTAL		3,669,018	.08753%

None of the members of the Company's directors and management owns 2.0% or more of the outstanding capital stock of the Company.

iii. Voting Trust Holders of 5% or more

The Company knows of no person holding more than 5% of common shares under a voting trust or similar arrangement.

iv. **Changes in Control**

No change of control in the Company has occurred since the beginning of the last calendar year. There are no arrangements with any party which may result in a change in the control of the Company.

v. Foreign Ownership level as of 30 September 2020

Security	Total Outstanding Share	Shares Owned by Foreigners	Percent of Ownership
Common Shares	2,000,000,000	4,610,103	0.2305%

Item 5. Directors and Executive Officers

(a) Information required of Directors and Executive Officers

i. Directors and Executive Officers

The following have been nominated as members of the Board of Directors for the ensuing year, including the Independent Directors:

Name	Age	Citizenship	Executive Position	Term	Years Served
Robert John L. Sobrepeña	65	Filipino	Chairman of the Board	24	1996 – 2020
Ferdinand T. Santos	70	Filipino	President	24	1996 – 2020
Noel M. Cariño	65	Filipino	Director	24	1996 – 2020
Jaime Cacho	63	Filipino	Director	3	2018 - 2020
Francisco C. Gonzalez	76	Filipino	Independent Director	10	2010 – 2020
Rafael Perez de Tagle, Jr.	65	Filipino	Director	20	2000 – 2020
Alice Odchigue-Bondoc	53	Filipino	Director	16	2004 - 2020
Roberto S. Roco	67	Filipino	Director	16	2004 – 2020
Rafael Alunan, III	73	Filipino	Independent Director	1	2019 - 2020

The nominees were formally nominated to the Nomination Committee by a shareholder of the Company, Mr. Jaime V. Borromeo. Mr. Francisco C. Gonzalez and Mr. Rafael Alunan, III, who are incumbent Independent directors of the Company, are nominated as Independent Directors. All are expected to be on the Board until 11 December 2020. Per recommendations of the Nomination Committee, all current directors, will be nominated to the Board again during the Company's Annual Meeting. Mr. Borromeo is not related to any of the nominees for regular directors and independent directors. Taking into account the SEC Memorandum Circular No. 4, Series of 2017, imposing a maximum cumulative term of nine (9) years for independent directors, with the reckoning of the nine-year term from 2012, the nominees for independent directors, Mr. Gonzalez and Mr. Alunan, III are still eligible to serve for one (1) and eight (8) more years, respectively, in the Company, if ever.

Under the Section 2, Article III of the By-laws of the Corporation, the nomination of directors, including independent directors, shall be conducted by the Nomination Committee (which is composed of Ferdinand T. Santos as Chairman, Rafael Perez de Tagle Jr. and Alice O. Bondoc as members) at least thirty (30) days prior to the date of the Annual Meeting. All recommendations shall be signed by the stockholders making the nomination and should have the written acceptance and conformity of the nominees.

The Nomination and Election Committee shall pre-screen the qualifications and prepare a final list of candidates for directors, specifying the nominated independent directors. For this purpose, the Nomination and Election Committee shall promulgate such screening policies and parameters to enable it to effectively review the qualifications of the nominees.

The Nomination and Election Committee shall prepare a Final List of Candidates in accordance with Part IV(A), and (C) of SRC Rule 12 and other applicable rules, or any subsequent amendments thereof. The Final List of Candidates shall be made available to the Securities and Exchange Commission and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement in accordance with applicable rules. The name of the stockholder who nominated the candidate for director or independent director shall be identified in such report. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors and independent directors. Nomination made after the issuance of the Final List of Candidates, or during the Annual Meeting, shall not be allowed.

Section 1, Article III of the By-Laws of the Corporation provide that the business and property of the Corporation shall be managed by a Board of nine (9) directors who shall be stockholders and who shall be elected at each annual meeting of the stockholders in the manner provided therein for a term of one (1) year and shall serve until their successors are elected and duly qualified. At all times, at least two (2) Directors shall be independent directors, as the term is defined by law or regulation, or such number of independent directors as to constitute at least twenty percent (20%) of the members of the Board, whichever is lesser. Twenty percent (20%) of nine directors results to an allocation of one board seat for an independent director.

A summary of the qualifications and business experience of the incumbent directors, nominees for directors for election at the annual stockholders' meeting and incumbent officers in the past five (5) years is as follows:

MR. ROBERT JOHN L. SOBREPEÑA, Filipino, age 65, is the Chairman of the Board of the Company. He is the Chairman of the Board of Fil-Estate Management, Inc., Metro Rail Transit Corporation MRT Development Corporation, Monumento Rail Transit Corporation, CJH Development Corporation, CJH Hotel Corporation, CJH Suites Corporation, CJH Leisure, Inc., Club Leisure Management Corporation, Metro Countrywide Corporation, Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, Metro Renewable Transport Solutions, Inc., MGHC Royalty Holdings Corporation and Philippine Highlands Coffee Farms, Inc.. He is also Vice-Chairman of Southwoods Ecocentrum Corporation. He is likewise the Chairman of Manila Southwoods Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He is also President of The Forest Hills Golf & Country Club, Inc. He graduated with a Bachelor's Degree in Science major in Psychology and Marketing from the De La Salle University in 1978.

ATTY. FERDINAND T. SANTOS, Filipino, age 70, is the President and Chief Risk Officer of the Company. He is also the President of Fil-Estate Management, Inc., Fil-Estate Development, Inc., MRT Development Corporation, Monumento Rail Transit Corporation, MGHC Royalty Holdings, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites

Corporation. He is a Director of Global-Estate Resorts, Inc. He is also the Chairman of the Forest Hills Golf & Country Club, Inc.. He is likewise the President of Fairways & Bluewater Resort, Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He is a Director of Metro Renewable Transport Solutions, Inc. He took his Bachelor of Arts at Arellano University in 1970. He has a Bachelor of Law degree from San Beda College where he graduated Valedictorian and Magna Cum Laude in 1974. He was a topnotcher in the 1974 Philippine Bar Exam (2nd Placer).

MR. NOEL M. CARINO, Filipino, age 65, is a Director of the Company. He is also a Director in Fil-Estate Management, Inc., Fil-Estate Development, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. He was past Chairman and currently serves as President of the Chamber of Real Estate and Builders Association (CREBA), an umbrella organization of various stakeholders in the construction, real estate and development industry, inclusive of architects, engineers, planners and other real estate broker's practitioners. He is Chairman of SunAsia, Inc., a renewable energy holding company. He is also Chairman of MegaWatt Solutions, Inc., a technology company pioneering in utilizing energy storage solutions. As CREBA President, he is Conferrer of the Dela Salle University Executive Development Program in Real Estate Management.

MR. RAFAEL PEREZ DE TAGLE Jr., Filipino, age 65, is also a Director of the Company. He is also the Director for Investor Relations of the Company. He is also Chairman of Metro Countrywide Corporation and Vice-Chairman of Metro Solar Power Solutions, Inc.. He is the President of CJH Leisure, Inc. and Club Leisure Management, Inc. He also serves as Director in Metro Rail Transit Corporation, Monumento Rail Transit Corporation, MRT Development Corporation, Fil-Estate Management, Inc., CJH Development Corporation, CJH Hotel Corporation, CJH Suites Corporation, Metro Global Renewable Energy Corporation and Metro Renewable Transport Solutions, Inc.. He is also a Director of the Manila Southwoods Golf & Country Club, Inc., Camp John Hay Golf Club, Inc. and Forest Hills Golf & Country Club, Inc. He obtained his Bachelor of Arts major in Economics degree from De La Salle University in 1976.

MR. JAIME M. CACHO, Filipino, age 63, is a Filipino citizen. Holds a Bachelor of Arts Degree Major in Communication Arts from De La Salle University, Manila in 1978. Mr. Cacho also has a Master in Business Administration (Candidate) from the Ateneo Graduate School of Business, Manila in 1983. At present, Mr. Cacho is President and Chief Operating Officer of Metro Countrywide Corporation and Metro Solar Power Solutions, Inc.. He is a Director of Metro Global Renewable Energy Corporation and Metro Renewable Transport Solutions, Inc. He is also a Director of CJH Development Corporation. He is also concurrently, Head of Project Development and Management Services for Fil-Estate Management, Inc.. Mr. Cacho has over 39 years of top-level management and construction experience earned throughout his career.

MR. FRANCISCO C. GONZALEZ, Filipino, age 76, is the Chairman of the Board and CEO of Romago Corporation and Fabriduct & Metal Systems, Inc. He is the Chairman of the Board of Romago, Inc. Guam and Electro Mechanical Products International, Inc. He also serves as President of Asia Pacific Golf Cars Corporation. He is also a director and serves as Chairman of the Membership Committees of The Manila Southwoods Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc.

RAFAEL M. ALUNAN, III, Filipino, age 73, sits on the Boards of Pepsi Cola Products (Philippines), Inc., (PCPPI); Sangley Airport Infrastructure Group, Inc.; the Philippine Council for Foreign Relations (PCFR); the Spirit of EDSA Foundation; and the Rotary Club of Mania (RCM). He chairs the Philippine Council for Foreign Relations and Harvard Kennedy School Alumni Association of the Philippines Inc.; is President and Trustee of the Philippine Taekwondo Foundation; founded One Philippines Party List; is Senior Adviser to United Harvest Corporation, Kaltimex Energy Philippines, and United Defense Manufacturing Corp.; and is Chairman of PCPPI's Audit Committee. He is a member of the International Institute for Strategic Studies (IISS); the Maritime League; the Fraternal Order of Eagles of the Philippines; and Zeta Phi Omega fraternity. He is an Eminent Fellow of the Development Academy of the Philippines (DAP); and Fellow of the Institute of Corporate Directors (ICD) and Institute for Solidarity in Asia (ISA). He writes a column for Business World; co-authored the book entitled "Silver Linings"; and produced the documentary entitled "Tagaligtas." He holds the rank of Colonel in the Armed Forces of the Philippines, and commanded the 131st Infantry Division (Standby Reserve) and, later, the 9th Infantry Division (Ready Reserve) of the Philippine Army. He is an adopted member of the Philippine Military Academy Marangal Class of 1974, PC-Special Action Force, Special Forces Regiment (Airborne) and First Scout

Ranger Regiment. He obtained his double degree in Business Administration and History-Political Science from De La Salle University; attended Ateneo de Manila University's Master in Business Administration-Senior Executive Program; earned a Master's degree in Public Administration and a certificate in Executive Education from Harcard Kennedy School of Government; and graduated from the Philippine Army's Command and General Staff College Operations Course. He served in the Cabinets of Presidents Corazon C. Aquino and Fidel V. Ramos as Secretary of Tourism and Secretary of the Interior and Local Government, respectively.

ATTY. ALICE ODCHIGUE-BONDOC, Filipino, age 53, is also Senior Vice President for Good Governance, Compliance Officer, Corporate Information Officer and Assistant Corporate Secretary of the Company. She is also the Senior Vice President for Corporate & Legal Affairs of the Company's parent company, Fil-Estate Estate Management, Inc. and affiliate companies, Fil-Estate Development, Inc. and New North Fairview Realty & Development, Inc. She is the Director for Corporate & Legal Affairs and Assistant Corporate Secretary of Camp John Hay Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. She is also the Chief Legal Officer and Corporate Secretary of Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, Metro Renewable Transport Solutions, Inc., MGHC Royalty Holdings Corporation and Metro Countrywide Corporation. She is also the Corporate Secretary of Club Leisure Management Corporation and CJH Leisure, Inc. She took her Bachelor of Science in Business Management major in Legal Management at Ateneo de Manila University and graduated Honorable Mention and Departmental Awardee of the Department of Legal Management in 1987. She holds a Doctor of Jurisprudence degree from Ateneo de Manila University School of Law and graduated as Second Honor-Silver Medal Awardee in 1992.

MR. ROBERTO S. ROCO, Filipino, age 67, is a Director of the Company. He was the Chief Financial Officer of Global-Estate Resorts, Inc. and its affiliate companies for 18 years until his retirement in late 2013. He graduated from Ateneo de Manila University with a degree in Bachelor of Science in Management.

ATTY. GILBERT RAYMUND T. REYES, Filipino, age 62, has been the Corporate Secretary of the Company since 2003. He is a founding partner of the Poblador Bautista and Reyes Law Offices. He is also the Corporate Secretary of CJH Development Corporation, CJH Hotel Corporation, and CJH Suites Corporation. He graduated with a degree in Bachelor of Science in Biology from the University of the Philippines in 1979. He also holds a Bachelor of Laws degree from the University of the Philippines College of Law, graduated Magna Cum Laude in 1983.

RAMON G. JIMENEZ, Filipino, age 61 is the Chief Financial Officer of the Company. He is also the Controller/Vice-President for Accounting of Fil-Estate Management, Inc.. He is a Director in Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, Metro Renewable Transport Solutions, Inc., MGHC Royalty Holdings Corporation, Metro Countrywide Corporation, Metro Countrywide Holdings, Inc., CJH Development Corporation, Camp John Hay Leisure, Inc., Club Leisure Management Corporation, Fil-Estate Realty Corporation and MRT Development Corporation. He graduated with a degree in Bachelor of Science in Commerce major in Accounting at the Polytechnic University of the Philippines.

SOLITA S. ALCANTARA, Filipino, age 59, is the Chief Audit Executive of the Company. She concurrently holds the position of Vice President for Internal Audit of Fil-Estate Management, Inc. (FEMI) and affiliate companies. She is a Certified Internal Auditor and a Certified Public Accountant with over 30 years of solid experience in internal audit, accounting, treasury and budgeting. She graduated with a degree in Bachelor of Science in Commerce major in Accounting from Polytechnic University of the Philippines in 1981. She has earned units of Master's Degree in Business Administration from De La Salle University.

SYLVIA M. HONDRADE, Filipino, 51 is the Vice-President for Business Development & Special Projects of the Company. She is a Director in Metro Countrywide Corporation, Metro Countrywide Holdings, Inc., Metro Solar Power Solutions, Inc. and Metro Global Renewable Energy Corporation. She is currently a member of the Board and Vice-President for Business Development Division of Camp John Hay Development Corporation. She is a business development and corporate planner with more than 20 years of experience in the real estate industry. She was Assistant Vice-President for Business Development of Fil-Estate Properties, Inc. from 1997 to 2007 before she became Vice-President for the same department from 2007 to 2011. She was been seconded with affiliated companies such as Fil-Estate Urban Development Corporation and Harbortown Development Corporation from 1997 up to 2011.

She did consultancy work and lectured on corporate and project planning, market and financial feasibility studies for businesses, NGOs and local government clients. She completed a Master's Degree in Development Planning from the University of Queensland and a Master's Degree in Corporate Planning from the University of Asia and the Pacific. She has a BA Degree in Economics and Management from the University of the Philippines in the Visayas.

None of the incumbent directors and officers and nominee directors work in government as certified by the Chairman of the Nomination Committee and the Assistant Corporate Secretary of the Company.

ii. Significant Employees

The Company has no employee who is not an executive officer who is expected by the Company to make a significant contribution to the business. The Company's business is not highly dependent on the services of any key personnel.

iii. Family Relationships

There are no family relationships among directors, executive officers or persons nominated to become directors or executive officers.

iv. Independent Directors

Messrs. Francisco Gonzalez and Rafael Alunan III are the Company's Independent Directors. They are neither officers nor substantial shareholders of the Company.

v. Involvement in Certain Legal Proceedings

The Company has no knowledge of any of the following events that occurred during the past five (5) years up to the date of this report which are material to an evaluation of the ability or integrity of any director or executive officer:

(a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; or

(b) Any conviction by final judgment in a criminal proceeding, domestic or foreign;

(c) Any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities;

(d) Found by a domestic or foreign court of competent jurisdiction, the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated securities or commodities law or regulation, the judgment has not been reversed, suspended, or vacated.

(b) Certain Relationship and Related Transactions

There is no change in the controlling majority stockholders of the Corporation. Neither has there been any arrangement with any party, which may have resulted in a change in the control of the Company. There are no material transactions currently proposed between the Company and:

(a) Any director or executive officer of the Company;
(b) Any nominee for election as a director;
(c) Any security holder named in response to Part IV, paragraph (C), IRR, SRC
(d) Any member of the immediate family (including spouse, parents, children, siblings, and in-laws of any of the persons in subparagraph (1)(a), (b) or (c) of this paragraph (D).

(c) Ownership Structure and Parent Company

The parent company of the Company is Fil-Estate Management, Inc. which as of 31 October 2020 owns 87.988% of the total outstanding voting shares of the Company.

(d) Resignation of Directors

To date, no director has resigned or declined to stand for re-election for the Board due to any disagreement with the Company relative to the Company's operations, policies and practices.

Item 6. Compensation of Directors and Executive Officers

(a) General

Section 8 of the Company's By-Laws on compensation, provides that "Each director shall receive a reasonable per diem allowance for his attendance at each meeting of the board. As a compensation, the Board shall receive and allocate an amount of not more than five (5%) percent of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper."

The directors receive a per diem of ₱10,000 per attendance at Board Meetings, and there is no provision in this section that may be construed as precluding any director from serving in any other capacity and receiving any compensation thereof.

The Company plans to compensate its Chief Executive, Officers and Directors for any and all services rendered in 2019 and prior years. The amount of compensation is to be determined and will be subject to the approval by the BOD.

(b) Summary Compensation Table

	Name & Position	Year	Salary	Bonus	Other Annual Compensation	Total
A.	The CEO and four (4) most highly compensated executive officers	2020 (Estimated)	7.56 Million	-	-	7.56 Million
	Robert John L. Sobrepena, Chief Executive Officer Atty. Ferdinand T. Santos, President Rafael R. Perez de Tagle, Jr., Executive Vice President Atty. Alice O. Bondoc, SVP for Good Governance, Compliance Officer Ramon G. Jimenez, Chief Financial Officer					
B.	All other officers and directors as group unnamed	2020 (Estimated)	1.22 Million	-	-	1.22 Million

	Name & Position	Year	Salary	Bonus	Other Annual Compensation	Total
A.	2 Compensated Officers	2019	1.18 Million	-	-	1.18 Million
	Atty. Alice O. Bondoc, SVP for Good Governance, Compliance Officer Ramon G. Jimenez, Chief Financial Officer					
B.	All other officers and directors as group unnamed	2019	0.46 Million	-	-	0.46 Million

Name & Position		Year	Salary	Bonus	Other Annual Compensation	Total
A.	2 Compensated Officers Atty. Alice O. Bondoc, SVP for Good Governance, Compliance Officer Ramon G. Jimenez, Chief Financial Officer	2018	1.18 Million	-	-	1.18 Million
B.	All other officers and directors as group unnamed	2018	0.27 Million	-	-	0.27 Million

Starting September 1, 2020, Mr. Robert John L. Sobrepena and Atty. Ferdinand T. Santos receive compensation from the Company by virtue of their positions as Chief Executive Officer (CEO) and President of the Company.

The total annual compensation of the top highly compensated executives amounted to P1.18 million in 2019 and P1.18 million in 2018. The projected total annual compensation for the current year is P8.78 million.

The total annual compensation paid to all personnel is all payable in cash. The total amount of compensation includes the basic salary and 13th month pay.

(c) Compensation of Directors and Executive Officers

There is no plan and non-plan compensation awarded or earned to, earned by, paid to, or estimated to be paid to, directly or indirectly, the named executive officers designated under Part IV, paragraph (B) (1) of Annex "C" of the IRR to the SRC and to directors covered by the subparagraph (3) thereof. The directors receive a per diem of P10,000 per attendance of Board Meetings and P5,000 per attendance to Committee meetings.

(i) Standard Arrangements.

There are no standard arrangements, pursuant to which directors of the Company are compensated, directly or indirectly, for any services provided as a director, nor are there any additional amounts payable to any of the Directors for committee participation or special assignments for the last completed fiscal year and the ensuing year.

(ii) Other Arrangements.

There are no other existing arrangements or consulting contracts, pursuant to which any directors of the Company was compensated, or is to be compensated, directly or indirectly, during the last completed fiscal year, or for any services provided as director.

(e) Employment Contracts and Termination of Employment and Change-in-Control Arrangements.

Management of the Company is currently being undertaken by the executive officers of the parent company. For this reason, the company has no existing employment contract with any executive officer nor is there any existing compensatory plan or arrangement, including payments to be received from the Company, with respect to an executive officer's employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the named executive officers' responsibilities following a change-in-control where the amount involved, if any, including all periodic payments or installments, which exceeds P2,500,000.

(e) Warrants and Options Outstanding:

The Company has not issued any warrants and there are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountant

The external auditors of the Company for the year ended December 31, 2019, is the accounting firm of KL Siy and Associates. A representative from KL Siy and Associates will attend the stockholders' meeting and will be available to respond to appropriate questions during the meeting. Furthermore, KL Siy and Associates has an opportunity to make a statement, if they desire to do so.

For the year ending December 31, 2020, Isla Lipana & Co., is recommended as the new external auditor of the Company for appointment at the scheduled Annual Meeting.

Audit and Audit-Related Fees

The aggregate fees billed for professional services rendered by KL Siy and Associates and Valdes Abad & Co. CPA's, in 2019 and 2018 were Php 183,000.00 and Php168,000.00, respectively. These fees, inclusive of out-of-pocket expenses, cover services rendered by the external auditor for audit of the financial statements of the Company and other services in connection with statutory and regulatory filings for years 2019 and 2018.

Tax Fees and Other Fees

The Company did not engage KL Siy and Associates for tax and other services in 2019 and 2018

There was not event in the last five years where KL Siy and Associates or its predecessor, Valdes, Abad & Company, CPAs, and the Company had any disagreement with any matter relating to accounting policies or practices, financial statement disclosures or auditing scope or procedure.

The audit findings are presented to the Company's Audit Committee which reviews and makes recommendations to the Board on actions to be taken thereon. The Board passes upon and approves the Audit Committee's recommendations.

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

1. Francisco Gonzalez - Chairman (Independent Director)
2. Rafael Alunan III - Member (Independent Director)
3. Roberto Roco - Member
4. Solita Alcantara - Member

Item 8. Compensation Plans

Compensation was paid starting June 2015 up to present.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities other than for Exchange

There are no matters or actions to be taken up in the Annual Meeting with respect to the authorization or issuance of any securities other than for exchange for outstanding securities of the Company.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up for the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 11. **Financial and Other Information**

The audited financial statements as of December 31, 2019, Management's Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company's financial information are attached hereto. The Schedules required under Part IV (c) of Rule 68 will be included in the Annual Report (SEC Form 17-A).

Item 12. Mergers, Consortiums, Acquisitions and Similar Matters

There are no matters or actions to be taken up in the Annual Meeting with respect to merger, consolidation, acquisition by sale or liquidation of the Company.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up in the Annual Meeting with respect to acquisition or disposition of any property by the Company.

Item 14. Restatement of Accounts

There are no matters to be taken up in the Annual Meeting which involves the restatement of any asset, capital, or surplus account of the Company.

D. <u>OTHER MATTERS</u>

Item 15. Action with Respect to Reports

(a) Approval of the minutes of the Annual Meeting held on 06 December 2019 covering the following matters:

i. Annual report
ii. Election of the members of the Board, including the Independent Directors; and
iii. Election of the external auditor and fixing of its remuneration

(b) Approval of the Annual report of the Management for the year ending December 31, 2019, including the Audited Financial Statements for the year 2019

Item 16. Matters Not Required to be Submitted

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, Bylaws or Other Documents

No action will be presented for shareholders' approval at this year's Annual Meeting which involves the amendment of charter, by-laws or other documents of the Company.

Item 18. Other Proposed Action

(1) Election of Directors, including the Independent Directors, for year 2020-2021;
(2) Appointment of external auditor;
(3) Ratification of acts, contracts and resolutions of the Board, the Board Committees and acts of officers and management from the previous stockholder's meeting up to the date of the Annual Meeting which were entered into or made in the ordinary course of business and transactions covered by appropriate disclosures with the Philippine Stocks Exchange and Securities and Exchange Commission:

No.	Date of Disclosure	Subject
1	December 6, 2019	An advisory on the results of the Annual Stockholders' Meeting: a. Approval of the Minutes of the Annual Meeting of the Stockholders held on 22 November 2018; b. Approval of the Annual Report and Audited Financial Statements for the calendar year ended 31 December 2018; c. Confirmation and Ratification of all actions, contracts, resolutions and proceedings made and entered into by Management and/or Board of Directors and various committees constituted pursuant to the Code of

		Corporate Governance for the year 2018 up to the present; d. Approval of the appointment of KL Siy & Associates, CPA's as the Company's Independent External Auditor; e. Approval of the Amendment of Third Article of the Amended Articles of Incorporation to indicate the new location of the principal place of business of the Corporation and to specify the complete address of the company's principal office as Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila.
2	December 6, 2019	An advisory on the results of the Organizational Meeting: a. Re-election/Re-appointment of the Chairman of the Board and Officers of the Company b. Re-appointment of Stock Transfer Agent and Registrar, BDO Unibank, Inc. - Trust Investments Group Securities Services & Corporate Agencies c. Constitution of Board Committees
3	December 13, 2019	An advisory on the results of the Board Meeting: a. Acceptance of the resignation of Mr. Eduardo R. Santos as Independent Director and his membership in various Committees b. Election of Mr. Rafael M. Alunan, III as Independent Director of the Corporation to serve the unexpired term of Mr. Eduardo R. Santos
4	June 11, 2020	An advisory on the results of the Board Meeting: A. Approval of the re-organization of the composition of membership of the various Committees as follows: 1. CORPORATE GOVERNANCE COMMITTEE • Chairman: Rafael M. Alunan, III (Independent Director) Members: • Francisco C. Gonzalez (Independent Director) • Robert John L. Sobrepeña • Atty. Ferdinand T. Santos • Rafael Perez de Tagle, Jr. • Atty. Alice Odchigue-Bondoc 2. BOARD RISK OVERSIGHT COMMITTEE • Chairman: Rafael M. Alunan, III (Independent Director) Members: • Francisco C. Gonzalez (Independent Director) • Atty. Ferdinand T. Santos • Atty. Alice Odchigue-Bondoc 3. RELATED PARTY TRANSACTIONS COMMITTEE • Chairman: Francisco C. Gonzalez (Independent Director)

		Members: • Rafael M. Alunan, III (Independent Director) • Roberto S. Roco • Ramon G. Jimenez B. Approval of the following Committee Charters: 1. Corporate Governance Committee Charter 2. Board Risk Oversight Committee Charter 3. Related Party Transaction Committee Charter
5	August 25, 2020	An advisory on the results of the Board Meeting: Approval of the organisation/incorporation of a new special purpose vehicle company to be called METRO RENEWABLE TRANSPORT SOLUTIONS, INC., whose primary objective is to engage in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, roads, bridges, railways, ports, highways and other passages and facilities for transportation and communication.
6	September 3, 2020	An advisory on the results of the Board Meeting: Approval of the signing of a Memorandum of Understanding (MOU) with the City of Baguio concerning the Development of an Intelligent Transport System as a Sustainable Long-Term Strategy to Urban Mass Transport Management for Baguio City by Easing Traffic Congestion, Improving Traffic Management for Baguio City, Minimizing Environmental Impact and Increasing Benefits of Transportation to the Public in General
7	October 2, 2020	An advisory on the date and Agenda of the 2020 Annual Stockholders Meeting on 11 December 2020; record date of 3 November 2020 and inclusive dates on the closing of the Stock & Transfer Book
8	October 12, 2020	An advisory on the amendment of the record date for the 11 December 2020 Annual Stockholders' Meeting to 4 November 2020 and amendment of inclusive dates of closing of the Stock and Transfer Book
9	October 26, 2020	An advisory on the amendment of the start of the closing of the Stock Company's Stock & Transfer Book to November 5, 2020 (instead of November 4, 2020 as previously announced)

Item 19. Voting Procedures

(1) Vote required: The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote present in person or by proxy constituting a quorum in the Annual Meeting is required for the approval of the matters presented to the stockholders for decision. The election of directors is by plurality of votes.

(2) Method of Voting: Straight and Cumulative Voting

In all items for approval, each voting share of stock entitles its registered owner as of the record date to one vote.

In the case of the election of Directors, each stockholder entitled to vote may cast the vote to which the number of shares he owns entitles him for as many persons as the number of Directors to be elected, multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

All votes will be counted and tabulated by the Corporate Secretary.

(3) Participation of Shareholders by Remote Communication

In view of the Government's imposition of a community quarantine and taking into consideration the safety of its stockholders, directors, officers and employees, this year's Annual Meeting will be conducted virtually and there will be no physical venue for the meeting.

The platform for participation through webcast/ video conferencing (Remote Communication) for the Annual Meeting is via Zoom. Only stockholders of record as of November 4, 2020 and who have complied with the registration and validation process may participate and vote in absentia in the Annual Meeting. To enable the Company to perform validation procedures, identify the stockholders participating by remote communication and record their presence for purposes of quorum, stockholders as of Record Date who wish to participate in the Annual Meeting by remote communication and to vote in absentia may register by filling up the form that can be found at www.metroglobalholdings.com. Online registration will be open from November 9, 2020 at 8:00 A.M. to December 4, 2020 at 5:00 P.M.

The Company's Corporate Secretary and its stock transfer agent, Banco de Oro-Stock Transfer Services Unit, will validate the registration requirements submitted by the stockholders. Upon successful registration and validation of the registration and documents submitted, the stockholder will receive an email confirmation with unique log in credentials which can be used to log in and participate in the Annual Meeting.

Upon validation, stockholders as of Record Date who have successfully registered and have signified their intention to vote in absentia will receive an email containing the link for the Digital Ballot/ Online Voting System and the Instructions for casting online votes. Registered stockholders shall have until 5:00PM of December 4, 2020 to cast their votes. Stockholders may also vote by proxy by sending a scanned copy of duly accomplished Proxy Form by email to **investor-relations@metroglobalholdings.com** not later than December 4, 2020. The Proxy Form may be downloaded at **https://www.metroglobalholdings.com**. The hard copy of the signed Proxy Form should be delivered to: The Corporate Secretary, Poblado, Bautista, Reyes Law Offices, 5th Floor, SEDECO Building 1, 120 Rada Street, Legaspi Village, Makati City, 1229, once the community quarantine has been lifted.

Please refer to **Annex "C"** for detailed guidelines for participation via remote communication and the procedures for registration and casting votes in absentia.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on 06 November 2020.

METRO GLOBAL HOLDINGS CORPORATION

By:
RAMON G. JIMENEZ
Chief Financial Officer

METRO GLOBAL HOLDINGS CORPORATION

MANAGEMENT REPORT

Item No. 11 Financial and Other Information

Audited Financial Statement and Interim Financial Statements

The Audited Financial Statements as of December 31, 2019, 2018 and 2017 certified by Mr. Arturo D. Sabino, Partner, KL Siy & Associates and Mr. Alfonso L. Cay-An, Partner, Valdes Abad & Company, CPAs are attached hereto. The Statement of Management's Responsibility and the Schedules Required under Part IV (C) of Rule 48 are included in the Annual Report (Form 17-A).

The 3rd Quarter Interim Financial Statements for the Quarter ended September 30, 2020 are also attached hereto.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

Mr. Alfonso L. Cay-An of Valdes Abad & Company, CPA's was designated as handling partner for the audit of the financial statements of the Company starting the year ended 31 December 2014 up to year ended 31 December 2018 and Mr. Arturo D. Sabino, Partner, KL Siy & Associates for ended 31 December 2019.

In compliance with SEC Memorandum Circular No. 8, Series of 2003, which was subsequently incorporated in SRC Rule 68, paragraph 3(b)(iv), and the Company's Manual of Corporate Governance, which require that the Company's external auditor be rotated or the handling partner changed every five (5) years or earlier, the Board of Directors of the Company, in consultation with the Audit Committee will recommend to the stockholders the engagement of KL Siy & Associates as external auditors of the Company for 2019.

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company.

Attendance of Accountants at the Meeting

Representatives of the Corporation's external accountants, KL Siy & Associates for the calendar year 2019, are expected to be present at the Annual Stockholders' Meeting scheduled on 11 December 2020. Said accountants will be given the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions on the Corporation's Financial Statements.

BUSINESS AND GENERAL INFORMATION

Metro Global Holdings Corporation (the Company), formerly Fil-Estate Corporation was incorporated on September 17, 1954 originally as San Jose Oil, Incorporated. The original and primary purpose of the corporation was to prospect for and market oil, natural gas and other minerals and secondarily, to invest in non-mining corporation or other enterprises. The Company was listed in the Philippines Stock Exchange (PSE) on May 4, 1964.

In July 1996, the Board of Directors (BOD) and the stockholders of the Company approved (a) the change in the Company's primary purpose from oil exploration to that of a holding Company authorized to engage in property and infrastructure development and the relegation of its erstwhile primary purpose to one of the Company's secondary purposes: and (b) the increase in the Company's authorized capital stock from ₱300.0 million, divided into 30.0 billion shares with par value of ₱0.01 per share, to ₱2 billion, divided into 2 billion shares with a par value of ₱1.00 per share; and (c) the declassification of Class A and B common shares to a single class of common share.

On January 22, 1998, the Securities and Exchange Commission (SEC) approved the change in the corporate name of San Jose Oil, Incorporated to Fil-Estate Corporation, accompanied by a shift in the primary purpose to that of a holding company engaged in property and infrastructure development, the declassification of Class A and B common shares to a single class common shares, and the change in its par value from ₱0.01 in 1997 to ₱1.00 in 1998.

On December 11, 2000, the Securities and Exchange Commission (SEC) approved the Company's increase in authorized capital stock from 300 million shares to two (2) billion shares. Fil-Estate Management, Inc. (FEMI) subscribed to 700 Million shares in exchange for the assignment of its interest in the Metro Rail Transit Holdings, Inc. (MRTHI) and Metro Rail Transit Corp., Limited (MRTCL).

On September 9, 2004, The Securities and Exchange Commission (SEC) approved the extension of the Company's term of existence for another 50 years.

The Company's key investment is in the form of equity interests in Metro Rail Transit Holdings (MRTH1), Inc. and Metro Rail Transit Holdings 11, Inc. (MRTH11). The combined investment in these holding companies represents approximately 29% interest in the EDSA MRT Systems. The Phase 1 of the MRT project (LRTS Phase 1) started full operation on July 15, 2000 and involved thirteen (13) stations from the North Triangle to Taft Avenue.

The Company has a 28.47% equity interest in Monumento Rail Transit Corporation (Monumento Rail) which, as a result, allows participation in the train system extension (e.g. the Makati Loop) and additional train/vehicle procurements in the event the Philippine government awards the project to MRTC.

On December 17, 2014, by virtue of the Redemption and Deed of Assignment between Monumento and the Company became a successor-in-interest of Monumento Rail to the extent of 28.47% of 5% of the Depot Income relative to the improvements and leased areas of the 16-hectare, more or less, North Triangle Depot. As successor-in-interest, the Company is entitled to received 28.47% of royalties corresponding to 5% of the gross receipts of the rental income from 8.3ha commercial center and 5% of the gross proceeds of sale or leases on improvements constructed on the lot pads less management fees and general and administrative expenses.

On December 20, 2018, the Company acquired the 15.79% equity interest of Fil-Estate Properties, Inc. in MRT Development Corporation (MRTDC).

Since 2007 the Company has voluntarily suspended the trading of its securities to allow the Company to re-align its business and explore new strategic directions.

Last November 22, 2018, at the Annual Stockholder's Meeting of the Company, the stockholders representing 2/3 of the outstanding capital stock of the Company from P2 billion to P5 billion, with the parent company, Fil-Estate Management, Inc. subscribing to the said increase to the extent of P750,000,000.00. The increase is pending approval with the Securities and Exchange Commission.

Likewise, during the 2018 Annual Stockholder's meeting, the stockholders representing 2/3 of the outstanding capital stock of the Company, approved the amendment of its Articles of Incorporation to allow the Company to invest in business engaged in the development of renewable energy through solar farms, wind farms, waste-to-energy and other energy projects. This Amendment is likewise pending approval with the Securities and Exchange Commission.

In line with the new business directions the Company intends to pursue, the Company has entered into an Agreement last November 20, 2018 with its parent company, Fil-Estate Management, Inc. (FEMI's), for the acquisition by the Company of FEMI's 100% stake in Metro Solar Power Solutions, Inc. (Metro Solar), a power company with an existing 65 megawatt solar farm project in Pililia, Rizal. The stockholders of the Company likewise have approved this transaction during the Annual Meeting of November 22, 2018, subject to mutually acceptable valuation of the project to be determined by an independent appraiser.

Also, last August 25, 2020, the Company approved the organization/incorporation of a new special purpose vehicle company to be called METRO RENEWABLE TRANSPORT SOLUTIONS, INC., whose primary objective is to engage in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, roads, bridges, railways, ports, highways and other passages and facilities for transportation and communication.

The Securities and Exchange Commission approved the incorporation of this new subsidiary company last October 23, 2020. This company is intended to be the special purpose vehicle company to undertake new public transport system projects of the Company that offers access to multiple transport options using one interface that includes monorail, trolleybus, electric bus and similar electricity-fed transport. The first of these kind of projects is already subject of an ongoing Feasibility Study in Baguio City under a Memorandum of Understanding (MOU) with the City of Baguio signed last September 3, 2020 concerning the development of an Intelligent Transport System as a Sustainable Long-Term Strategy to Urban Mass Transport Management for Baguio City by Easing Traffic Congestion, Improving Traffic Management for Baguio City, Minimizing Environmental Impact and Increasing Benefits of Transportation to the Public in General.

PLAN OF OPERATION

Metro Global Holdings Corporation continues to be a stakeholder of the Metro Rail Transit Project through its holding company MRTHI and its associate, Monumento Rail.

MGH plans to continue its strategy of maintaining itself as a holding corporation with key investments in the form of equity interests in MRTHI and MRTHII. The combined investments in these two holding companies represent approximately 29% interest in the EDSA MRT Systems. The Phase 1 of the MRT Project (LRTS Phase 1) involving 13 stations spanning the North Triangle to Taft Avenue began full operation on July 15, 2000. The operation for the next twelve (12) months was strictly confined to that of an investee corporation.

The Company continues, through its holdings in Monumento Rail, to actively pursue its participation in the train system extensions (e.g. Makati Loop) and capacity expansion via procurement of additional trains/vehicles.

Proposed increase in Authorized Capital Stock

During its Annual Stockholder's Meeting held on 22 November 2018, the stockholders approved the increase in authorized capital stock from Two Billion Pesos (Php2,000,000,000.00) divided into Two Billion (2,000,000,000) shares with a par value of One Peso (Php1.00) per share to Five Billion Pesos (Php5,000,000,000) divided into Five Billion (5,000,000,000) shares with a par value of One Peso (Php1.00) per share and the corresponding amendments to Article Seven of the Amended Articles of Incorporation of the Company. The stockholders also approved the subscription of FEMI to Seven Hundred Fifty Million (750,000,000) common shares of the Company at par value of P1.00 per share with part of subscription price to the extent of Five Hundred Million Pesos (Php500,000,000.00) to be offset against the Company's advances from FEMI. The subscription for 250,000,000 common shares at P1.00 per share or subscription price of P250,000,000 is intended to be paid fully or partially via assignment to the Company of shares of FEMI in Metro Solar Power Solutions, Inc. (Metro Solar). The application for increase in authorized capital stock is pending with the SEC.

With the planned increase in the Company's Authorized Capital Stock (ACS) from P2 Billion, divided into 2 Billion shares at P1.00 per share, to P5 Billion, divided into 5 Billion shares at P1.00 per share, and with the additional subscription by FEMI to P750 million, divided into 750 million shares at P1.00 per share, the Company's Stockholders Equity balance is expected to result in a positive balance of approximately P723.2 million.

The Stockholder's Equity portion before and after issuance to FEMI of the 750 million shares follows:

	September 30,2020	
	Before Issuance	After Issuance
Capital Stock	**1,998,553,181**	**2,748,553,181**
Additional paid-in capital	**589,120,803**	**589,120,803**
Cumulative Market Adjustment	**1,907,399**	**1,907,399**
Deficit	**(2,616,259,911)**	**(2,616,259,911)**
STOCKHOLDERS EQUITY	**(26,678,527)**	**723,321,474**

Expansion of the Company's primary purpose

The Company plans to expand its primary purpose to include investment in business engaged in solar, wind and other renewable energy generation facilities.

On November 20, 2018, the Board authorized the Company to enter into a Memorandum of Agreement with Fil-Estate Management Inc. (FEMI) whereby the Company shall purchase the Two Hundred Forty Nine Thousand Nine Hundred Ninety Five (249,995) shares of common stock of FEMI in Metro Solar Power Solutions Inc. (Metro Solar), a stock corporation registered with the Securities and Exchange Commission (the "SEC") with SEC registration No. CS201622607 on September 28, 2016 with principal activity to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution.

Such shares issued by Metro Solar to FEMI represent 100% of the entire issued and outstanding capital stock of Metro Solar. As per agreement with FEMI, the consideration in the value of the Metro Solar shares will be determined by an independent appraiser acceptable to the Company.

The shares that the Company will issue to FEMI in exchange for the Metro Solar shares will come from the proposed P3 billion (P3,000,000,000.00) increase in authorized capital stock of the Company.

On November 22, 2018, during the Annual Stockholders Meeting, the stockholders approved the amendment of the Article Second of the Articles of Incorporation to include in the primary purpose investment in business engaged in solar, wind, and other renewable energy generation facilities. The proposed amendment will allow the Company to expand its investment into business engaged in solar, wind, and other renewable energy generation facilities.

As of October 30, 2019, the SEC pre-approved said amendment and upon payment of assessment shall issue the corresponding Certificate of Amended Articles of Incorporation.

Operations for the Next Twelve months

The Company does not anticipate any material transactions that will require additional funding nor does it foresee any cash flow or liquidity problems within the next twelve (12) months.

The Company does not plan any product research and development within the same period.

There are no expected purchases or sale of plant and significant equipment within the next 12 months as the Company is not engaged in any manufacturing business.

The Company's internal source of liquidity comes primarily from its share in the rental income termed as "depot royalties" it receives from NTDCC. The company's external source of financing comes from advances made by FEMI, the parent company of the Company.

The Company will defer its previously disclosed plan to offer to the public the unsubscribed portion of its planned increase in ACS of P2.25 Billion, divided into 2.25 Billion shares at P1.00 per share.

Management's Discussion and Analysis of Financial Condition and Results of Operations

<u>Review for the period ended September 30, 2020</u>
(Comparative balances for the 9-month period ended September 30, 20120 and September 30, 2019)

Results of Operations

For the period ended September 30, 2020, the Company incurred a net loss of P4.3 million, or 33% from P1.08 million , from the net operating loss of P3.2 million it incurred in September 30, 2019. The decrease in net operating loss was primarily due to the increase in the general and administrative expenses incurred by the Company during the first three quarters of 2020.

General and administrative (G&A) expenses amounting to P4.2 million as of September 30, 2020, was mainly due to payment of regular operating expenses, such as salaries and wages, legal expenses, taxes and licenses and transportation and travel expenses. The G&A expenses increase by P1.3 million or 1.43% from P2.9 million in September 30, 2019 to P4.2 million in September 30, 2020 due to payment of various expenses.

Financial Condition
(Comparative balances for the period ended September 30, 2020 and December 31, 2019)

The Company's Total Assets decreased by P28.6 million or 2%, from P1.54 billion as at December 31, 2019 to P1.51 billion as at September 30, 2020.The decrease was primarily due to the decrease in receivables by P31.8 million or 79% from P40.0 million as at December 31, 2019 to P8.2 million as at September 30, 2020, mainly due to the collection of receivables from NTDCC in January 2020.

Financial Assets valued through OCI increased by P2.4 million or 1%, from P1.460 billion as at December 31, 2019 to P1.46 billion as at September 30, 2020, as a result of the increase in the market value of the Company's quoted equity securities.

Investment in Associates remains at P25.2 million as at September 30, 2020 and as at December 31, 2019.

Investment in Subsidiary account amounting to P2.5 million as at September 30, 2020 did not move from December 31, 2019.

Deferred tax assets as at September 30 20120 and as at December 31, 2019 amounts to P10.2 million.

The Company's Total Liabilities decreased by 2% or P26.7 million, from P1.54 billion as at December 31, 2019 to P1.52 billion as at September 30, 2020, due to partial payments of liabilities to FEMI.

Due to a Stockholder decreased by 4% or P31.7 million, from P773.4 million as at December 31, 2019 to P741.6 million as at September 30, 2020 due to the net effect of the P35.3 million partial payment to FEMI and the cash advances received from FEMI during the first three quarters of the year.

Income Tax Payable decreased by P2.5 million or 33% from P7.6 million as at December 31, 2019 to P5.1 million nil in September 30, 2020 due to payment of Income Tax in April 2020.

Decrease in Other Current Liabilities of P3.5 million or 98% from P3.7 million as at December 31, 2019 to P0.223 million as at September 30, 2020 was due to settlement of deferred output tax (VAT) in January 2020.

The Company's negative Stockholders' Equity increased by P1.9 million or 29% from P6.6 million as at December 31, 2019 to P8.5 million as at September 30, 2020, due to the net operating loss incurred during the first three quarters of 2020.

KEY PERFORMANCE INDICATORS ("KPI")

The comparative financial KPI for the period ended September 30, 2020 and 2019 are as follows:

LIQUIDITY RATIOS

	September 30, 2020	September 30, 2019
Current Ratio	0.023	0.019
Quick Ratio	0.023	0.019

Current Ratio (Current Assets/ Current Liabilities)
Liquidity Ratio measures a company's ability to pay short-term obligations

Quick Ratio (Cash and Cash Equivalents+ Current Trade Receivables/ Current Liabilities)
It measures a company's ability to meet its short-term obligations with its most liquid assets

Both Current Ratio and Quick Ratio increase in September 2020 from September 2019 due to increase in current assets by the Company particularly the receivables and other current assets.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	September 30, 2020	September 30, 2019
Debt to Total Assets	1.005	1.017
Equity to Total Assets	(0.005)	(0.017)
Debt to Equity	(177.85)	(58.219)
Asset to Equity	(176.85)	(57.219)

Debt to Total Assets (Total Liabilities/ Total Assets)
It shows the creditors' contribution to the total resources of the organization.

Equity to Total Assets (Total Owner's Equity/ Total Assets)

It shows the extent of owners' contribution to the total resources of the organization.

Debt to Equity (Total Liabilities/ Total Owner's Equity)
It relates the exposure of the creditors to that of the owners.

Asset to Equity (Total Assets/ Total Owner's Equity)
It measures the company's leverage.

Debt to Total Assets ratio decrease due to higher Total Assets in September 2020 as compared to September 2019.
Other leverage ratios remained at negative due to the negative equity position of the Company.

PROFITABILITY RATIOS

	September 30, 2020	September 30, 2019
Return on Equity	0.506	0.121
Return on Assets	(0.002)	(0.002)
Earnings per Share	(0.002)	(0.002)

Return on Equity (Net Income/ Equity Attributable to Parent Company's Shareholders
It tests the productivity of the owners' investments.

Return on Assets (Net Income/ Total Assets)
This ratio indicates how profitable a company is relative to its total assets.

Earnings per Share (EPS)
It indicates the earnings for each of the common shares held.

The Company reported net losses and negative stockholders equity balance in September 2020 and 2019.

Return on Assets and Earnings per Share reflected negative figure as a result of the negative stockholders' equity position of the Company.

Material Changes in the period ended September 30, 2020 Financial Statements

Financial Position
(Increase/decrease of 5% or more versus December 31, 2019 balances)

- 76% increase in Cash due to collections of receivables from NTDCC and advances received from MRTDC and MRTC, net of payments of various payables and expenses
- 79% decrease in Receivables due to collection of receivables from NTDCC in January 2020.
- 23% increase in Other Current Assets was mainly due the application of input tax
- 33% decrease in Income Tax Payable was due to payment of income tax due in April 2020
- 94% decrease in Other current liabilities was due to remittance of deferred output tax (VAT) in January 2020
- 4% decrease in Due to a stockholder was due to the net effect of the P35.3 million partial payment to FEMI and cash advances received from FEMI during the first three quarters of the year
- 468% increase in Cumulative Market adjustment as a result of the increase in the market value of the Company's quoted equity securities

Results of Operation
(Increase/decrease of 5% or more versus September 30, 2019 balances)

- 43% increase in General and Administrative Expense due to payment of legal fees

Review for the year ended December 31, 2019

Results of Operations

For the year ended December 31, 2019, the Company posted a net income of P18.2 million, a decrease by 19% or P4.2 million, from the net operating income of P22.4 million posted in December 31, 2018..

The Company's main source of income continues to be its share in the lease rental income termed as "depot royalties" that it receives annually from North Triangle Depot Commercial Corporation (NTDCC), owner of Trinoma Mall. The Company recognized lease depot royalties (classified as "Other Income" in the audited financial statements) of P30.3 million in 2019, which increased by P0.8 million or 2.9% from P29.5 million in 2018.

The Company also recognized other income of P20.3 million representing reversal of previous years' expense accruals due to the assumption by MRTC of the Company's consultancy agreement with Arch Advisory Limited, a financial consultancy firm based in Malaysia.

General and administrative (G&A) expenses amounting to P5.0 million as of December 31, 2019, was mainly due to payment of regular operating expenses, such as salaries and wages, taxes and licenses and transportation and travel expenses. The G&A expenses decrease by P9.6 million or 66% from P14.6 million in December 31, 2018 to P5.0 million in December 31, 2019 due to reduction in payment of consultancy fees.

Financial Condition

The Company's Total Assets decreased by P20.1 million or 1%, from P1.56 billion as at December 31, 2018 to P1.54 billion as at December 31, 2019. The decrease was primarily due to the decrease in Financial Assets valued through OCI by P25.4 million or 2%, from P1.48 billion as at December 31, 2018 to P1.46 billion as at December 31, 2019, as a result of the impairment loss of P24.9 million recognized this year by the Company on its unquoted equity securities.

Cash increased by P0.3 million or 50.2% from P0.6 million as at December 31, 2018 to P0.9 million as at December 31, 2019 mainly due to the increase in cash receipts due to advances received from MRTDC.

Receivables decreased by P0.3 million or 1% from P40.3 million as at December 31, 2018 to P40.0 million as at December 31, 2019, mainly due to the additional provision for credit losses recorded this year.

Other current assets decreased by P1.6 million or 96%, from P1.7 million as at December 31, 2018 to P0.1 million as at December 31, 2019, due to application of the creditable withholding tax against last year's Income Tax payable and paid for by the Company in April 2019.

Investment in Associates decreased by P0.6 million or 2% from P25.9 million as at December 31, 2018 and P25.3 million as at December 31, 2019 due to share in net equity loss of MRTDC.

Investment in Subsidiary account amounting to P2.5 million as at December 31, 2019 did not move from December 31, 2018.

Deferred tax assets increased by P7.5 million from P2.66 million as at December 31, 2018 and P10.2 million as at December 31, 2019 due to recognized deferred tax on impairment loss for the year.

The Company's Total Liabilities decreased by 2% or P37.8 million, from P1.58 billion as at December 31, 2018 to P1.55 billion as at December 31, 2019, mainly due to partial payments of liabilities to FEMI.

Due to a Stockholder decreased by 4% or P28.7 million, from 802.1 million as at December 31, 2018 to P773.4 million as at December 31, 2019 due to the increase in payments made by the Company to FEMI during the year.
Decrease in Accrued Expenses and Other Payables of 6% or P27.2 million, from P440.3 million as at December 31, 2018 to P413.1 million as at December 31, 2019 was mainly due to the assumption by MRTC of the Company's consultancy agreement with Arch Advisory Limited.

Income Tax Payable increased by P3.8 million or 98% from P4.6 million as at December 31, 2018 to P7.6 million in December 31, 2019 due to higher Income tax liability for 2019 as a result of the increase in other income account.

Other Current Liabilities increased by P0.1 million or 4% from P3.6 million as at December 31, 2018 to P3.7 million as at December 31, 2019.

The Company's negative Stockholders' Equity decreased by P17.7 million or 73% from P24.3 million as of December 31, 2018 to P6.6 million as of December 31, 2019 due to the net operating income posted in year 2019.

KEY PERFORMANCE INDICATORS ("KPI")

The comparative financial KPI for the years ended December 31, 2019 and 2018 are as follows:

LIQUIDITY RATIOS

	December 31, 2019	December 31, 2018
Current Ratio	0.100	0.095
Quick Ratio	0.096	0.091

Current Ratio (Current Assets/ Current Liabilities)
Liquidity Ratio measures a company's ability to pay short-term obligations

Quick Ratio (Cash and Cash Equivalents+ Current Trade Receivables/ Current Liabilities)
It measures a company's ability to meet its short-term obligations with its most liquid assets

Current Ratio and Quick Ratio both increased in December 2019 from December 2018 mainly due to decrease in current liabilities by the Company particularly accrued expense and other payables account.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2019	December 31, 2018
Debt to Total Assets	1.004	1.016
Equity to Total Assets	(0.004)	(0.016)
Debt to Equity	(233.000)	(65.099)
Asset to Equity	(232.000)	(64.099)

Debt to Total Assets (Total Liabilities/ Total Assets)
It shows the creditors' contribution to the total resources of the organization.

Equity to Total Assets (Total Owner's Equity/ Total Assets)
It shows the extent of owners' contribution to the total resources of the organization.

Debt to Equity (Total Liabilities/ Total Owner's Equity)
It relates the exposure of the creditors to that of the owners.

Asset to Equity (Total Assets/ Total Owner's Equity)
It measures the company's leverage.

Debt to Total Assets ratio decreased due to lower Total Assets in December 2019 as compared to December 2018.

Other leverage ratios remained at negative due to the negative equity position of the Company.

PROFITABILITY RATIOS

	December 31, 2019	December 31, 2018
Return on Equity	(2.742)	(0.922)
Return on Assets	0.012	0.014
Earnings per Share	0.009	0.011

Return on Equity (Net Income/ Equity Attributable to Parent Company's Shareholders
It tests the productivity of the owners' investments.

Return on Assets (Net Income/ Total Assets)
This ratio indicates how profitable a company is relative to its total assets.

Earnings per Share (EPS)
It indicates the earnings for each of the common shares held.

The Company reported net income in December 2019 and negative stockholders equity balance in December 2019 and 2018.

Return on Equity reflected negative figure as a result of the negative stockholders' equity position of the Company.

Material Changes in the year ended December 31, 2019 Financial Statements
(Increase/ decrease of 5% or more versus December 31, 2018 balances)

Financial Position

- 50% increase in Cash due to collections of receivables from NTDCC and advances received from MRTDC, net of payments of various payables and expenses
- 96% decrease in Other Current Assets was mainly due the application of creditable withholding tax against income tax due and paid in April 2019
- 283% increase in Deferred Tax Asset due to recognized deferred tax on impairment loss for the year
- 6% increase in Accrued Expense and Other Payables due to the assumption by MRTC of the Company's consultancy agreement with Arch Advisory Limited
- 98% increase in Income Tax Payable was due to higher Income tax for 2019 as a result of increase in Other income
- 49% decrease in Cumulative Market adjustment as a result of the decrease in the market value of the Company's quoted equity securities

Results of Operation

- 6% increase in Other Income due to higher lease rental income and reversal of previous year accrual
- 200% increase in Other Expense due to higher impairment loss in financial assets valued through OCI
- 66% decrease in General and Administrative Expense due to reduction in payment of consultancy fee
- 42% decrease in Loss on Valuation of Available for Sale financial assets as a result of the decrease in the market value of the Company's quoted equity securities

Review for the year ended December 31, 2018

Results of Operations

For the year ended December 31, 2018, the Company posted a net income of P22.4 million, a significant improvement from its December 31, 2017 net operating loss of P5.5 million.

The Company's main source of income continues to be its share in the lease rental income termed as "depot royalties" that it receives annually from North Triangle Depot Commercial Corporation (NTDCC), owner of the Trinoma Mall. The Company recognized lease depot royalties (classified as "Other Income" in the audited financial statements) of P29.5 million in 2018, which increased by P1.7 million or 5.7% from P27.8 million in 2017.

During the year, the Company acquired the 15.8% equity interest of Fil-Estate Properties, Inc. in MRT Development Corporation (MRTDC), which resulted in the Company recognizing a P17.9 million income, representing its 15.8% share in the net equity earnings of MRTDC.

Other expenses for 2018 amounted to P8.6 million due to the impairment loss recognized on the Company's financial assets valued through OCI which decreased by a P3.0 million or 26% from 2017.

General and administrative (G&A) expenses amounting to P14.6 million in 2018 were mainly due to professional and retainer fees, salaries and wages, and taxes and licenses incurred by the Company. G&A expenses decreased by P1.9 million or 11% from P16.5 million in 2017, in view of the reduction in consultancy fees.

Financial Condition

The Company's Total Assets of P1.56 billion as at December 31, 2018 increased by P15.4 million or 1%, from P1.54 billion as at December 31, 2017.

The P1.6 million or 4% increase in Receivables, from P38.6 million as at December 31, 2017 to P40.3 million as at December 31, 2018, which was primarily due to the increase in the Company's share in NTDCC lease rental income.

Other current assets increased by P0.98 million or 66%, from P1.48 million as at December 31, 2017 to P2.46 million as at December 31, 2018, due to the increase in creditable withholding tax and input vat as a result of the increase in the Company's share in NTDCC rental income.

Investment in Associate increased by P19.8 million or 328%, from P6.04 million as at December 31,2017 to P25.86 million as at December 31, 2018 due to the acquisition of the 15.8% equity interest in MRTDC and the recognition by the Company of its share in the net equity earnings of MRTDC.

Deferred tax assets as at December 31, 2018 increased to P2.66 million. The Company did not recognize any deferred tax asset as at December 31, 2017. The Company started recognizing deferred tax asset only in 2018 since after re-assessment, there exist a probability that future taxable income will and can be offset against it.

Cash decreased by 29%, from P0.87 million as at December 31, 2017 to P0.62 as at December 31, 2018 mainly due to increase usage of funds to pay off various payables and expenses.

Financial Assets valued through OCI decreased by P9.5 million or 1%, from P1.49 billion as at December 31, 2017 to P1.48 billion as at December 31, 2018, mainly due to the impairment loss recognized by the Company during the year.

The Company's Total Liabilities decreased by 0.4% or P6.2 million, from P1.59 billion as at December 31, 2017 to P1.58 billion as at December 31, 2018.

Accrued Expenses and Other Payables decreased by 0.6% or P2.8 million, from P443.1 million as at December 31, 2017 to P440.3 million as at December 31, 2018 due to increase in payments of various accruals.

Due to a Stockholder decreased by 0.7% or P5.3 million, from P807.3 million as at December 31, 2017 to P802.1 million as at December 31, 2018 as a result of increase in payment of liabilities to FEMI.

Income Tax Payable increased by P1.1 million or 34%, from P3.4 million as at December 31, 2017 to P4.6 million as at December 31, 2018 due to the increase in income tax liability brought about by the increase in taxable income during the year.

Other current liabilities increased by 8% or P0.25 million, from P3.3 million as at December 31, 2017 to P3.5 million as at December 31, 2018 due to the increase in deferred output vat in relation to the Company's share in NTDCC lease rental income.

Due to related parties increased by P0.42 million or 0.1% due to advances from MGHC Royal Corp., an affiliate.

The Company's negative Stockholders' Equity significantly improved by P21.5 million or 47%, from a negative equity balance of P45.9 million in 2017 to a negative equity balance of P24.3 million in 2018, in view of the P22.4 million net income recognized by the Company during the year.

KEY PERFORMANCE INDICATORS ("KPI")

The comparative financial KPI for the years ended December 31, 2018 and 2017 are as follows:

LIQUIDITY RATIOS

	December 31, 2018	December 31, 2017
Current Ratio	0.097	0.091
Quick Ratio	0.091	0.088

Current Ratio (Current Assets/ Current Liabilities)
Liquidity Ratio measures a company's ability to pay short-term obligations

Quick Ratio (Cash and Cash Equivalents+ Current Trade Receivables/ Current Liabilities)
It measures a company's ability to meet its short-term obligations with its most liquid assets

Both Current Ratio and Quick Ratio increase in 2018 from 2017 due to increase in current assets by the Company particularly the receivables and other current assets.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2018	December 31, 2017
Debt to Total Assets	1.016	1.030
Equity to Total Assets	(0.016)	(0.030)
Debt to Equity	(65.132)	(34.655)
Asset to Equity	(64.132)	(33.655)

Debt to Total Assets (Total Liabilities/ Total Assets)
It shows the creditors' contribution to the total resources of the organization.

Equity to Total Assets (Total Owner's Equity/ Total Assets)
It shows the extent of owners' contribution to the total resources of the organization.

Debt to Equity (Total Liabilities/ Total Owner's Equity)
It relates the exposure of the creditors to that of the owners.

Asset to Equity (Total Assets/ Total Owner's Equity)
It measures the company's leverage.

Debt to Total Assets ratio decreased due to higher Total Assets in 2018 as compared to 2017.

Other leverage ratios remained at negative due to the negative equity position of the Company.

PROFITABILITY RATIOS

	December 31, 2018	December 31, 2017
Return on Equity	(0.922)	0.120
Return on Assets	0.014	(0.004)
Earnings per Share	0.011	(0.003)

Return on Equity (Net Income/ Equity Attributable to Parent Company's Shareholders
It tests the productivity of the owners' investments.

Return on Assets (Net Income/ Total Assets)
This ratio indicates how profitable a company is relative to its total assets.

Earnings per Share (EPS)
It indicates the earnings for each of the common shares held.

Return on Equity in 2018 is negative due to negative stockholders' equity position of the Company.

Return on Assets increase in 2018 from 2017 due to Net Income recognized by the Company during the year.

Earnings per Share also improved in 2018 as a result of 2018 Company's net income.

Material Changes in the year ended December 31, 2018 Financial Statements
(Increase/ decrease of 5% or more versus December 31, 2017)

Financial Position

- 29% decrease in Cash due to increased usage of funds to pay off various payables and expenses
- 66% increase in Other Current Assets due to the increase in creditable withholding tax and input vat recognized during the year
- 328% increase in Investment in Associate due to the acquisition of the 15.8% equity interest in MRTDC and the recognition by the Company of its share in the net equity earnings of MRTDC
- 34% increase in Income Tax Payable due to the increase in taxable income in 2018
- 8% increase in Other Current Liabilities mainly due to higher deferred output vat in 2018 as a result of higher lease rental income
- 46% Decrease in Cumulative Market adjustment as a result of the decrease in the market value of the Company's quoted equity securities

Results of Operation

- 71% increase in Other Income mainly due to the recognition by the Company of its 15.8% share in the net equity earnings of MRTDC and the increase in the Company's share in the lease rental income from NTDCC, owner of Trinoma Mall.
- 26% decrease in Other Expense due to lower impairment loss recognized on the Company's available for sale financial assets
- 11% decrease in General and Administrative Expense due to lower professional and retainer fees incurred in 2018
- 63% decrease in Income Tax Expense due to recognition of Deferred Tax Asset in 2018

- 10% decrease in Gain on Valuation of Available for Sale financial assets as a result of the decrease in the market value of the Company's quoted equity securities

Review for the year ended 2017 Operation

Results of Operations

For the year ended December 31, 2017, the Company incurred a net operating loss of P5.5 million, which is 117% or P3.0 million higher than the December 31, 2016 net operating loss of P2.5 million.

The Company's main source of income has been its share in the rental income termed as "depot royalties" that it receives annually from North Triangle Depot Commercial Corporation (NTDCC). The Company recognized leased rental income (classified as "Other Income" in the audited financial statements) of P27.8 million in 2017, which increased by P0.8 million or 3% from the December 31, 2016 figure of P27.1 million.

Other expense for 2017 amounted to P11.6 million representing impairment loss on the Company's financial assets valued through OCI which decreased by P3.0 million or 26% from 2016.

General and administrative (G&A) expenses amounting to P16.5 million incurred in 2017 were mainly for professional and retainer fees, taxes and licenses, legal expenses and salaries and wages. G&A expenses increased by P3.9 million or 31% from 2016 due to higher professional and retainers' fee incurred during the year.

Financial Condition

The Company's Total Assets of P1.54 billion as at December 31, 2017 decreased by P9.6 million or 1% from P1.55 billion as at December 31, 2016. The decrease was primarily due to the decrease in the value of Available-for-sale financial assets of P12.5 million or 1%, from P1.51 billion as at December 31, 2016 to P1.48 billion as at December 31, 2017 mainly due to recognition of impairment loss

Cash decreased by 6%, from P0.93 million as at December 31,2016 to P0.87 million as at December 31, 2017 mainly due to increased usage of funds to pay off various payables and expenses.

Receivables increased by P0.68 million or 2% from P37.96 million as at December 31, 2016 to P38.6 million as at December 31, 2017, due to the increase in Company's share in NTDCC lease rental income.

Other current assets decreased by P0.10 million or 6%, from P1.6 million as at December 31, 2016 to P1.48 million as at December 31, 2017, due to lower input vat recognized during the year.

Investment in Associate decreased by P0.002 million or 0.3% from P6.06 million as at December 31,2016 to P6.04 million as at December 31,2017 due to the Company's share in the net loss of Monumento Rail, an affiliate.

The Investment in Subsidiary account, amounting to P2.5 million, represents the Company's equity share in MGHC Royal Holdings Corporation, a subsidiary.

The Company's Total Liabilities decreased by 0.2% or P3.1 million, from P1.593 billion as at December 31, 2016 to P1.590 billion as at December 31, 2017.

Due to a Stockholder decreased by 0.1% or P11.6 million, from P818.9 million as at December 31,2016 to P807.3 million as at December 31, 2017 as a result of partial payments made by the Company to FEMI.

Income Tax Payable increased by P3.3 million or 2975%, from P0.1 million as at December 31, 2016 to P3.4 million as at December 31, 2017 due to higher taxable income for 2017, which was primarily due to the increase in the Company's share in the lease rental income from NTDCC.

Accrued Expenses and Other Current Liabilities increased by 1% or P5.2 million, from P441.3 million as at December 31, 2016 to P446.5 million as at December 31, 2017 due to higher accrued retainer fees in 2017.

Due to related parties amounting to P333.5 million remain unchanged.

The Company's negative Stockholders' Equity increased by P6.5 million or 16%, from a negative equity balance of P39.4 million as at December 31, 2016 to P45.9 million as at December 31, 2017, in view of P5.5 million net operating loss incurred by the Company during the year.

KEY PERFORMANCE INDICATORS ("KPI")

The comparative financial KPI for the years ended December 31, 2017 and 2016 are as follows:

LIQUIDITY RATIOS

	December 31, 2017	December 31, 2016
Current Ratio	0.091	0.092
Quick Ratio	0.088	0.088

Current Ratio (Current Assets/ Current Liabilities)
Liquidity Ratio measures a company's ability to pay short-term obligations

Quick Ratio (Cash and Cash Equivalents+ Current Trade Receivables/ Current Liabilities)
It measures a company's ability to meet its short-term obligations with its most liquid assets

Current Ratio and Quick Ratio remain almost the same for two (2) years as there were no significant changes in the balances of current assets and current liabilities.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2017	December 31, 2016
Debt to Total Assets	1.030	1.025
Equity to Total Assets	(0.030)	(0.025)
Debt to Equity	(34.655)	(40.405)
Asset to Equity	(33.655)	(39.405)

Debt to Total Assets (Total Liabilities/ Total Assets)
It shows the creditors' contribution to the total resources of the organization.

Equity to Total Assets (Total Owner's Equity/ Total Assets)
It shows the extent of owners' contribution to the total resources of the organization.

Debt to Equity (Total Liabilities/ Total Owner's Equity)
It relates the exposure of the creditors to that of the owners.

Asset to Equity (Total Assets/ Total Owner's Equity)
It measures the company's leverage.

Debt to Total Assets ratio slightly increase in 2017 due to lower Total Assets in 2017 as compared to 2016. Other leverage ratios remained at negative due to the negative equity position of the Company.

PROFITABILITY RATIOS

	December 31, 2017	December 31, 2016
Return on Equity	0.120	0.064
Return on Assets	(0.004)	(0.002)
Earnings per Share	(0.003)	(0.001)

Return on Equity (Net Income/ Equity Attributable to Parent Company's Shareholders
It tests the productivity of the owners' investments.

Return on Assets (Net Income/ Total Assets)
This ratio indicates how profitable a company is relative to its total assets.

Earnings per Share (EPS)
It indicates the earnings for each of the common shares held.

Return on Assets decreased in 2017 (from 2016) due to higher Net Loss recognized by the Company in 2017 as compared to 2016.

Earnings per Share reflected a negative figure as a result of 2017 and 2016 Company's net operating loss.

Material Changes in the year ended December 31, 2017 Financial Statements
(Increase/ decrease of 5% or more versus December 31, 2016)

Financial Position

- 6% decrease in Cash due to increased usage of funds to pay off various payables and expenses

- 6% decrease in Other Current Assets mainly due to lower creditable withholding tax and input vat recognized during the year

- 2975% increase in Income Tax Payable due to higher taxable income for 2017, which is primarily due to the increase in the Company's share in the lease rental income from NTDCC. The income tax payable in 2016 was less in view of the Net Operating Loss Carry Over (NOLCO) applied against the 2016 net taxable income.

- 34% decrease in Cumulative Market adjustment as a result of the decrease in the market value of the Company's quoted equity securities

Results of Operation

- 26% decrease in Other Expense due to lower impairment loss recognized on the Company's available for sale financial assets

- 31% increase in General and Administrative Expense due to higher professional and retainer fees in 2017

- 284% increase in Income Tax Expense due to higher net taxable income in 2017

- 243% decrease in Gain on Valuation of Available for Sale financial assets as a result of the decrease in the market value of the Company's quoted equity securities

Others Matters

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way. The Company does not have, nor anticipates having, any cash flow or liquidity problems within the next twelve (12) months.

The Company is not in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring making payments.

The Company has no significant trade payables that have been paid within the stated period.

The Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including default or acceleration of an obligation.
There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The Company has no material commitments for capital expenditures.

The Company is not aware of any known trends, events or uncertainties that have had or is reasonably expected to have a material favorable or unfavorable impact on net income from operation nor does the Company know of any events that will cause a material change in the relationship between costs and revenues.

The Company is not aware of any significant elements of income or loss that did not arise from the Company's on-going operations nor of any seasonal aspects that had a material effect on the financial condition or results of operations.

EXTERNAL AUDIT FEES:

(a) Audit and Audit Related Fees:

The aggregate fees billed for each of the last two (2) calendar years for professional services rendered by the external auditors is ₱ 351,000.00 (exclusive of Value Added Tax) for 2019 and 2018, respectively.

The fees include the audit of the Company's Balance Sheets and the related statements of income, statements of changes in stockholders' equity and cash flows based on a test basis, evidence supporting the amount and disclosures in the Financial Statements, assess the accounting principles used and significant estimates made by management and evaluate the overall financial statement presentation.

Such fees also include assistance in the preparation of the annual income tax return. However, such annual income tax return will not include a detailed verification of the accuracy and completeness of the reported taxable, nontaxable and tax-paid income and the reported deductible and nondeductible costs and expenses.

Except to the extent finally determined to have resulted from the auditors' fraudulent behavior or willful misconduct, the auditors maximum liability to the Corporation for any reason, including auditors' negligence, relating to the services under engagement letter shall be limited to the fees paid to the auditors for the services or work product giving rise to liability.

(b) Tax Fees:

Aside from the Value Added Tax included in the basic Professional Fees, the Company has not incurred expenses in relation to professional services such as tax accounting, compliance, advice, planning and any other form of tax services.

(c) All Other Fees:

The Company paid the amount of ₱28,000 (exclusive of VAT) in 2019 and 2018 representing Compilation, BIR and SEC filing fee in connection with the audit of the Company's Financial Statements.

(d) The Audit Committees Approval Policies and Procedures for the above services

Audit Fees are approved based on the estimate of the actual time needed for professional work to complete the standard scope of services of an audit. The estimates also take into account any special accounting considerations and the experience level of the professional team members involved in the engagement.

Item 9. Market Registrant's Common Equity and Related Stockholders Matters

The Corporation's stocks are being traded at the Philippine Stock Exchange.

(2) Holders

As of 30 September 2020, the number of shareholders of record is 1,906 while common shares outstanding were 2,000,000,000 shares.

The Company's stocks are being traded at the Philippine Stock Exchange. However, for the last five (5) years, trading of the Company's shares was suspended.

In view of the suspension of trading of the Company's shares, the high and low sales prices of such shares for each quarter of the calendar years 2018, 2019 and 2020 could not be determined.

	2020		2019		2018	
Quarter	**High**	**Low**	**High**	**Low**	**High**	**Low**
1st	0.00	0.00	0.00	0.00	0.00	0.00
2nd	0.00	0.00	0.00	0.00	0.00	0.00
3rd	0.00	0.00	0.00	0.00	0.00	0.00
4th			0.00	0.00	0.00	0.00

The shares of the Company were last traded on March 20, 2007 at a price of ₱0.26.

Top 20 stockholders based on issued common shares as of 30 September 2020:

Name of Shareholders	Number of Shares	Percentage
Fil-Estate Management, Inc.	1,759,750,195	87.988%
PCD Nominee Corporation (Filipino)	100,579,633	5.029%
Alakor Securities Corporation	66,778,253	3.339%
Bank of Commerce-Trust Services Group	43,211,800	2.161%
Bank of Commerce TG-91-07-001-C	6,383,000	0.319%
PCD Nominee Corp.(Non-Filipino)	3,663,129	0.183%
Bancommerce Investment Corp.	2,000,000	0.100%
Atty. Gilbert Reyes ITF Various Shareholders	1,903,514	0.095%
Noel Carino	1,506,500	0.075%
Jaime Borromeo	1,000,000	0.050%
Leroy Tan	675,500	0.034%
Belson Securities, Inc. A/C#196-358	664,000	0.033%
Roberto N. Del Rosario	628,000	0.031%
CFC Corporation	576,000	0.029%
The Holders of the Unexchanged San Jose Oil	556,839	0.028%
David Go Securities Corp.	414,200	0.021%
Trendline Securities Corp.	382,500	0.019%
Alberto Mendoza &/or Jeanie C. Mendoza	300,000	0.015%
John Gokongwei Jr.	270,000	0.014%
Alakor Corporation	200,000	0.010%
	1,989,541,900	

(3) Dividends

No dividends were declared in the last two (2) calendar years.

Under the Company's By-Laws, there are no restrictions in the declaration of dividends other than what is prescribed in the Corporation Code, namely that these shall be declared only from surplus profit and no stock dividend shall be issued without the approval of stockholders representing not less than two-thirds of all stock outstanding and entitled to vote at a general or special meeting called for the purpose.

Discussion on Compliance with leading practice on Corporate Governance

The Company had adopted the Annual Self-Assessment System to assess compliance with leading practices on corporate governance and subsequently through the Integrated-Annual Corporate Governance Report (IACGR) required under the Code of Corporate Governance for Publicly Listed Companies (PLC's). The Compliance Officer meets with the directors and top-level management from time to time to evaluate compliance with Corporation's Manual on Corporate Governance and subsequently with the Code of Corporate Governance for PLC's.

The Corporation is in substantial compliance with its Manual and the Code of Corporate Governance for PLC's. The Compliance Officer is present at all meetings of the Board of Directors and closely coordinates with the Chairman and the President to ensure full compliance with the adopted leading practices on good governance. The Compliance Officer furnishes the Board of Directors and top-level management copies of new rules, regulations, circulars and orders of the Securities and Exchange Commission and the Philippine Stock Exchange to continuously update its Directors and top-level management with new requirements for compliance with leading practices on corporate governance. In addition, the Compliance Officer requires and encourages its Directors and top-level management to attend seminars on good corporate governance.

There are no material deviations to date from the Corporation's Manual on Corporate Governance or Code of Corporate Governance, with exception of certain recommendations, which the Company has explained in its I-ACGR filed in 2019. The Board has no immediate plans to adopt new policies for corporate governance.

ANNEX A

COVER SHEET

9	1	4	2

S.E.C. Registration Number

METRO GLOBAL HOLDINGS
CORPORATION

(Company's Full Name)

MEZZANINE FLOOR RENAISSANCE
TOWER MERALCO AVENUE
PASIG CITY

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

RAMON G. JIMENEZ
Contact Person

(02) 633 - 6205
Company Telephone Number

1	2		3	1
Month			Day	

2019
calendar year

SEC FORM 17A
FORM TYPE

Month Day

Regitered/Listed
Secondary License Type, If Appplicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning

PART I – BUSINESS AND GENERAL INFORMATION
SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **December 31, 2019**

2. SEC Identification Number **9142** 3.BIR Tax Identification No. **000-194-408-000**

4. Exact name of registrant as specified initials charter **METRO GLOBAL HOLDING CORPORATION**

5. **Philippines**
   Province, Country or other jurisdiction of Incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

6. **Mezzanine Floor Renaissance Tower Meralco Ave., Pasig City**
   Address of Principal Office
   1600
   Postal Code

8. **(632) 8633-6248**
   Issuer's Telephone Number, including area code

9. **FIL-ESTATE CORPORATION**
   Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Section 8 n 12 of the SRC, or Sec 4 n 8 of the RSA

Title of Each Class	Number of Shares of common Stock Outstanding and Amount of Debt Outstanding
Common Stock – P1 par value	**2,000,000,000** (out of the total shares)

11. Are any or all these securities listed on the Philippine Stock Exchange.
    Yes [X] No [ ]

12. Check whatever the registrant:

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

    Yes [X] 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:
    ₱240,559,298.00@ ₱1.00/share as of December 31, 2019

14. Document incorporated by reference: **2019 Audited Financial Statements**

METRO GLOBAL HOLDINGS CORPORATION

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SEC FORM 17-A

Item 1. Business

Business Development

Metro Global Holdings Corporation (the Company), formerly Fil-Estate Corporation, was incorporated on September 17, 1954 originally as San Jose Oil, Incorporated. The original and primary purpose of the corporation was to prospect for and market oil, natural gas and other minerals and, secondarily, to invest in non-mining corporations or other enterprises. The Company was listed in the Philippine Stock Exchange (PSE) on May 4, 1964.

In July 1996, the Board of Directors (BOD) and the stockholders of the Company approved (a) the change in the Company's primary purpose from oil exploration to that of a holding Company authorized to engage in property and infrastructure development and the relegation of its erstwhile primary purpose to one of the Company's secondary purposes, (b) the increase in the Company's authorized capital stock from ₱300.0 million, divided into 30.0 billion shares with a par value of ₱0.01 per share, to ₱2 billion, divided into 2 billion shares with a par value of ₱1.00 per share and (c) the declassification of Classes A and B common shares to a single class of common shares.

On January 22, 1998, The Securities and Exchange Commission ('SEC') approved the change in corporate name of San Jose Oil, Incorporated to Fil-Estate Corporation, accompanied by a shift in the primary purpose to that of a holding company engaged in property and infrastructure development, the declassification of Classes A and B common shares to a single class of common shares, and the change in par value of its shares from P0.01 in 1997 to P1.00 in 1998.

On December 11, 2000, the SEC approved the Company's increase in authorized capital stock from 300.0 million shares to two (2) billion shares. Fil-Estate Management, Inc. (FEMI) subscribed to 700 million shares in exchange for the assignment of its interests in the Metro Rail Transit Holdings, Inc. (MRTHI) and Metro Rail Transit Corp., Limited (MRTCL).

On September 9, 2004, the SEC approved the extension of the Company's term of existence for another fifty (50) years.

The Company's key investment is in the form of equity interest in MRTHI and Metro Rail Transit Holdings II, Inc. (MRTHII). The combined investment in these holding companies represents approximately twenty nine percent (29%) interest in the Metro Rail Transit systems ('EDSA MRT systems'). The Phase I of the MRT project (LRTS Phase I) began full operations on July 15, 2000 and involved thirteen (13) stations from the North Triangle to Taft Avenue.

The Company has a 28.47% equity interest in Monumento Rail Transit Corporation (Monumento Rail) which, as a result, allows participation in the train system extension (e.g. the Makati Loop and Airport Link) and additional train/vehicle procurements in the event the Philippine government awards the project to MRTC.

On December 17, 2014, by virtue of the Redemption and Deed of Assignment between Monumento Rail and the Company, the Company became a successor-in-

interest of Monumento Rail to the extent of 28.47% of 5% of the Depot Income relative to the improvements and leased areas of the 16-hectare, more or less, North Triangle Depot. As successor-in-interest, the Company is entitled to receive 28.47% of royalties corresponding to 5% of the gross receipts of the rental income from 8.3 ha commercial center and 5% of the gross proceeds of sale or leases on improvements constructed on the lot pads less management fees and general and administrative expenses.

On December 20, 2018, the Company acquired the 15.79% equity interest of Fil-Estate Properties, Inc. in MRT Development Corporation (MRTDC).

Since 2007 the Company has voluntarily suspended the trading of its securities to allow the Company to re-align its business and explore new strategic directions.

Last November 22, 2018, at the Annual Stockholder's Meeting of the Company, the stockholders representing 2/3 of the outstanding capital stock of the Company, approved the Increase in the Capital Stock of the Company from P2 billion to P5 billion, with the parent company, Fil-Estate Management, Inc. subscribing to the said increase to the extent of P750,000,000.00. The Increase is pending approval with the Securities and Exchange Commission.

Likewise, during the 2018 Annual Stockholder's Meeting, the stockholders representing 2/3 of the outstanding capital stock of the Company, approved the amendment of its Articles of Incorporation to allow the Company to invest in businesses engaged in the development of renewable energy through solar farms, wind farms, waste-to-energy and other energy projects. This Amendment is likewise pending approval with the Securities and Exchange Commission.

In line with the new business directions the Company intends to pursue, the Company has entered into an Agreement last November 20, 2018 with its parent company, Fil-Estate Management, Inc. (FEMI's), for the acquisition by the Company of FEMI's 100% equity stake in Metro Solar Power Solutions, Inc. (Metro Solar), a power company with an existing 65 megawatt solar farm project in Pililia, Rizal. The stockholders of the Company likewise have approved this transaction during the Annual Meeting of November 22, 2018, subject to mutually acceptable valuation of the project to be determined by an independent appraiser.

Change of Principal Place of Business

On December 6, 2019 at the Annual Stockholder's Meeting, the stockholders approved the amendment of the Article Third of the Articles of Incorporation to indicate the new location in another city of the Company's principal place of business with details of the specific complete address from Mandaluyong, Metro Manila to Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila. After the approval of the amendment, Article Third shall read as follows:

"That the place where the principal office of the Corporation is to be established or located is at MEZZANINE FLOOR, RENAISSANCE TOWERS, MERALCO AVENUE, PASIG CITY, METRO MANILA (As Amended on _________)"

The above amendment was necessitated by Memorandum Circular No. 16, Series of 2014 issued by the Securities and Exchange Commission (SEC) which directs corporations to file an Amended Articles of Incorporation to indicate its new location to another city or municipality. Likewise, SEC's Memorandum Circular No. 6, Series of 2014, directs all existing corporations whose Articles of Incorporation still indicate only a general address, such as a city, town or municipality, or "Metro Manila", to file an amended Articles of Incorporation in order to specify their complete address, such that, if feasible, it has a street number, street name, barangay, city or municipality, and if applicable, the name of the building, the number of the building, and name or number of the room or unit.

The amendments in Article Third of the Articles of Incorporation are intended for compliance to the above-mentioned Memorandum Circulars of the SEC by indicating in the proposed amendments the new location to another city of the Company (from Mandaluyong to Pasig City), and to indicate the specific complete address of the Company in its new location in Pasig City, that is, Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila.

Corporate Name Change

On March 18, 2014, the BOD approved the amendment of the Articles of Incorporation and By-laws of the Company, a major provision of which was the change in its corporate name from Fil-Estate Corporation to Metro Global Holdings Corporation. The amendments were intended to identify the group of companies under the "METRO GROUP" and establish the affiliation of the Company with its affiliate infrastructure companies which likewise had the word "Metro" in their corporate names.

The foregoing amendments were approved by the Securities and Exchange Commission on May 14, 2014.

Equity Infusion. On March 19, 2007, the Company accepted FEMI's proposal to infuse its 30% equity ownership in Camp John Hay Development Corporation (CJHDEVCO) in exchange for up to 450.0 million shares of the Company at ₱1.00 par value, subject to approval by the SEC.

On September 11, 2007, the Company signed a Deed of Assignment whereby the 30% equity ownership of FEMI in CJHDEVCO was transferred to the Company in exchange for 450.0 million shares at ₱1.00 par value subject to the approval of the Bases Conversion Development Authority (BCDA). The Deed of Assignment by FEMI of its equity interest in CJHDEVCO in favor of the Company was signed in 2007 in conjunction with CJHDEVCO's then active discussions with certain property developers and Business Process Outsourcing (BPO) operators who intended to invest in the CJHDEVCO area. The expansion of the CJHDEVCO tourism and leisure complex in the northern resort destination of Baguio City involved approximately19 hectares of new development out of the total 247-hectare former rest-and-recreation facility of the United States military. It was further expected that the profitability of CJHDEVCO would be boosted by such investments and in turn, would positively affect the financial performance of the Company.

On July 1, 2008, the BCDA consented to the transfer made by FEMI of its 30.0% equity interest in CJH in exchange for new shares of stocks in the Company.

On April 23, 2009, the Company and FEMI (the parties) executed an Amendment to the Deed of Assignment which (a) amended the number of shares to be transferred to 1.5 million shares still representing 30.0% equity interest in CJHDEVCO, and (b) extended the date of closing of the transaction June 30, 2010, or any date agreed upon by the parties in writing, in order to allow the parties to fully comply with the conditions precedent to closing as set forth in the Deed of Assignment, particularly as it related to the required consent of the SEC.

On January 9, 2012, CJHDEVCO rescinded the Restructured Memorandum of Agreement it had entered into with the BCDA on July 1, 2008 due to the BCDA's continuing inability to make good on its one-stop shop 30-day permit issuance guaranty. CJHDEVCO subsequently filed a directly related case against the BCDA for arbitration with the Philippine Dispute Resolution Center, Inc. (PDRCI).

On March 14, 2012, the House of Representatives passed a resolution creating a technical working group aimed at assisting CJHDEVCO and the BCDA in amicably resolving the dispute.

On April 12, 2012, the BOD approved the deferment of the assignment, transfer and conveyance in favor of the Company, of FEMI'S 30.0% equity in CJHDEVCO until the resolution of the dispute between CJHDEVCO and the BCDA.

On February 11, 2015, the PDRCI handed down its decision on the arbitration case filed by CJHDEVCO against the BCDA. The decision stated that the Original Lease Agreement (OLA), and the subsequent Memorandums of Agreement entered into by CJHDEVCO and the BCDA, were rescinded due to mutual breach by the parties. The PDRCI, in its decision, (a) directed the BCDA to return to CJHDEVCO the total amount of rent CJHDEVCO had paid amounting to P1,421,096,052; and (b) ordered CJHDEVCO to vacate the leased premises and promptly deliver the leased property to the BCDA upon full payment by the BCDA to CJHDEVCO of the aforementioned rental amount. The decision also concluded that the CJHDEVCO was not liable for any unpaid back rent as had been claimed by the BCDA.

On March 6, 2015, CJHDEVCO filed for a confirmation of judgment with the Regional Trial Court of Baguio City (Court). On March 27, 2015, the Court issued an order of confirmation of The Final Award.

In view of the PDRCI decision, the BOD approved to cancel the implementation of the transfer by FEMI of its 30.0% equity in CJHDEVCO in exchange for equity shares in the Company. The cancellation was also in line with the Company's plan to focus on its core business of infrastructure development.

<u>Conversion of Liabilities to Equity</u>. On January 28, 2008, the BOD approved the conversion of a portion of the liabilities to FEMI amounting to about ₱400.0 million into equity shares of the Company at a par value of ₱1.00 per share. In view of the increase in the balance of liabilities to FEMI, the amount to be converted into equity was increased to ₱600.0 million as approved by the BOD on April 18, 2011. The liability amount for conversion was further increased to ₱800.0 million and subsequently approved by the BOD on April 12, 2012.

On December 16, 2013, the SEC approved the conversion of a portion of the liabilities of the Company to FEMI amounting to ₱800.0 million into equity shares in the Company, equivalent to 800.0 million shares with a par value of ₱1.00 per share.

On May 6, 2014, the BOD approved the request of FEMI to increase its shareholdings and further reduce its receivables from the Company through the conversion into equity of a portion of its receivables amounting to ₱200.15 million, equivalent to 200,150,000 shares at ₱1.00 per share par value.

On September 4, 2014, the SEC approved the conversion of a portion of the Company's liabilities to FEMI amounting to P200.15 million, into equity shares equivalent to 200,150,000 shares at P1.00 par value.

Infusion of Certain Properties. On April 12, 2012, the Company accepted the infusion by FEMI of certain properties of Mt. Zion Memorial, Inc. (MZMI) worth ₱500.0 million in shares of the Company at ₱1.00 par value. MZMI is wholly-owned subsidiary of FEMI engaged in the development of Class A memorial parks. Organized in 1999, MZMI has twelve (12) memorial parks nationwide with a total combined saleable memorial lots aggregating to 50 hectares, with an estimated concurrent value of ₱2,500.0 million. A significant amount of annual income was expected to be generated from this infusion.

Consistent with the new business directions of the Company, the BOD approved to cancel the implementation of the proposed plan of FEMI to assign -properties of Mt. Zion Memorial Inc. (MZMI), worth P500 million in exchange for 500,000,000 shares of the Company at P1.00 per share.

Cooperation Agreement. On November 12, 2010, the Company, Fil-Estate Properties, Inc. (FEPI) and FEMI (collectively termed as the 'Fil-Estate Companies') entered into a Cooperation Agreement with Metro Pacific Investment Corporation (MPIC) relating to the Fil-Estate Companies' rights and interests in the MRT Companies. The cooperation has the following objectives: (i) explore solutions that will enable the expansion of the MRT 3 system through financially and legally viable means, and (ii) to transfer the interests of the Fil-Estate Companies in the MRT Companies, subject to obtaining the necessary consents from the relevant parties. Under the Cooperation Agreement, the Fil-Estate Companies appointed MPIC as its attorney-in-fact in connection with the exercise of the rights and interests of the Fil-Estate Companies in the MRT Companies. The completion and consummation of the transaction contemplated by the parties were subject to certain consents and conditions, which did not take place as of December 31, 2019.

A total of P350M has been received from MPIC under this Cooperation Agreement.

Redemption of Redeemable Preferred Shares in Monumento Rail. On August 22, 2006, the Board of Directors of Monumento Rail Transit Corporation (Monumento Rail) approved the redemption of the redeemable preferred shares it issued to its shareholders giving the latter a redemption privilege by assigning the former's right to receive Depot Royalties ("Depot Royalty Rights" with respect to improvements constructed on the 16-hectare Depot located at North Triangle, EDSA and rental income from the commercial center known as Trinoma Mall in the Depot pro-rata to the percentage of shareholdings held by each shareholder. On December 17, 2014, Monumento Rail and the Company executed the Redemption and Deed of Assignment whereby for and in consideration of the cancellation of the redeemable preferred shares issued by Monumento Rail to the Company and certain trustees of the Company, Monumento Rail assigned to the Company a pro-rata interest of Monumento Rail's Depot Royalty Rights to the extent of an aggregate of 28.47%.

The cost of the Company's 18,029,417 redeemable preferred shares amounts to P901,471 based on par value P.05 per share which is the price per share at time of redemption. In accordance with the Articles of Incorporation of Monumento Rail, the holder of the redeemable preferred shares is given the privilege of a right to receive Depot Royalty pro-rata to the percentage of shareholdings of redeemable shares held by each shareholder of record thereof as of August 22, 2006.

As at December 31, 2019, 2018 and 2017, the Company recognized its share in the lease income from the Trinoma Mall amounting to **₱30,296,661**, ₱29,455,307, and ₱27,843,189 representing 28.47% of 5% of lease rental income in the Trinoma Mall in those years, respectively, which were paid in subsequent years.

Settlement Agreement. On December 17,2014, the Company, together with all the shareholders of Monumento Rail Transit Corp., entered into a Settlement Agreement with Metro Rail Transit Development Corporation (MRTDEVCO) and companies who are parties to a Vested Rights Agreement dated May 22,1995, whereby MRTDEVCO agreed to assign to parties of the Vested Rights Agreement the development rights to specific developable areas of the 16 hectares Depot in North Triangle corner EDSA, North Avenue and Mindanao Avenue. The assignment of development rights, however, are conditioned on the assumption of the assignees of the obligation to pay the Depot Royalty arising from the development of assigned specific developable areas in the Depot to Monumento Rail Transit Corp. (Monumento Rail) or its successors-in-interest in accordance with the Deed of Assignment of Development Rights of June 16, 1995 between Metro Rail Transit Corp. Ltd. (MRTCL) and MRTDEVCO and the Assignment and Assumption Agreement of December 18, 2000 between MRTCL and Monumento Rail.

The Company became a successor-in-interest of Monumento Rail to the extent of 28.47% of Depot Royalties corresponding to 5% of the gross receipts of the rental income and 5% of the gross proceeds of sale or leases of improvements from the exercise by specific assignees of the development rights in specific developable areas of the Depot by virtue of the Settlement Agreement and the December 17, 2014 Deed of Assignment between Monumento Rail and the Company.

Lease Agreement. *On October 29, 2015,* GERI and NTDCC entered into a Lease Agreement over North Avenue Lot Pads A and B in the Depot. As a condition to the signing of the Lease Agreement, GERI required NTDCC to execute an Assumption and Accession Agreement in favor of the Company described below.

Assumption and Accession Agreement. On October 29, 2015, as a condition for Global- Estate Resorts, Inc. (GERI) to enter into a Lease Agreement with North Triangle Depot Commercial Corporation (NTDCC) and for the latter to commence

development on North Avenue Lot Pads A and B in the Depot, GERI, NTDCC and the Company entered into an Assumption and Accession Agreement. Under the agreement, NTDCC, with the consent of the Company, assumed the obligation of GERI to pay the Company the latter's 28.47% share of 5% of the Depot Royalties from developments and improvements on North Avenue Lot Pads A and B in the Depot.
Proposal to Department of Transportation and Communications (DOTC).On December 19, 2014, the Company presented to the Department of Transportation and Communication (DOTC) its proposal for a Fast Track Rehabilitation of the MRT-3 system as a substantial shareholder of Metro Rail Transit Holdings II, owner of Metro Rail Transit Corporation (MRTC) which in turn owns the MRT-3 System. The proposal, included among others, the total rehabilitation of the MRT-3 rail system and of the existing 73 rail cars, and the acquisition of new rail cars, at no cost to the government. Subsequently, MRTC adopted the proposal and submitted the same to DOTC and the Office of the President.

As of December 31, 2019, the foregoing proposals remain pending with the Office of the President.

Proposed increase in Authorized Capital Stock. The Company plans to increase its authorized capital stock to 5,000,000,000 shares at P1.00 per share, from 2,000,000,000 shares at P1.00 per share. The initial plan in increase of its authorized Capital stock to 3,000,000,000 shares at P1.00 per share, from 2,000,000,000 shares at P1.00 per share has been superseded by the approval by the Board of Directors on 24 September 2018.

FEMI agrees to subscribe to 25% of the plan increased in capitalization, or 750,000,000 shares at P1.00 per share. Out of the said subscription, Five Hundred Million Pesos (P500,000,000.00) corresponding to Five Hundred Million (500,000,000) common shares at P1.00 per share will be fully paid through the conversion into equity of portion of FEMI’s advances to the Company.

At the Annual Stockholder’s Meeting held on November 22, 2018, the stockholders approved the increase in authorized capital stock from Two Billion Pesos (Php2,000,000,000.00) divided into Two Billion (2,000,000,000) shares with a par value of One Peso (Php1.00) per share to Five Billion Pesos (Php5,000,000,000) divided into Five Billion (5,000,000,000) shares with a par value of One Peso (Php1.00) per share and the corresponding amendments to Article Seventh of the Amended Articles of Incorporation of the Company. The stockholders also approved the subscription of FEMI to Seven Hundred Fifty Million (750,000,000) common shares of the Company at par value of P1.00 per share with part of subscription price to the extent of Five Hundred Million Pesos (P500,000,000.00) to be offset against the Company’s advances from FEMI. The subscription for 250,000,000 common shares at P1.00 per share or subscription price of P250,000,000.00 is intended to be paid fully or partially via assignment to the Company of shares of FEMI in Metro Solar Power Solutions, Inc. (Metro Solar) as discussed further below.

As of December 31, 2019, the application for increase in authorized capital stock is pending with the SEC while awaiting the valuation of the Metro Solar shares.

Expansion of the Company’s primary purpose. The Company plans to expand its primary purpose to include investment in business engaged in solar, wind and other renewable energy generation facilities.

On November 20, 2018, the Board authorized the Company to enter into a Memorandum of Agreement with Fil-Estate Management Inc. (FEMI) whereby the Company shall purchase the Two Hundred Forty Nine Thousand Nine Hundred Ninety Five (249,995) shares of common stock of FEMI in Metro Solar Power Solutions, Inc. (Metro Solar); a stock corporation registered with the Securities and Exchange Commission (the "SEC") with SEC registration No. CS201622607 on September 28, 2016 with principal activity to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution.

Such shares issued by Metro Solar to FEMI represent 100% percent of the entire issued and outstanding capital stock of Metro Solar. As per agreement with FEMI, the consideration in the value of the Metro Solar shares will be determined by an independent appraiser acceptable to the Company.

The shares that the Company will issue to FEMI in exchange for the Metro Solar shares will come from the proposed P3 billion (P3,000,000,000.00) increase in authorized capital stock of the Company.

During the Annual Stockholders Meeting held on November 22, 2018, the stockholders approved the amendment of the Second Article of the Articles of Incorporation to include in the primary purpose investment in business engaged in solar, wind, and other renewable energy generation facilities. The proposed amendment will allow the Company to expand its investment into business engaged in solar, wind, and other renewable energy generation facilities.

On October 30, 2019, the SEC pre-approved said amendment and upon payment of assessment shall issue the corresponding Certificate of Amended Articles of Incorporation.

Assignment of Share in Lease Income Termed "Depot Royalties". On November 20, 2018 the Board approved to earmark/allocate to FEMI its Depot Royalties from the rental income derived from Trinoma Mall for a period of fifteen (15) years commencing January 30, 2020 and ending January 30, 2034 to enable the Company to partially repay the Advances to FEMI to the extent of Three Hundred Million Pesos (P300,000,000.00)

On April 11, 2019, the Board of Directors of the Company passed a Resolution approving the Company's agreement with FEMI that in consideration of FEMI not charging interest on the outstanding obligations of the Company, the Company agreed to partially repay the Advances from FEMI by way of allocating to FEMI dividends and other income from affiliates of the Company in addition to the assignment of Depot Royalties from the rental income derived in Trinoma Mall for a period of fifteen (15) years commencing on January 30, 2020 and ending on January 30, 2034.

Business of Issuer

The Company's business activities arise from its investments in the equity of the entities mentioned in the preceding. Hence, the Company has no principal products or services, nor does it derive revenues or sales from any products or services. No part of the Company's revenues or income over the last three years has been derived from any foreign sales. Corollary, the Company has no requirement for any distribution methods that would otherwise be needed for any products or services. Since the Company's inception it has had nor publicly-announced new product or services.

There is no competition with respect to other train services. Instead, the MRT project complements other train systems and various public transportation modes available in Metro Manila such as buses, taxis and FXs. Passengers along EDSA have a choice between riding the MRT system and using the described alternatives.

Not being engaged in the manufacturing of any product, the Company does not require any raw materials, energy or other items from suppliers for conducting its business.

The MRT system is dependent on public ridership and not on a single or a few customers. Current ridership is approximately 300,000 people per day. The Government, through the Department of Transportation (DOTR) is responsible for the collection of fares and for the day-to-day operations of the system. The owner of the system, MRTC, on the other hand is assured of a scheduled rental payment over the life of the Build Lease Transfer (BLT) agreement with DOTC.

The Company is 87.885% owned by FEMI. The Company obtains its financial support from its Parent Company as and when it is needed.

The Company business does not require any patents, trademarks, copyrights, licenses, franchises, concessions or royalty agreements. Instead the Company has substantial investment in corporations (e.g. the MRTC) that have concession agreements with the government, specifically agreements with the DOTC under the Build Operate and Transfer Law ('BOT Law'). Under the BLT Agreement with DOTC, the MRTC designed, financed, built, completed and leased a light rail transit system (LRTS) operating from North Avenue to Taft Avenue, connecting approximately 16.8 kilometers with 13 stations. The MRTC completed the said LRTS in June 2000. As provided under the BLT Agreement, upon completion of the LRTS, the DOTC operates the same and pays MRTC guaranteed rental fees for a period of twenty-five (25) years from date of completion (until 2025). The rental fees are used to pay debt to foreign funders, and equity rental payments to stockholders of MRTC to guarantee a fifteen percent (15%) net economic return.

The investment of the Company in the EDSA MRT system does not require further approvals from the Philippine Government. The MRT system in EDSA has fully complied and continues to comply with the governmental requirements directly related to the project.

The Company has not been the subject of any bankruptcy, receivership or any other similar proceedings for the last three (3) years. There has likewise been no material reclassification, merger, consolidation, purchase or sale of a significant amount of assets not in the ordinary course of business finalized within the same period.

In line with the new business directions of the Company to invest in business engaged in solar, wind, and other renewable energy generation facilities, the Company entered into an Agreement with FEMI on November 20, 2018, for the acquisition of FEMI's 100% equity stake in Metro Solar Power Solutions, Inc. (Metro Solar), a power company with an existing 65 megawatt solar farm project in Pililia, Rizal. As of December 31, 2019, the Agreement has not yet been implemented pending valuation of the Metro Solar shares which will be determined by an independent appraiser.

Effects of existing or probable regulations on the business

The business of the Company is to hold its investments in the securities of other corporations. Hence, its income is derived from dividends from other corporations.

Existing government regulations do not impose any tax on dividends received by a domestic corporation from other domestic corporations. Any law or policy changes to the existing regulations on dividends may have an effect on the income of the Company. However, to date, the Company is not aware of any pending legislation that may affect the Company's source of income.

Research and development activities

The Company has not been involved in any significant research and development activities over the last three fiscal years.

Costs and effects of compliance with environmental laws

The Company does not engage in business operations that are subject to regulations which require compliance with environmental laws.

Employees

The Company employed two (2) office personnel both in 2019 and in 2018.

Risks

The Company's principal financial exposures consist of its payables to associates and stockholders. Such financial instruments were used in prior years to raise funds for working capital and to retire interest-bearing US Dollar denominated bank loans. The Company, as a matter of policy, discourages the use of any foreign currency denominated obligations to avoid foreign currency risks and exchange losses. On the other hand, the Company encourages the creation of US dollar denominated assets to take advantage of potential gains arising from foreign exchange movements. On balance, the Company maintains a margin currency position in its asset and liability management function.

The residual financial risks from the Company's financial instruments are cash flow/liquidity risks, credit risks and equity price risks.

Cash flow/liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet or settle its obligations and to support the Company's operations and activities.

The Company coordinates and negotiates closely with each principal stockholder to manage cash flow risks by jointly identifying new sources of cash flow infusions into the Company over the next five years.

The Company's exposure to credit risk arises primarily from its deposits with banks of good credit rating. The maximum exposure to credit risk is equivalent to the carrying amount of these cash in banks.

The Company is exposed to fair value changes of its Available-For-Sale (AFS) investments in listed equity securities.

The Company's policy is to maintain risk at an acceptable level. The Company's shares are not traded at the PSE at the moment. Once the suspension on the trading of the Company's shares is lifted, movement in share price will be monitored regularly to determine the impact on its financial position.

The Company continuously conducts an internal review of its financial risks management objectives and policies.

Item 2. **Properties**

As of December 31, 2019, the Company's primary asset continues to be its investment in the MRT companies. The Company is the record and beneficial owner of the shares of stock representing its investments in the said corporations.

The Company holds 4,278,511 shares or 18.6% interest in MRTHI and 24,034,840 shares or 12.6% interest in MRTHII. MRTHI has 84.9% interest in MRTHII which wholly owns MRTC. MRTHI, MRTHII and MRTC, are collectively referred to as the MRT companies. The earnings of the MRT companies are derived from lease financing income relating to equity rentals received from the DOTC as defined in the BLT Agreement.

Notwithstanding the sale of future share distributions as discussed in Note 7 of the Financial Statements, the Company continues to hold on to the legal rights over the shares of stock in MRTHI and MRTH II.

On August 18, 2005, the Company and FEMI entered into a "Letter of Agreement," whereby FEMI agreed to grant and did grant the Company the sole option to assign to FEMI its equity interests in MRTHI and MRTH II as settlement of the outstanding amount of the Company's liabilities to FEMI and any additional advances or interest which FEMI may charge to the Company in relation to the said advances at settlement date. Liabilities to FEMI as at December 31, 2005 amounted to

₱1,741.3 million. Under the "Letter of Agreement", should the Company opt to sell the said investments to third party or parties in the future, FEMI would have the right of first refusal to purchase the said investments at their prevailing market value.

On November 12, 2010, the Fil-Estate Companies entered into a Cooperation Agreement with MPIC relating to the Fil-Estate Companies' rights and interests in the MRT Companies. Under the Cooperation Agreement, the Fil-Estate Companies appointed MPIC as its attorney-in-fact in connection with the exercise of the rights and interests of the Fil-Estate Companies in the MRT Companies. The completion and consummation of the transaction contemplated by the parties was subject to certain consents and conditions, which as of 31 December 2019 had not yet occurred.

On April 4, 2014, MRTC declared cash dividends equivalent to and to be offset against accumulated advances to shareholders representing Equity Rental Payment remittances to shareholders as of December 31, 2013.

On December 11, 2019, MRTC declared dividends, based on its December 31, 2018 Audited Financial Statements which shall be paid in accordance with the schedule to be determined by the MRTC Management.

As of December 31, 2019, MRTHI and MRTHII have yet to declare dividends.

The Company, through its direct and indirect investments in MRTHI and MRTH II, is the beneficial owner of 28.47% equity interest in Monumento Rail Transit Corporation (Monumento Rail). The Company's interest in Monumento Rail expectedly allows the Company's participation in the train system extension and additional train/vehicle procurement, in the event the Government awards the projects to MRTC, which it will continue to pursue. As at December 31, 2019, Monumento Rail has no commercial activity and is in the process of negotiating with the Government towards the submission of a proposal for the said projects.

The Company also owns one thousand five hundred seventy-nine (1,579) shares or 15.79% equity ownership in Metro Rail Transit Development Corporation (MRTDC), which it acquired from Fil-Estate Properties, Inc. (FEPI) through a Deed of Assignment entered into with FEPI on December 20, 2018.

On March 25, 2019, the Board of Directors of MRTDC has authorized the declaration of cash dividends which shall come from the unrestricted retained earnings of MRTDC. As of December 31, 2019, MRTDC has not yet implemented the transaction awaiting completion of the audit of its financial statements.

The Company does not hold property subject of any lease arrangement, nor does the Company expect to purchase or sell any equipment within the ensuing twelve (12) months.

Item 3. **Legal Proceedings**

There are no material legal proceedings to which the Company or its direct affiliates are a party to or of which any of their property is the subject of such proceedings.

The Company has no knowledge or information as to any such legal proceedings contemplated by government authorities or any other entity.

Item 4.**Submission of Matters to a Vote of Security Holders**

On December 6, 2019 at the Annual Stockholder's Meeting, the stockholders approved the amendment of the Article Third of the Articles of Incorporation to indicate the new location in another city of the Company's principal place of business with details of the specific complete address from Mandaluyong, Metro Manila to Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila. After the approval of the amendment, Article Third shall read as follows:

"That the place where the principal office of the Corporation is to be established or located is at MEZZANINE FLOOR, RENAISSANCE TOWERS, MERALCO AVENUE, PASIG CITY, METRO MANILA (As Amended on _________)"

The above amendment is necessitated by Memorandum Circular No. 16, Series of 2014 issued by the Securities and Exchange Commission (SEC) which directs corporations to file an Amended Articles of Incorporation to indicate its new location to another city or municipality. Likewise, SEC's Memorandum Circular No. 6, Series of 2014, directs all existing corporations whose Articles of Incorporation still indicate only a general address, such as a city, town or municipality, or "Metro Manila", to file an amended Articles of Incorporation in order to specify their complete address, such that, if feasible, it has a street number, street name, barangay, city or municipality, and if applicable, the name of the building, the number of the building, and name or number of the room or unit.

The proposed amendments in Article Third of the Articles of Incorporation are intended for compliance to the above-mentioned Memorandum Circulars of the SEC by indicating in the proposed amendments the new location to another city of the Company (from Mandaluyong to Pasig City), and to indicate the specific complete address of the Company in its new location in Pasig City, that is, Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5.**Market for Registrants Common Equity and Related Stockholders Matters**

(1) Market Information

The Company's stocks are being traded at the Philippine Stock Exchange. However, for the last five (5) years, trading of the Company's shares has been voluntarily suspended.

In view of the suspension of trading of the Company's shares, the high and low sales prices of such shares for each quarter of the calendar years 2018,2019and 2020 could not be determined.

	2020	**2019**	**2018**

Quarter	High	Low	High	Low	High	Low
1st	0.00	0.00	0.00	0.00	0.00	0.00
2nd			0.00	0.00	0.00	0.00
3rd			0.00	0.00	0.00	0.00
4th			0.00	0.00	0.00	0.00

The shares of the Company were last traded on March 20, 2007 at a price of ₱0.26 per share.

(2) Holders

As of 31 December 2019 the number of shareholders of record is 1,906 while common shares outstanding were 2,000,000,000 shares. The Company's top 20 Stockholders as of 31 December 2019 are:

	Name of Stockholders	Number of Shares	% of Ownership
1	Fil-Estate Management, Inc.	1,757,690,197	87.885%
2	PCD Nominee Corporation (Filipino)	100,579,633	5.029%
3	Alakor Securities Corporation	66,778,253	3.339%
4	Bank of Commerce – Trust Services Group	43,211,800	2.161%
5	Bank of Commerce TG-91-07-001-C	6,383,000	0.319%
6	PCD Nominee Corp. (Non-Filipino)	3,663,129	0.183%
7	Fil-Estate Management Inc.	2,059,998	0.103%
8	Bancommerce Investment Corp	2,000,000	0.100%
9	Atty. Gilbert Reyes ITF Various Shareholders	1,903,514	0.095%
10	Noel Cariño	1,506,500	0.075%
11	Jaime Borromeo	1,000,000	0.050%
12	Leroy Tan	675,500	0.034%
13	Belson Securities, Inc. A/C#196-358	664,000	0.033%
14	Roberto N. Del Rosario	628,000	0.031%
15	CFC Corporation	576,000	0.029%
16	The Holders of the Unexchanged San Jose Oil Co., Inc.	556,839	0.028%
17	David Go Securities Corp.	414,200	0.021%
18	Trendline Securities Corp.	382,500	0.019%
19	Alberto Mendoza &/or Jeanie C. Mendoza.	300,000	0.015%
20	John Gokongwei Jr.	270,000	0.014%

(3) Dividends

No dividends were declared in the last two (2) calendar years.

Under the Company's by-laws, there are no restrictions in the declaration of dividends other than what is prescribed in the Revised Corporation Code, namely; that these shall be declared only from surplus profit and no stock dividend shall be issued without the approval of stockholders representing not less than two-thirds of all stock outstanding and entitled to vote at a general or special meeting called for the purpose.

(4) Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

On January 3, 2019, the Company filed with the Commission, a "Notice of Exempt Transaction" under SRC Rule 10.1, in relation to the subscription by FEMI to Seven Hundred Fifty Million (750,000,000) common shares of the Company at par value of P1.00 per share. Portion of the subscription price to the extent of Five Hundred Million Pesos (P500,000,000.00) will be offset against the Company's advances from FEMI. The balance of P250,000,000 is to be paid fully or partially via assignment to the Company of shares of FEMI in Metro Solar.

The 750,000,000 shares that the Company will issue to FEMI will come from the P3 billion (3,000,000,000) increase in authorized capital stock of the Company, which has already been pre-approved by the SEC on October 30, 2019.

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

Plan of Operation:

1. MRT Operations

Metro Global Holdings Corporation continues to be a stakeholder of the Metro Rail Transit Project through its holding company MRTHI and MRTHII and its associate, Monumento Rail.

MGH plans to continue its strategy of maintaining itself as a holding corporation with key investment in the form of equity interest in MRTHI and MRTHII. The combined investment in these two holding companies represents approximately 29% interest in the MRT 3 System along EDSA. The Phase 1 of the MRT Project (LRTS Phase 1) began full operation on July 15, 2000, which involved 13 stations spanning the North Triangle to Taft Avenue. The operation for the next twelve (12) months was strictly confined to that of an investee corporation.

The Company continues, through its holdings in Monumento Rail, to actively pursue its participation in the train system extensions (e.g. Makati Loop and Airport Link) and capacity expansion via procurement of additional trains/vehicles.

I. Operations for the next twelve months

The Company is expected to receive its 28.47% share in 5% of the lease rental income from Trinoma Mall termed Depot Royalties as a result of the redemption of its redeemable preferred shares in Monumento Rail. This revenue will be used to fund its operating expenses, partially pay its debts to FEMI and search for other business opportunities.

The Company foresees that it material funding will be required within the next twelve (12) months, in anticipation of the finalization and completion of the transactions relating to the acquisition by the Company of the equity interest of FEMI in Metro Solar. Metro Solar's main project is the development of the 65-megawatt solar farm project in Pililia, Rizal, which construction is expected to commence within the year 2020. The Company plans to raise the needed funds to finance this project through private placement and the eventual resumption of trading of its shares at the PSE.

The Company does not have plans for any product research and development within the same period.

There are no expected purchases or sale of plant and significant equipment within the next 12 months as the Company is not engaged in any manufacturing business.

Management Discussions and Analysis of Financial Condition and Results of Operations

Review for the year ended December 31, 2019

Results of Operations

For the year ended December 31, 2019, the Company posted a net income of P18.2 million, a decrease by 19% or P4.2 million, from the net operating income of P22.4 million posted in December 31, 2018.

The Company's main source of income continues to be its share in the lease rental income termed as "depot royalties" that it receives annually from North Triangle Depot Commercial Corporation (NTDCC), owner of Trinoma Mall. The Company recognized lease depot royalties (classified as "Other Income" in the audited financial statements) of P30.3 million in 2019, which increased by P0.8 million or 2.9% from P29.5 million in 2018.

The Company also recognized other income of P20.3 million representing reversal of previous years' expense accruals due to the assumption by MRTC of the Company's consultancy agreement with Arch Advisory Limited, a financial consultancy firm based in Malaysia.

General and administrative (G&A) expenses amounting to P5.0 million as of December 31, 2019, was mainly due to payment of regular operating expenses, such as salaries and wages, taxes and licenses and transportation and travel expenses. The G&A expenses decrease by P9.6 million or 66% from P14.6 million in December 31, 2018 to P5.0 million in December 31, 2019 due to reduction in payment of consultancy fees.

Financial Condition

The Company's Total Assets decreased by P20.1 million or 1%, from P1.56 billion as at December 31, 2018 to P1.54 billion as at December 31, 2019. The decrease was primarily due to the decrease in Financial Assets valued through OCI by P25.4 million or 2%, from P1.48 billion as at December 31, 2018 to P1.46 billion as at December 31, 2019, as a result of the impairment loss of P24.9 million recognized this year by the Company on its unquoted equity securities.

Cash increased by P0.3 million or 50.2% from P0.6 million as at December 31, 2018 to P0.9 million as at December 31, 2019 mainly due to the increase in cash receipts due to advances received from MRTDC.

Receivables decreased by P0.3 million or 1% from P40.3 million as at December 31, 2018 to P40.0 million as at December 31, 2019, mainly due to the additional provision for credit losses recorded this year.

Other current assets decreased by P1.6 million or 96%, from P1.7 million as at December 31, 2018 to P0.1 million as at December 31, 2019, due to application of the creditable withholding tax against last year's Income Tax payable and paid for by the Company in April 2019.

Investment in Associates decreased by P0.6 million or 2% from P25.9 million as at December 31, 2018 and P25.3 million as at December 31, 2019 due to share in net equity loss of MRTDC.

Investment in Subsidiary account amounting to P2.5 million as at December 31, 2019 did not move from December 31, 2018.

Deferred tax assets increased by P7.5 million from P2.66 million as at December 31, 2018 and P10.2 million as at December 31, 2019 due to recognized deferred tax on impairment loss for the year.

The Company's Total Liabilities decreased by 2% or P37.8 million, from P1.58 billion as at December 31, 2018 to P1.55 billion as at December 31, 2019, mainly due to partial payments of liabilities to FEMI.

Due to a Stockholder decreased by 4% or P28.7 million, from 802.1 million as at December 31, 2018 to P773.4 million as at December 31, 2019 due to the increase in payments made by the Company to FEMI during the year.

Decrease in Accrued Expenses and Other Payables of 6% or P27.2 million, from P440.3 million as at December 31, 2018 to P413.1 million as at December 31, 2019 was mainly due to the assumption by MRTC of the Company's consultancy agreement with Arch Advisory Limited.

Income Tax Payable increased by P3.8 million or 98% from P4.6 million as at December 31, 2018 to P7.6 million in December 31, 2019 due to higher Income tax liability for 2019 as a result of the increase in other income account.

Other Current Liabilities increased by P0.1 million or 4% from P3.6 million as at December 31, 2018 to P3.7 million as at December 31, 2019.

The Company's negative Stockholders' Equity decreased by P17.7 million or 73% from P24.3 million as of December 31, 2018 to P6.6 million as of December 31, 2019 due to the net operating income posted in year 2019.

KEY PERFORMANCE INDICATORS ("KPI")

LIQUIDITY RATIOS

	December 31, 2019	December 31, 2018
Current Ratio	0.100	0.095
Quick Ratio	0.096	0.091

Current Ratio (Current Assets/ Current Liabilities)
Liquidity Ratio measures a company's ability to pay short-term obligations

Quick Ratio (Cash and Cash Equivalents+ Current Trade Receivables/ Current Liabilities)
It measures a company's ability to meet its short-term obligations with its most liquid assets

Current Ratio and Quick Ratio both increased in December 2019 from December 2018 mainly due to decrease in current liabilities by the Company particularly accrued expense and other payables account.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2019	December 31, 2018
Debt to Total Assets	1.004	1.016
Equity to Total Assets	(0.004)	(0.016)
Debt to Equity	(233.000)	(65.099)
Asset to Equity	(232.000)	(64.099)

Debt to Total Assets (Total Liabilities/ Total Assets)
It shows the creditors' contribution to the total resources of the organization.

Equity to Total Assets (Total Owner's Equity/ Total Assets)
It shows the extent of owners' contribution to the total resources of the organization.

Debt to Equity (Total Liabilities/ Total Owner's Equity)
It relates the exposure of the creditors to that of the owners.

Asset to Equity (Total Assets/ Total Owner's Equity)
It measures the company's leverage.

Debt to Total Assets ratio decreased due to lower Total Assets in December 2019 as compared to December 2018.

Other leverage ratios remained at negative due to the negative equity position of the Company.

PROFITABILITY RATIOS

	December 31, 2019	December 31, 2018
Return on Equity	(2.742)	(0.922)
Return on Assets	0.012	0.014
Earnings per Share	0.009	0.011

Return on Equity (Net Income/ Equity Attributable to Parent Company's Shareholders
It tests the productivity of the owners' investments.

Return on Assets (Net Income/ Total Assets)
This ratio indicates how profitable a company is relative to its total assets.

Earnings per Share (EPS)
It indicates the earnings for each of the common shares held.

The Company reported net income in December 2019 and negative stockholders equity balance in December 2019 and 2018.

Return on Equity reflected negative figure as a result of the negative stockholders' equity position of the Company.

Material Changes in the year ended December 31, 2019 Financial Statements

Financial Position
(Increase/decrease of 5% or more versus December 31, 2018 balances)

- 50% increase in Cash due to collections of receivables from NTDCC and advances received from MRTDC, net of payments of various payables and expenses
- 96% decrease in Other Current Assets was mainly due the application of creditable withholding tax against income tax due and paid in April 2019
- 283% increase in Deferred Tax Asset due to recognized deferred tax on impairment loss for the year
- 6% increase in Accrued Expense and Other Payables due to the assumption by MRTC of the Company's consultancy agreement with Arch Advisory Limited
- 98% increase in Income Tax Payable was due to higher Income tax for 2019 as a result of increase in Other income

- 49% decrease in Cumulative Market adjustment as a result of the decrease in the market value of the Company's quoted equity securities

Results of Operation
(Increase/decrease of 5% or more versus December 31, 2018 balances)

- 6% increase in Other Income due to higher lease rental income and reversal of previous year accrual

- 200% increase in Other Expense due to higher impairment loss in financial assets valued through OCI

- 66% decrease in General and Administrative Expense due to reduction in payment of consultancy fee

- 42% decrease in Loss on Valuation of Available for Sale financial assets as a result of the decrease in the market value of the Company's quoted equity securities

Review for the year ended December 31, 2018

Results of Operations

For the year ended December 31, 2018, the Company posted a net income of P22.4 million, a significant improvement from its December 31, 2017 net operating loss of P5.5 million.

The Company's main source of income continues to be its share in the lease rental income termed as "depot royalties" that it receives annually from North Triangle Depot Commercial Corporation (NTDCC), owner of the Trinoma Mall. The Company recognized lease depot royalties (classified as "Other Income" in the audited financial statements) of P29.5 million in 2018, which increased by P1.7 million or 5.7% from P27.8 million in 2017.

During the year, the Company acquired the 15.8% equity interest of Fil-Estate Properties, Inc. in MRT Development Corporation (MRTDC), which resulted in the Company recognizing a P17.9 million income, representing its 15.8% share in the net equity earnings of MRTDC.

Other expenses for 2018 amounted to P8.6 million due to the impairment loss recognized on the Company's financial assets valued through OCI which decreased by a P3.0 million or 26% from 2017.

General and administrative (G&A) expenses amounting to P14.6 million in 2018 were mainly due to professional and retainer fees, salaries and wages, and taxes and licenses incurred by the Company. G&A expenses decreased by P1.9 million or 11% from P16.5 million in 2017, in view of the reduction in consultancy fees.

Financial Condition

The Company's Total Assets of P1.56 billion as at December 31, 2018 increased by P15.4 million or 1%, from P1.54 billion as at December 31, 2017.

The P1.6 million or 4% increase in Receivables, from P38.6 million as at December 31, 2017 to P40.3 million as at December 31, 2018, which was primarily due to the increase in the Company's share in NTDCC lease rental income.

Other current assets increased by P0.98 million or 66%, from P1.48 million as at December 31, 2017 to P2.46 million as at December 31, 2018, due to the increase in creditable withholding tax and input vat as a result of the increase in the Company's share in NTDCC rental income.

Investment in Associate increased by P19.8 million or 328%, from P6.04 million as at December 31,2017 to P25.86 million as at December 31, 2018 due to the acquisition of the 15.8% equity interest in MRTDC and the recognition by the Company of its share in the net equity earnings of MRTDC.

Deferred tax assets as at December 31, 2018 increased to P2.66 million. The Company did not recognize any deferred tax asset as at December 31, 2017. The Company started recognizing deferred tax asset only in 2018 since after re-assessment, there exist a probability that future taxable income will and can be offset against it.

Cash decreased by 29%, from P0.87 million as at December 31, 2017 to P0.62 as at December 31, 2018 mainly due to increase usage of funds to pay off various payables and expenses.

Financial Assets valued through OCI decreased by P9.5 million or 1%, from P1.49 billion as at December 31, 2017 to P1.48 billion as at December 31, 2018, mainly due to the impairment loss recognized by the Company during the year.

The Company's Total Liabilities decreased by 0.4% or P6.2 million, from P1.59 billion as at December 31, 2017 to P1.58 billion as at December 31, 2018.

Accrued Expenses and Other Payables decreased by 0.6% or P2.8 million, from P443.1 million as at December 31, 2017 to P440.3 million as at December 31, 2018 due to increase in payments of various accruals.

Due to a Stockholder decreased by 0.7% or P5.3 million, from P807.3 million as at December 31, 2017 to P802.1 million as at December 31, 2018 as a result of increase in payment of liabilities to FEMI.

Income Tax Payable increased by P1.1 million or 34%, from P3.4 million as at December 31, 2017 to P4.6 million as at December 31, 2018 due to the increase in income tax liability brought about by the increase in taxable income during the year.

Other current liabilities increased by 8% or P0.25 million, from P3.3 million as at December 31, 2017 to P3.5 million as at December 31, 2018 due to the increase in deferred output vat in relation to the Company's share in NTDCC lease rental income.

Due to related parties increased by P0.42 million or 0.1% due to advances from MGHC Royal Corp., an affiliate.

The Company's negative Stockholders' Equity significantly improved by P21.5 million or 47%, from a negative equity balance of P45.9 million in 2017 to a negative equity balance of P24.3 million in 2018, in view of the P22.4 million net income recognized by the Company during the year.

KEY PERFORMANCE INDICATORS ("KPI")

The comparative financial KPI for the years ended December 31, 2018 and 2017 are as follows:

LIQUIDITY RATIOS

	December 31, 2018	December 31, 2017
Current Ratio	0.097	0.091
Quick Ratio	0.091	0.088

Current Ratio (Current Assets/ Current Liabilities)
Liquidity Ratio measures a company's ability to pay short-term obligations

Quick Ratio (Cash and Cash Equivalents+ Current Trade Receivables/ Current Liabilities)
It measures a company's ability to meet its short-term obligations with its most liquid assets

Both Current Ratio and Quick Ratio increase in 2018 from 2017 due to increase in current assets by the Company particularly the receivables and other current assets.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2018	December 31, 2017
Debt to Total Assets	1.016	1.030
Equity to Total Assets	(0.016)	(0.030)
Debt to Equity	(65.132)	(34.655)
Asset to Equity	(64.132)	(33.655)

Debt to Total Assets (Total Liabilities/ Total Assets)
It shows the creditors' contribution to the total resources of the organization.

Equity to Total Assets (Total Owner's Equity/ Total Assets)
It shows the extent of owners' contribution to the total resources of the organization.

Debt to Equity (Total Liabilities/ Total Owner's Equity)
It relates the exposure of the creditors to that of the owners.

Asset to Equity (Total Assets/ Total Owner's Equity)
It measures the company's leverage.

Debt to Total Assets ratio decreased due to higher Total Assets in 2018 as compared to 2017.

Other leverage ratios remained at negative due to the negative equity position of the Company.

PROFITABILITY RATIOS

	December 31, 2018	December 31, 2017
Return on Equity	(0.922)	0.120
Return on Assets	0.014	(0.004)
Earnings per Share	0.011	(0.003)

Return on Equity (Net Income/ Equity Attributable to Parent Company's Shareholders
It tests the productivity of the owners' investments.

Return on Assets (Net Income/ Total Assets)
This ratio indicates how profitable a company is relative to its total assets.

Earnings per Share (EPS)
It indicates the earnings for each of the common shares held.

Return on Equity in 2018 is negative due to negative stockholders' equity position of the Company.

Return on Assets increase in 2018 from 2017 due to Net Income recognized by the Company during the year.

Earnings per Share also improved in 2018 as a result of 2018 Company's net income.

Material Changes in the year ended December 31, 2018 Financial Statements
(Increase/ decrease of 5% or more versus December 31, 2017)

Financial Position

- 29% decrease in Cash due to increased usage of funds to pay off various payables and expenses

- 66% increase in Other Current Assets due to the increase in creditable withholding tax and input vat recognized during the year

- 328% increase in Investment in Associate due to the acquisition of the 15.8% equity interest in MRTDC and the recognition by the Company of its share in the net equity earnings of MRTDC

- 34% increase in Income Tax Payable due to the increase in taxable income in 2018

- 8% increase in Other Current Liabilities mainly due to higher deferred output vat in 2018 as a result of higher lease rental income

- 46% Decrease in Cumulative Market adjustment as a result of the decrease in the market value of the Company's quoted equity securities

Results of Operation

- 71% increase in Other Income mainly due to the recognition by the Company of its 15.8% share in the net equity earnings of MRTDC and the increase in the Company's share in the lease rental income from NTDCC, owner of Trinoma Mall.

- 26% decrease in Other Expense due to lower impairment loss recognized on the Company's available for sale financial assets

- 11% decrease in General and Administrative Expense due to lower professional and retainer fees incurred in 2018

- 63% decrease in Income Tax Expense due to recognition of Deferred Tax Asset in 2018

- 10% decrease in Gain on Valuation of Available for Sale financial assets as a result of the decrease in the market value of the Company's quoted equity securities

<u>Review for the year ended 2017 Operation</u>

Results of Operations

For the year ended December 31, 2017, the Company incurred a net operating loss of P5.5 million, which is 117% or P3.0 million higher than the December 31, 2016 net operating loss of P2.5 million.

The Company's main source of income has been its share in the rental income termed as "depot royalties" that it receives annually from North Triangle Depot Commercial Corporation (NTDCC). The Company recognized leased rental income (classified as "Other Income" in the audited financial statements) of P27.8 million in 2017, which increased by P0.8 million or 3% from the December 31, 2016 figure of P27.1 million.

Other expense for 2017 amounted to P11.6 million representing impairment loss on the Company's financial assets valued through OCI which decreased by P3.0 million or 26% from 2016.

General and administrative (G&A) expenses amounting to P16.5 million incurred in 2017 were mainly for professional and retainer fees, taxes and licenses, legal expenses and salaries and wages. G&A expenses increased by P3.9 million or 31% from 2016 due to higher professional and retainers' fee incurred during the year.

Financial Condition

The Company's Total Assets of P1.54 billion as at December 31, 2017 decreased by P9.6 million or 1% from P1.55 billion as at December 31, 2016. The decrease was primarily due to the decrease in the value of Available-for-sale financial assets of P12.5 million or 1%, from P1.51 billion as at December 31, 2016 to P1.48 billion as at December 31, 2017 mainly due to recognition of impairment loss

Cash decreased by 6%, from P0.93 million as at December 31,2016 to P0.87 million as at December 31, 2017 mainly due to increased usage of funds to pay off various payables and expenses.

Receivables increased by P0.68 million or 2% from P37.96 million as at December 31, 2016 to P38.6 million as at December 31, 2017, due to the increase in Company's share in NTDCC lease rental income.

Other current assets decreased by P0.10 million or 6%, from P1.6 million as at December 31, 2016 to P1.48 million as at December 31, 2017, due to lower input vat recognized during the year.

Investment in Associate decreased by P0.002 million or 0.3% from P6.06 million as at December 31,2016 to P6.04 million as at December 31,2017 due to the Company's share in the net loss of Monumento Rail, an affiliate.

The Investment in Subsidiary account, amounting to P2.5 million, represents the Company's equity share in MGHC Royal Holdings Corporation, a subsidiary.

The Company's Total Liabilities decreased by 0.2% or P3.1 million, from P1.593 billion as at December 31, 2016 to P1.590 billion as at December 31, 2017.

Due to a Stockholder decreased by 0.1% or P11.6 million, from P818.9 million as at December 31,2016 to P807.3 million as at December 31, 2017 as a result of partial payments made by the Company to FEMI.

Income Tax Payable increased by P3.3 million or 2975%, from P0.1 million as at December 31, 2016 to P3.4 million as at December 31, 2017 due to higher taxable income for 2017, which was primarily due to the increase in the Company's share in the lease rental income from NTDCC.

Accrued Expenses and Other Current Liabilities increased by 1% or P5.2 million, from P441.3 million as at December 31, 2016 to P446.5 million as at December 31, 2017 due to higher accrued retainer fees in 2017.

Due to related parties amounting to P333.5 million remain unchanged.

The Company's negative Stockholders' Equity increased by P6.5 million or 16%, from a negative equity balance of P39.4 million as at December 31, 2016 to P45.9 million as at December 31, 2017, in view of P5.5 million net operating loss incurred by the Company during the year.

KEY PERFORMANCE INDICATORS ("KPI")

The comparative financial KPI for the years ended December 31, 2017 and 2016 are as follows:

LIQUIDITY RATIOS

	December 31, 2017	December 31, 2016
Current Ratio	0.091	0.092
Quick Ratio	0.088	0.088

Current Ratio (Current Assets/ Current Liabilities)
Liquidity Ratio measures a company's ability to pay short-term obligations

Quick Ratio (Cash and Cash Equivalents+ Current Trade Receivables/ Current Liabilities)
It measures a company's ability to meet its short-term obligations with its most liquid assets

Current Ratio and Quick Ratio remain almost the same for two (2) years as there were no significant changes in the balances of current assets and current liabilities.

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2017	December 31, 2016
Debt to Total Assets	1.030	1.025
Equity to Total Assets	(0.030)	(0.025)
Debt to Equity	(34.655)	(40.405)
Asset to Equity	(33.655)	(39.405)

Debt to Total Assets (Total Liabilities/ Total Assets)
It shows the creditors' contribution to the total resources of the organization.

Equity to Total Assets (Total Owner's Equity/ Total Assets)
It shows the extent of owners' contribution to the total resources of the organization.

Debt to Equity (Total Liabilities/ Total Owner's Equity)
It relates the exposure of the creditors to that of the owners.

Asset to Equity (Total Assets/ Total Owner's Equity)
It measures the company's leverage.

Debt to Total Assets ratio slightly increased in 2017 due to lower Total Assets in 2017 as compared to 2016.

Other leverage ratios remained at negative due to the negative equity position of the Company.

PROFITABILITY RATIOS

	December 31, 2017	December 31, 2016
Return on Equity	0.120	0.064
Return on Assets	(0.004)	(0.002)
Earnings per Share	(0.003)	(0.001)

Return on Equity (Net Income/ Equity Attributable to Parent Company's Shareholders
It tests the productivity of the owners' investments.

Return on Assets (Net Income/ Total Assets)
This ratio indicates how profitable a company is relative to its total assets.

Earnings per Share (EPS)
It indicates the earnings for each of the common shares held.

Return on Assets decreased in 2017 (from 2016) due to higher Net Loss recognized by the Company in 2017 as compared to 2016.

Earnings per Share reflected a negative figure as a result of 2017 and 2016 Company's net operating loss.

Material Changes in the year ended December 31, 2017 Financial Statements
(Increase/ decrease of 5% or more versus December 31, 2016)

Financial Position

- 6% decrease in Cash due to increased usage of funds to pay off various payables and expenses

- 6% decrease in Other Current Assets mainly due to lower creditable withholding tax and input vat recognized during the year

- 2975% increase in Income Tax Payable due to higher taxable income for 2017, which is primarily due to the increase in the Company's share in the lease rental income from NTDCC. The income tax payable in 2016 was less in view of the Net Operating Loss Carry-Over (NOLCO) applied against the 2016 net taxable income.

- 34% decrease in Cumulative Market adjustment as a result of the decrease in the market value of the Company's quoted equity securities

Results of Operation

- 26% decrease in Other Expense due to lower impairment loss recognized on the Company's available for sale financial assets

- 31% increase in General and Administrative Expense due to higher professional and retainer fees in 2017

- 284% increase in Income Tax Expense due to higher net taxable income in 2017

- 243% decrease in Gain on Valuation of Available for Sale financial assets as a result of the decrease in the market value of the Company's quoted equity securities

Item 7. **Financial Statements**

The Audited Financial Statements for the year ended December 31, 2019 and December 31, 2018 of the Company are incorporated herein duly signed by the external auditors.

Item 8. **Changes in and Disagreements with Accountants on Accounting and Financial Disclosures**

In compliance with SEC Memorandum Circular No. 8, series of 2003, and the Company's Manual of Corporate Governance, which require that the Company's external auditor be rotated or the handling partner changed every five (5) years or earlier, the stockholders of the Company approved during the Annual Stockholder's Meeting held on December 6, 2019t he appointment of KL Siy & Associates CPAs as the external auditor for the audit of the financial statements of the Company for the year ending December 31, 2019.

There have been no disagreements with the Company's accountants, past or present, on accounting and financial disclosures. Since 2014 up to 2018, Valdes, Abad and Co. CPA's. has been engaged as the external auditor of the Company.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9.**Directors and Executive Officers of the Registrant**

(A) Executive Officers of the Registrant

(1) The names, ages, citizenships, terms of office, tenures as directors and experiences for the past five years of all the directors and executive officers are as follows:

Name	Age	Citizenship	Executive Position	Term	Years Served
Robert John L. Sobrepeña	65	Filipino	Chairman of the Board	1	1996 – 2020
Ferdinand T. Santos	69	Filipino	President	1	1996 – 2020
Noel M. Cariño	65	Filipino	Director	1	1996 – 2020
Jaime M. Cacho*	63	Filipino	Director	1	2018 - 2020
Rafael Perez de Tagle, Jr.	65	Filipino	Director	1	2000 – 2020
Francisco C. Gonzalez	76	Filipino	Director, Independent	1	2010 – 2020
Alice Odchigue-Bondoc	53	Filipino	Director	1	2004 – 2020
Roberto S. Roco	67	Filipino	Director	1	2004 – 2020
Rafael M. Alunan	71	Filipino	Director, Independent	1	2019-2020
Gilbert Raymund T. Reyes	62	Filipino	Corporate Secretary	1	2003 – 2020

*elected on April 12, 2018

ROBERT JOHN L. SOBREPEÑA, Filipino, age 65, is the Chairman of the Board of the Company. He is the Chairman of the Board of Fil-Estate Management, Inc., Metro Rail Transit Corporation, MRT Development Corporation, Monumento Rail Transit Corporation, CJH Development Corporation, CJH Hotel Corporation, CJH Suites Corporation, CJH Leisure, Inc., Club Leisure Management Corporation, Metro Countrywide Corporation, Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, MGHC Royalty Holdings Corporation and Philippine Highlands Coffee Farms, Inc.. He is also Vice-Chairman of Southwoods Ecocentrum Corporation. He is likewise the Chairman of Manila Southwoods Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He is also President of The Forest Hills Golf & Country Club, Inc.. He graduated with a Bachelor’s Degree in Science major in Psychology and Marketing from the De La Salle University in 1978.

ATTY. FERDINAND T. SANTOS, Filipino, age 69, is the President and Chief Risk Officer of the Company. He is also the President of Fil-Estate Management, Inc., Fil-Estate Development, Inc., MRT Development Corporation, Monumento Rail Transit Corporation, MGHC Royalty Holdings, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. He is a Director of Global-Estate Resorts, Inc. He is also the Chairman of the Forest Hills Golf & Country Club, Inc.. He is likewise the President of Fairways & Bluewater Resort, Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He took his Bachelor of Arts at Arellano University in 1970. He has a Bachelor of Law degree from San Beda College where he graduated Valedictorian and Magna Cum Laude in 1974. He was a topnotcher in the 1974 Philippine Bar Exam (2nd Placer).

NOEL M. CARIÑO, Filipino, age 65, is a Director of the Company. He is also a Director in Fil-Estate Management, Inc., Fil-Estate Development, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. He was past Chairman and currently serves as President of the Chamber of Real Estate and Builders Association (CREBA), an umbrella organization of various stakeholders in the construction, real estate and development industry, inclusive of architects, engineers, planners and other real estate brokers practitioners. He is Chairman of SunAsia, Inc., a renewable energy holding company. He is also Chairman of MegaWatt Solutions, Inc., a technology company pioneering in utilizing energy storage solutions. As CREBA President, he is Conferrer of the Dela Salle University Executive Development Program in Real Estate Management.

RAFAEL PEREZ DE TAGLE JR., Filipino, age 65, is also a Director of the Company. He is also Chairman of Metro Countrywide Corporation and Vice-Chairman of Metro Solar Power Solutions, Inc.. He is the President of CJH Leisure, Inc. and Club Leisure Management, Inc.. He also serves as Director in Metro Rail Transit Corporation, Monumento Rail Transit Corporation, MRT Development Corporation, Fil-Estate Management, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. He is also a Director of the Manila Southwoods Golf & Country Club, Inc., Camp John Hay Golf Club, Inc. and Forest Hills Golf & Country Club, Inc. He obtained his Bachelor of Arts major in Economics degree from De La Salle University in 1976.

JAIME M. CACHO, Filipino, age 63, is a Filipino citizen. Holds a Bachelor of Arts Degree Major in Communication Arts from De La Salle University, Manila in 1978. Mr. Cacho also has a Master in Business Administration (Candidate) from the Ateneo Graduate School of Business, Manila in 1983. At present, Mr. Cacho is President and Chief Operating Officer of Metro Countrywide Corporation and Metro Solar Power Solutions, Inc. He is also a Director of CJH Development Corporation and MRT Development Corporation. He is also concurrently, Head of Project Development and Management Services for Fil-Estate Management, Inc.. Mr. Cacho has over 39 years of top-level management and construction experience earned throughout his career.

FRANCISCO C. GONZALEZ, Filipino, age 76, is the Chairman of the Board and CEO of Romago Corporation and Fabriduct & Metal Systems, Inc. He is the Chairman of the Board of Romago, Inc. Guam and Electro Mechanical Products International, Inc. He also serves as President of Asia Pacific Golf Cars Corporation. He is also a director and serves as Chairman of the Membership Committees of The Manila Southwoods Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc.

RAFAEL M. ALUNAN III, Filipino, age 71, sits on the Boards of Pepsi Cola Products (Philippines), Inc., (PCPPI); Sangley Airport Infrastructure Group, Inc.; the Philippine Council for Foreign Relations (PCFR); the Spirit of EDSA Foundation; and the Rotary Club of Mania (RCM). He chairs the Philippine Council for Foreign Relations and Harvard Kennedy School Alumni Association of the Philippines Inc.; is President and Trustee of the Philippine Taekwondo Foundation; founded One Philippines Party List;

is Senior Adviser to United Harvest Corporation, Kaltimex Energy Philippines, and United Defense Manufacturing Corp.; and is Chairman of PCPPI's Audit Committee. He is a member of the International Institute for Strategic Studies (IISS); the Maritime League; the Fraternal Order of Eagles of the Philippines; and Zeta Phi Omega fraternity. He is an Eminent Fellow of the Development Academy of the Philippines (DAP); and Fellow of the Institute of Corporate Directors (ICD) and Institute for Solidarity in Asia (ISA). He writes a column for Business World; co-authored the book entitled "Silver Linings"; and produced the documentary entitled "Tagaligtas."He holds the rank of Colonel in the Armed Forces of the Philippines, and commanded the 131st Infantry Division (Standby Reserve) and, later, the 9th Infantry Division (Ready Reserve) of the Philippine Army. He is an adopted member of the Philippine Military Academy Marangal Class of 1974, PC-Special Action Force, Special Forces Regiment (Airborne) and First Scout Ranger Regiment. Mr. Alunan obtained his double degree in Business Administration and History-Political Science from De La Salle University; attended Ateneo de Manila University's Master in Business Administration-Senior Executive Program; earned a Master's degree in Public Administration and a certificate in Executive Education from Harvard Kennedy School of Government; and graduated from the Philippine Army's Command and General Staff College Operations Course. Mr. Alunan served in the Cabinets of Presidents Corazon C. Aquino and Fidel V. Ramos as Secretary of Tourism and Secretary of the Interior and Local Government, respectively.

ROBERTO S. ROCO, Filipino, age 67, is a Director of the Company. He was the Chief Financial Officer of Global-Estate Resorts, Inc. and its affiliate companies for 18 years until his retirement in late 2013. He graduated from Ateneo de Manila University with a degree in Bachelor of Science in Management.

ALICE O. BONDOC, Filipino, age 53, is also Senior Vice President for Good Governance, Compliance Officer, Corporate Information Officer and Assistant Corporate Secretary of the Company. She is also the Senior Vice President for Corporate & Legal Affairs of the Company's parent company, Fil-Estate Estate Management, Inc. and affiliate company, Fil-Estate Development, Inc. She is the Director for Corporate & Legal Affairs and Assistant Corporate Secretary of Camp John Hay Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. She is also the Chief Legal Officer and Corporate Secretary of Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, MGHC Royalty Holdings Corporation and Metro Countrywide Corporation. She is also the Corporate Secretary of Club Leisure Management Corporation and CJH Leisure, Inc.. She took her Bachelor of Science in Business Management major in Legal Management at Ateneo de Manila University and graduated Honorable Mention and Departmental Awardee of the Department of Legal Management in 1987. She holds a Doctor of Jurisprudence degree from Ateneo de Manila University School of Law and graduated as Second Honor-Silver Medal Awardee in 1992.

GILBERT RAYMUND T. REYES, Filipino, age 62, has been the Corporate Secretary of the Company since 2003. He is a founding partner of the Poblador Bautista and Reyes Law Offices. He is also the Corporate Secretary of CJH Development Corporation, CJH Hotel Corporation, and CJH Suites Corporation. He graduated with a degree in Bachelor of Science in Biology from the University of the Philippines in 1979. He also holds a Bachelor of Laws degree from the University of the Philippines College of Law, graduating with Magna Cum Laude in 1983.

(2) Significant Employees

The Company has no employee who is not an executive officer or who is expected by the Company to make a significant contribution to the business. The Company's business is not highly dependent on the services of any key personnel.

(3) Family Relationships

None.

(4) Involvement in Certain Legal Proceedings

The Company's directors and executive officers have not been the subject of the following legal proceedings in the last five (5) years:

1. Any bankruptcy petition filed by or against any business to which such person was a general partner or executive officer either at the time of bankruptcy or within two years prior to that time;

2. Any pending or conviction by final judgment in a criminal proceeding, domestic or foreign;

3. Any order, judgment or decree, not subsequently reversed, suspended or vacated of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities or commodities or banking activities;

4. Found by a domestic or foreign court of competent jurisdiction, the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated securities or commodities law or regulation, the judgment of which has not been reversed, suspended or vacated.

Item 10.**Executive Compensation**

(B) Executive Compensation

Compensation paid in 2019 and 2018 for the benefit of Officers and Directors of the Company.

(1) General

Section 8 of the Company's By-Laws on Compensation, provides that "Each director shall receive a reasonable per diem allowance for his attendance at each meeting of the board. As a compensation, the Board shall receive and allocate an amount of not more than five (5%) percent of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper."

The directors receive a per diem of ₱10,000 per attendance at Board Meetings, and there is no provision in this section that may be construed as precluding any director from serving in any other capacity and receiving any compensation thereof.

The Company plans to compensate its Chief Executive, Officers and Directors for any and all services rendered in 2019 and prior years. The amount of compensation is to be determined and will be subject to the approval by the BOD.

Summary Compensation Table:

Name	Position	Salary	Bonus	Other Annual Compensation (Per Diem)
Robert John L. Sobrepeña	Chairman of the Board			Php44,000.00
Atty. Ferdinand T. Santos	President			Php33,000.00
Noel M. Cariño	Director			Php33,000.00
Rafael Perez de Tagle	Director			Php33,000.00
Roberto S. Roco	Director			Php58,000.00
Jaime M. Cacho	Director			Php44,000.00
Francisco C. Gonzalez	Director, Independent			Php72,000.00
Rafael Alunan, III	Director, Independent			Php11,000.00
Atty. Alice O. Bondoc	Director, SVP for Good Governance, Compliance Officer, Assistant Corporate Secretary			Php44,000.00
Atty. Gilbert Raymund T. Reyes	Corporate Secretary			Php5,000.00
Group Compensation 2019		Php1.18M		0
Group Compensation 2018		Php1.18M		0
Group Compensation 2017		Php1.04M		0

Standard Arrangements

There are no existing standard arrangements pursuant to which directors of the Company are compensated, directly or indirectly, for any services provided as director, nor are there any additional amounts payable to any of the Directors for committee participation or special assignments for the last completed fiscal year and the ensuing year.

Other Arrangements

There are no other existing arrangements or consulting contracts, pursuant to which any of the directors of the Company was compensated or is to be compensated, directly or indirectly, during the last completed fiscal year and the ensuing fiscal year, or for any services provided as director.

Employment Contract and Termination of Employment and Change-in-control Arrangements

Management of the Company is currently being undertaken by the executive officers of the parent company. For this reason, the Company has no existing employment contract with any executive officer nor is there any existing compensatory plan or arrangement, including payments to be received from the Company with respect to an executive officer's employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the named executive officer's responsibilities following a change-in-control and the amount involved, including all periodic payments or installments.

Warrants and Options Outstanding: Re-pricing

The Company has not issued any warrants and there are no outstanding warrants or options held by the Company's CEO, the named executive officers, or any of the officers and directors, individually or as a group.

Item 11. **Security Ownership of Certain Beneficial Owners and Management**

(1) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2019, Metro Global Holdings Corporation knows of no one who beneficially owns more than 5% of the Company's issued common stock except as set forth in the table below.

Titles of Class	Name, address of record owner and relationship to issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	**Fil-Estate Management, Inc.** Mezzanine Floor Renaissance Tower, Meralco Ave. Ortigas, Pasig City	**Robert John L. Sobrepeña - Chairman**	Filipino	1,757,690,197	87.885%
	PCD Nominee Corp. (Filipino) 37th Floor Tower I The Enterprise Center, 6766 Ayala Avenue corner Paseo De Roxas	**Cesar B. Crisol - President**	Filipino	100,656,633	5.029%

Makati City				
Alakor Securities Corp. (Filipino) 9F Quad Alpha Centrum, 123 Pioneer Street Mandaluyong City	**Presentacion Ramos - President**	Filipino	66,778,253	3.339%

Mr. Robert John L. Sobrepeña is the Chairman of Fil-Estate Management, Inc., a company he owns to the extent of about one-third (1/3) of the outstanding shareholdings. He is also the Chairman of the Board of the Company.

Mr. Cesar B. Crisol is the President of PCD Nominee Corporation. He holds the voting power over the shares of stocks of PCD Nominee.

Mr. Presentacion Ramos is the President of the Alakor Securities Corporation. He holds the voting power over the shares of stocks of Alakor Securities.

The Corporate Secretary or in his absence, the Assistant Corporate Secretary, has been appointed by Fil-Estate Management, Inc. to direct the voting or disposition of the shares held by the said stockholders. FEMI's office is at Mezzanine Floor Renaissance Tower, Meralco Ave., Pasig City.

There are no securities placed under Trust or Agreement.

(2) Security Ownership of Management

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Robert John L. Sobrepeña	241,000	Filipino	.013%
	Ferdinand T. Santos	1,000	Filipino	.00005%
	Noel M. Cariño	1,506,500	Filipino	.075%
	Jaime M. Cacho	1	Filipino	
	Alice Odchigue-Bondoc	1	Filipino	
	Roberto S. Roco	1	Filipino	
	Rafael Perez de Tagle Jr.	1,000	Filipino	.00005%
	Rafael M. Alunan, III	16	Filipino	
	Francisco C. Gonzales	1,000	Filipino	.00005%
	TOTAL	**1,750,504**		**.08753%**

The beneficial ownership of the foregoing directors arises from the direct ownership of the shares above-indicated registered in the name of the said directors.

(3) Voting Trust Holders of 5% or more

No director, executive officer or nominee of the Company holds more than 5% of the Company's common shares under a voting trust or similar agreement.

(4) Changes in control since the Last Calendar Year

There has been no change in the controlling majority stockholder of the Corporation. Neither has there been any arrangement with any party, which may have resulted in a change in the control of the Company.

Item 12.**Certain Relationship and Related Transactions**

D (1) The Company, in the normal course of business, grants and obtains interest bearing cash advances to an affiliated Company.

There were no transactions during the last two years, or proposed transactions, to which the Company was or is to be a party, in which any of the following persons had, has or is to have a direct or indirect material interest:

- (a) Any director or executive officer of the Company;
- (b) Any nominee for election as a director;
- (c) Any security holder named in response to Part IV, paragraph ©, IRR, SRC
- (d) Any member of the immediate family (including spouse, parents, children, siblings, and in-laws of any of the persons in subparagraph (1)(a), (b) or (c) of this paragraph (d).

D (3) The parent company of the Company is Fil-Estate Management, Inc. which owns 87.885% of the total issued, outstanding and subscribed capital stock of the Company.

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance

This portion has been deleted pursuant to SEC Memorandum Circular No. 5, Series of 2013.

PART V – EXHIBITS AND SCHEDULES

1) Reports on SEC Form 17-C

a) During meeting of the Board of Directors held on 3 October 2019, the Board approved the resolution to hold the annual Stockholders' Meeting of the Company on 6 December 2019 at 9:00am. Venue shall be at Verbena A & B Function Room, 9th Floor, Marco Polo Ortigas Manila, Meralco Avenue and Sapphire Road, Ortigas Center, Pasig City. Only stockholders of record date at the close of business hour of 31 October 2019, the record date and time fixed by the Board of Directors, are entitled to notice and to vote at said meeting. Agenda of the meeting shall be as follows:

1. Call to Order
2. Determination and Certification of a Quorum
3. Approval of the previous meeting held on 22 September 2018
4. Report of the Chairman
5. Approval of the Audited Financial Statements for the calendar years ended 31 December 2018
6. Certification and Ratification of Corporate Acts for the years 2018 to 2019
7. Election of Directors (including Independent Directors)
8. Election of External Auditor
9. Other matters
10. Adjournment

b) During meeting of the Board of Directors of the Corporation on October 31, 2019 approved the amendment of the principal office address of the Corporation from Mandaluyong, Metro Manila to Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila, in compliance with the Securities & Exchange Commission's Memorandum Circular No. 16, Series of 2014 directing corporations to amend their Articles of Incorporation in case of a change of new location of the principal place of business to another city and Memorandum Circular No. 6, Series of 2014, directing all existing corporations whose Articles of Incorporation indicate only a general address as their principal office address, such as that it refers only to a city, town or municipality, or "Metro Manila" to specify their complete address, such that, if feasible, it has a street number, street name, barangay, city or municipality, and if applicable, the name of the building, the number of the building, and name of the room or unit.

c) The Company submitted the Certificate of Independent Director last November 4, 2019.

d) On December 6, 2019, the company hereby informs the Securities and Exchange Commission of the attached disclosure in compliance with the Commission's requirement. (See attached letter to Vicente Graciano P. Felizmenio, Jr. and Janet A. Encarnacion)

e) Mr. Eduardo R. Santos tendered his resignation as Independent Director of the Corporation effective 13 December 2019 for personal reasons. In view of the vacancy in the Board arising from the resignation of Mr. Eduardo R. Santos, the Board in its special meeting held on 13 December 2019, elected Mr. Rafael M. Alunan, III as Independent Director of the Corporation to serve the unexpired term of Mr. Eduardo R. Santos.

(2) 2019 Sustainability Report

110042019001063

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

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Company Information

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Company Name	METRO GLOBAL HOLDINGS CORPORATION
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	110042019001063
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	October 03, 2019
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

9142

SEC Registration No.

METRO GLOBAL HOLDINGS CORPORATION

(Company's Full Name)

MEZZANINE FLOOR, RENAISSANCE TOWER, MERALCO AVE., PASIG

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

ALICE ODCHIGUE-BONDOC

Contact Person

6336205 loc. 113

Company Telephone Number

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SRC

12	31
Month	Day

fiscal year

FORM TYPE

1st Thursday of March

Month Day

annual meeting

Listed

Secondary License Type, If Appplicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **3 October 2019**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number: **9142**
3. BIR Tax Identification No. 000-194-408-000

4. **Metro Global Holdings Corporation** *(formerly Fil-Estate Corporation)*
   Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, country or other jurisdiction of incorporation

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

7. **Mezzanine Floor Renaissance Tower, Meralco Ave., Pasig City** **1605**
   Address of principal office Postal Code

8. **(632) 6336205**
   Issuer's telephone number, including area code

9. **N/A**
   Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common shares	**2,000,000,000 shares**

11. Indicate the item numbers reported herein: Item 9

Please be informed that at the meeting of the Board of Directors of Metro Global Holdings Corporation held on 3 October 2019, the Board approved the resolution to hold the Annual Stockholders' Meeting of the Company on 6 December 2019 at 9:00am. Venue shall be at Verbena A & B Function Room, 9th Floor, Marco Polo Ortigas Manila, Meralco Avenue and Sapphire Road, Ortigas Center, Pasig City. Only stockholders of record date at the close of business hour of 31 October 2019, the record date and time fixed by the Board of Directors, are entitled to notice and to vote at said meeting. Agenda of the meeting shall be as follows:

1. Call to Order
2. Determination and Certification of Quorum
3. Approval of the Previous Meeting Held on 22 November 2018
4. Report of the Chairman
5. Approval of the Audited Financial Statements for the calendar year ended 31 December 2018
6. Certification and Ratification of Corporate Acts for the years 2018 to 2019
7. Election of Directors (including Independent Directors)
8. Election of External Auditor
9. Other matters
10. Adjournment

SIGNATURE

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

METRO GLOBAL HOLDINGS CORPORATION
Issuer

Date: 3 October 2019

By:

ATTY. ALICE ODCHIGUE-BONDOC
Compliance Officer

COVER SHEET

9142

SEC Registration No.

METRO GLOBAL HOLDINGS CORPORATION

(Company's Full Name)

MEZZANINE FLOOR, RENAISSANCE TOWERS, MERALCO AVE., PASIG

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

ALICE ODCHIGUE-BONDOC	86336205 loc. 113
Contact Person	Company Telephone Number

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SRC

FORM TYPE

12	31	1st Thursday of March
Month	Day	Month Day
fiscal year		annual meeting

Listed

Secondary License Type, If Appplicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. **31 October 2019**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number: **9142**   3. BIR Tax Identification No. 000-194-408-000

4. **Metro Global Holdings Corporation** *(formerly Fil-Estate Corporation)*
   Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, country or other jurisdiction of incorporation

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

7. **Mezzanine Floor Renaissance Tower, Meralco Ave., Pasig City**   **1605**
   Address of principal office   Postal Code

8. **(632) 6336205**
   Issuer's telephone number, including area code

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   Former name or former address, if changed since last report

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Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common shares	**2,000,000,000 shares**

11. Indicate the item numbers reported herein: Item 9

Please be advised that the Board of Directors of the Corporation approved today the amendment of the principal office address of the Corporation from Mandaluyong, Metro Manila to Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila, in compliance with the Securities & Exchange Commission's Memorandum Circular No. 16, Series of 2014 directing corporations to amend their Articles of Incorporation in case of a change of new location of the principal place of business to another city and Memorandum Circular No. 6, Series of 2014, directing all existing corporations whose Articles of Incorporation indicate only a general address as their principal office address, such that it refers only to a city, town or municipality, or "Metro Manila" to specify their complete address, such that, if feasible, it has a street number, street name, barangay, city or municipality, and if applicable, the name of the building, the number of the building, and name or number of the room or unit.

SIGNATURE

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

Date: 31 October 2019

METRO GLOBAL HOLDINGS CORPORATION

By:

ALICE ODCHIGUE-BONDOC
SVP-Good Governance &
Compliance Officer

COVER SHEET

9142

SEC Registration No.

METRO GLOBAL HOLDINGS CORPORATION

(Company's Full Name)

MEZZANINE FLOOR, RENAISSANCE TOWERS, MERALCO AVE., PASIG

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

ALICE ODCHIGUE-BONDOC

Contact Person

86336205 loc. 113

Company Telephone Number

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SRC

FORM TYPE

1 2	3 1
Month	Day

fiscal year

1st Thursday of March

Month Day

annual meeting

Listed

Secondary License Type, If Appplicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **31 October 2019**
   Date of Report (Date of earliest event reported)

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5. **Metro Manila, Philippines**
   Province, country or other
   jurisdiction of incorporation

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

7. **Mezzanine Floor Renaissance Tower, Meralco Ave., Pasig City** **1605**
   Address of principal office Postal Code

8. **(632) 6336205**
   Issuer's telephone number, including area code

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11. Indicate the item numbers reported herein: Item 9

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SIGNATURE

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

Date: 31 October 2019

METRO GLOBAL HOLDINGS CORPORATION

By:

ALICE ODCHIGUE-BONDOC
SVP-Good Governance &
Compliance Officer

COVER SHEET

9142
SEC Registration No.

METRO
GLOBAL
HOLDINGS
CORPORATION

(Company's Full Name)

MEZZANINE FLOOR, RENAISSANCE
TOWERS, MERALCO AVE., PASIG
(Business Address: No. Street City/ Town/ Province)

ALICE ODCHIGUE-BONDOC
Contact Person

86336205 loc. 113
Company Telephone Number

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SRC

12 31
Month Day
fiscal year

FORM TYPE

1st Thursday of March
Month Day
annual meeting

Listed
Secondary License Type, If Appplicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

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RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

1. **6 December 2019**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number: **9142**
3. BIR Tax Identification No. 000-194-408-000

4. **Metro Global Holdings Corporation** *(formerly Fil-Estate Corporation)*
   Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines**
   Province, country or other jurisdiction of incorporation

6. [ ] (SEC Use Only)
   Industry Classification Code:

7. **Mezzanine Floor Renaissance Tower, Meralco Ave., Pasig City** — **1605**
   Address of principal office — Postal Code

8. **(632) 6336205**
   Issuer's telephone number, including area code

9. **N/A**
   Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common shares	**2,000,000,000 shares**

11. Indicate the item numbers reported herein: Items 4 & 9

The Company hereby informs the Securities and Exchange Commission of the attached disclosure in compliance with the Commission's requirement.

SIGNATURE

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

METRO GLOBAL HOLDINGS CORPORATION
Issuer

Date: 6 December 2019

By:

ATTY. ALICE ODCHIGUE-BONDOC
SVP-Compliance Officer

METRO GLOBAL HOLDINGS CORP.

6 December 2019

VICENTE GRACIANO P. FELIZMENIO, JR.
Director, Market and Securities Regulation Department
SECURITIES AND EXCHANGE COMMISSION
G/F Secretariat Building PICC Complex, Roxas Boulevard
Pasay City

JANET A. ENCARNACION
Head, Disclosure Department
PHILIPPINE STOCK EXCHANGE, INC.
6/F, Philippine Stock Exchange Tower
5th Avenue corner 28th Street
Bonifacio Global City
Taguig City

Subject: RESULTS OF ANNUAL MEETING OF STOCKHOLDERS AND ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS

Gentlemen:

In compliance with the rules and regulations on disclosure of the Securities and Exchange Commission ("SEC") and Philippine Stock Exchange ("PSE"), we hereby report the results of the Annual Meeting of the Stockholders of Metro Global Holdings Corporation (the "Company") held today, 6 December 2019, 9:00 A.M. at Verbena A & B Function Room, 9th Floor, Marco Polo Ortigas Manila, Meralco Avenue and Sapphire Road, Ortigas Center, Pasig City, as follows:

1. The Corporate Secretary certified that there is a quorum for the transaction of business, there being present in person or represented by proxy a total of 1,763,505,210 or 88.17% of common shares of the Company.

2. The External Auditor, Valdes Abad & Company CPA's attested to the votes attained for the following matters approved and authorized by the stockholders:
   2.1 The stockholders approved the Minutes of the Annual Meeting of Stockholders held on 22 November 2018. The Company received votes in person and by proxy a total of 1,763,505,210 or 88.17% of common shares in favor of the approval of the Minutes of the Annual Meeting of Stockholders held on 22 November 2018.
   2.2 The stockholders approved the Annual Report and Audited Financial Statements of the Company for the calendar year ended

31 December 2018. The Company received votes in person and by proxy a total of 1,763,505,210 or 88.17% of common share in favor of the approval of the Audited Financial Statements of the Company for the calendar year ended 31 December 2018.

2.3 The stockholders confirmed and ratified all acts, contracts, resolutions and proceedings made and entered into by Management and/or the Board of Directors and various committees constituted pursuant to the Code of Corporate Governance for the year 2018 up to the present. The Company received votes in person and by proxy a total of 1,763,505,210 or 88.17% of common shares in favor of the approval of the confirmation and ratification of all acts, contracts, resolutions and proceedings made and entered into by Management and/or Board of Directors and various committees constituted pursuant to the Code of Corporate Governance for the year 2018 up to the present.

2.4 The stockholders approved the appointment of KL Siy & Associates, CPA as the Company's independent external auditor. The Company received votes in person and by proxy a total of 1,763,505,210 or 88.17% of common shares in favor of the approval of the appointment of KL Siy & Associates, CPA as the Company's independent external auditor for the year 2019 to 2020.

2.5 The stockholders approved the amendment of Third Article of the Amended Articles of Incorporation to indicate the new location of the principal place of business of the Corporation and to specify the complete address of the Company's principal office as Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila. The Company received votes in person and by proxy a total of 1,763,505,210 or 88.17% of common shares in favor of the approval of the amendment of Third Article of the Amended Articles of Incorporation to indicate the new location of the principal place of business of the Corporation and to specify the complete address of the Company's principal office as Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila.

3. The stockholders elected the following directors for the ensuing year:

3.1 Robert John L. Sobrepeña
3.2 Atty. Ferdinand T. Santos
3.3 Noel M. Cariño
3.4 Rafael Perez de Tagle, Jr.
3.5 Atty. Alice Odchigue-Bondoc
3.6 Roberto S. Roco
3.7 Jaime M. Cacho
3.8 Francisco C. Gonzalez - Independent
3.9 Eduardo R. Santos – Independent

4. In the Organizational Meeting of the Board of Directors of the Company held on 6 December 2019 after the Annual Meeting of Stockholders, the following matters were taken up:

   The Board re-elected/re-appointed the Chairman of the Board and Officers of the Company to their respective positions:

Chairman of the Board & CEO	-	Robert John L. Sobrepeña
President & Chief Risk Officer	-	Atty. Ferdinand T. Santos
Senior Vice President-Good Governance, Compliance Officer & Asst. Corporate Secretary	-	Atty. Alice Odchigue-Bondoc
Director for Investor Relations	-	Rafael Perez de Tagle, Jr.
Vice-President – Chief Finance Officer	-	Ramon G. Jimenez
Vice-President – Chief Audit Executive	-	Solita S. Alcantara
Vice-President – Business Dev't. & Special Projects	-	Sylvia M. Hondrade
Corporate Secretary	-	Atty. Gilbert Raymund T. Reyes

5. The Board approved the re-appointment of Stock Transfer Agent and Registrar – BDO Unibank, Inc. - Trust & Investments Group Securities Services & Corporate Agencies

6. The Board approved the constitution of the following Board Committees:

   (1) EXECUTIVE COMMITTEE

   Chairman: Robert John L. Sobrepeña
   Members: Noel M. Cariño
   Atty. Ferdinand T. Santos
   Francisco C. Gonzalez (Independent Director)

   (2) SALARY ECOMPENSATION COMMITTEE

   Chairman: Robert John L. Sobrepeña
   Members: Atty. Ferdinand T. Santos
   Francisco C. Gonzalez (Independent Director)

   (3) AUDIT COMMITTEE

   Chairman: Francisco C. Gonzalez (Independent Director)
   Members: Eduardo R. Santos (Independent Director)
   Roberto S. Roco
   Solita S. Alcantara

   (4) NOMINATION COMMITTEE

   Chairman: Jaime M. Cacho
   Members: Rafael Perez de Tagle, Jr.
   Atty. Alice Odchigue-Bondoc

(5) CORPORATE GOVERNANCE COMMITTEE

Chairman:	Francisco C. Gonzalez (Independent Director)
Members:	Eduardo R. Santos (Independent Director)
	Robert John L. Sobrepeña
	Roberto S. Roco
	Jaime M. Cacho
	Atty. Alice Odchigue-Bondoc

(6) BOARD RISK OVERSIGHT COMMITTEE

Chairman:	Eduardo R. Santos (Independent Director)
Members:	Francisco C. Gonzalez (Independent Director)
	Atty. Ferdinand T. Santos
	Atty. Alice Odchigue-Bondoc

(7) RELATED PARTY TRANSACTIONS COMMITTEE

Chairman:	Francisco C. Gonzalez (Independent Director)
Members:	Eduardo R. Santos (Independent Director)
	Roberto S. Roco
	Ramon G. Jimenez

We hope the foregoing constitutes compliance of the disclosure requirements of your good office.

Very truly yours,

METRO GLOBAL HOLDINGS CORPORATION

By:

ATTY. ALICE ODCHIGUE-BONDOC
Assistant Corporate Secretary and
SVP-Compliance Officer

111042019001984

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931to39Fax:(632)725-5293Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Mark Jason L. Orcine - COS
Receiving Branch : SEC Head Office
Receipt Date and Time : November 04, 2019 03:03:19 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	0000009142
Company Name	METRO GLOBAL HOLDINGS CORPORATION
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	111042019001984
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	October 31, 2019
No. of Days Late	0
Department	CFD
Remarks	CERTIFICATE OF INDEPENDENT DIRECTOR

COVER SHEET

9142

SEC Registration No.

METRO
GLOBAL
HOLDINGS
CORPORATION

(Company's Full Name)

MEZZANINE FLOOR, RENAISSANCE
TOWERS, MERALCO AVE., PASIG

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

ALICE ODCHIGUE-BONDOC	86336205 loc. 113
Contact Person	Company Telephone Number

CERTIFICATE OF INDEPENDENT DIRECTOR

12	31	FORM TYPE	1st Thursday of March
Month	Day		Month Day
fiscal year			annual meeting

Listed

Secondary License Type, If Appplicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

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To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FRANCISCO C. GONZALEZ**, Filipino, of legal age and a resident of No. 225 Socorro Fernandez Street, Addition Hills, Mandaluyong City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Metro Global Holdings Corporation and have been its independent director since 2010.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Romago Incorporated	Chairman of the Board & CEO	2008 - Present
Electro Mechanical Products, Inc.	Chairman of the Board	1989 - Present
Fabriduct & Metal Systems, Inc.	President & CEO	1989 - Present
Manila Southwoods Golf & Country Club	Director	1998 – Present
Camp John Hay Golf Club	Director	1999 - Present

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

4. I am not related to any director/officer/substantial shareholder of Metro Global Holdings Corporation and its subsidiaries and affiliates.

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

6. I am not in government service or affiliated with a government agency or Government Owned and Control Corporation.

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

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

Done, this 31st day of October 2019 at Mandaluyong City.

FRANCISCO C. GONZALEZ
Affiant

SUBSCRIBED AND SWORN to before me this NOV 04 2019 at CITY OF MAKATI. Affiant personally appeared before me and exhibited to me his Social Security System ID No. 03-1741698-9.

Doc. No. 447;
Page No. 91;
Book No. 275;
Series of 2019.

ATTY. JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment # M-82 until 12/31/2019
PTR No. 7333096-Jan 3, 2019, Makati City
Roll No. 45790, IBP Lifetime Roll #04897
MCLE No. V-0019692/April 15, 2016
G/F Fedman Suites, 199 Salcedo Street
Legaspi Village, Makati City

COVER SHEET

9142

SEC Registration No.

METRO GLOBAL HOLDINGS CORPORATION

(Company's Full Name)

MEZZANINE FLOOR, RENAISSANCE TOWERS, MERALCO AVE., PASIG

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

ALICE ODCHIGUE-BONDOC	86336205 loc. 113
Contact Person	Company Telephone Number

SEC FORM 17-C
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OF THE SRC

12	31	FORM TYPE	1st Thursday of March
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fiscal year			annual meeting

Listed

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STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. **13 December 2019**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number: **9142** 3. BIR Tax Identification No. 000-194-408-000

4. **Metro Global Holdings Corporation** *(formerly Fil-Estate Corporation)*
   Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines** 6. ________ (SEC Use Only)

   Province, country or other jurisdiction of incorporation — Industry Classification Code:

7. **Mezzanine Floor Renaissance Tower, Meralco Ave., Pasig City** **1605**
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   Issuer's telephone number, including area code

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   Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common shares	**2,000,000,000 shares**

11. Indicate the item numbers reported herein: Item 4

Mr. Eduardo R. Santos tendered his resignation as Independent Director of the Corporation effective 13 December 2019 for personal reasons. In view of the vacancy in the Board arising from the resignation of Mr. Eduardo R. Santos, the Board in its special meeting held today, 13 December 2019, elected Mr. Rafael Alunan, III as Independent Director of the Corporation to serve the unexpired term of Mr. Eduardo R. Santos.

SIGNATURE

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

METRO GLOBAL HOLDINGS CORPORATION
Issuer

Date: 13 December 2019

By:

ATTY. ALICE ODCHIGUE-BONDOC
SVP-Compliance Officer

METRO GLOBAL HOLDINGS CORP.

2019 SUSTAINABILITY REPORT

Contextual Information

COMPANY DETAILS	
Name of Organization:	METRO GLOBAL HOLDINGS CORPORATION (“MGHC”)
Location of Headquarters : City	Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila
Location of Operations :	Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Metro Global Holdings Corporation is a holding company. The Company has investment in Metro Rail Transit Holdings I and Metro Rail Transit Holdings II – parent company of Metro Rail Transit Corporation (MRTC), thus, resulting to an indirect 29% equity interest in MRTC. The Company has 28.47% direct equity interest in Monumento Rail Transit Corporation and 15.79% direct equity in MRT Development Corporation. The company acquired 99% ownership of MGHC Royal Holdings Corporation.
Business Model, including Primary Activities, Brands, Products, and Services	Metro Global Holdings Corporation is an investment holding company. The Company has investments in companies engaged in: 1. infrastructure developmentof light rail systems through Metro Rail Transit Corporation (29% indirect) and Monumento Rail Transit Corporation Inc. (29.47% direct); 2. property development through MRT Development Corporation (15.79% direct); and 3. renewable energy generation and operation through Metro Solar Power Solutions, Inc. (acquisition of 100% direct equity presently pending with the Securities & Exchange Commission).
Reporting Period	For the Year Ending December 31, 2019
Highest Ranking Person responsible for this report	Mr. Robert John L. Sobrepeña, Chief Executive Officer Ramon G. Jimenez, Chief Finance Officer

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.

The Company used Selected GRI Sustainability Reporting Standards (Core Option) in accordance with the GRI 102: General Disclosures, to report on contextual information about itself and its impacts on the economy, the environment and society.

The Company's economic and environmental sustainability principles are exercised through its affiliate, Metro Rail Transit Corporation (MRTC). MRTC is the owner of the Metro Rail Transit (MRT) 3 System along the 16.9 kilometer stretch of Epifanio de los Santos Avenue (EDSA). The MRT 3 System is leased to the Department of Transportation and Communication, which operates and maintains the system for 25 years commencing 2000. In 2019, the wholly electrically-powered MRT-3 ferried an average of 350,000 daily passengers along its 13-station route from North Triangle to Taft Avenue along EDSA. Carrying capacity for this system can be increased up to 1 million passengers daily with additional train/vehicle procurement by MRTC once this proposal is approved by the Philippine government.

The Company has a 28.47% equity interest in Monumento Rail Transit Corporation which, as result, allows participation in the MRT 3 (Phase 2) system extension, the airport link from the Taft Avenue Station up to the airport and the envisioned rail extension from Ayala Station to Buendia Station via a loop through Ayala Avenue and Gil-Puyat Avenue (the Makati loop)

The Company acquired 15.79% equity interest in MRT Development Corporation (MRTDC) on December 2018. MRTDC has exclusive rights to all commercial developments along the MRT-3 System, including in the 13 Stations and above the 13 Stations, which rights include all commercial leasing rights in the 13 Stations, advertising rights, development of the air space above all the 13 stations, and all other commercial activities with the entireMRT-3 System.

MATERIALITY

The key findings of the materiality analysis are as follows:

The Company does not plan any product research and development within the next 12 months. There are no expected purchases or sale of plant and significant equipment within the same period as the Company is not engaged in any manufacturing business.

The Company does not engage in business operations that are subject to regulations which require compliance with environmental laws.

The Company employed two (2) office personnel in 2015. Management of the Company is currently being undertaken by the executive officers of the parent company.

Since 2007 the Company has voluntarily suspended the trading of its securities to allow the Company to re-align its business and explore new strategic directions.

The Company plans to expand its primary purpose to include investments in businesses engaged in solar, wind and other renewable energy generation facilities.

The revised strategy will deliver the reference values for sustainability related action beyond 2019.

MATERIALITY COMPLETENESS

The report takes into account all significant impacts of MGHC along its value chain. The reporting processes ensure that the data collected includes the results from all entities with significant impacts regarding material topics.

STAKEHOLDERS INCLUSIVENESS is ensured by considering feedback from stakeholder engagement.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

In 2019, MGHC generated a total value of P50,621,497 which is a 6.34% increase in revenues from the previous year. About 35.07% (P17,751,398) of it was distributed among the following: general and administrative expenses, employee wages and benefits, other operating costs, and taxes given to government.

Disclosure	Units	Amount
Direct economic value generated (revenue)	PhP	50,621,497
Direct economic value distributed:		
a. General and Administrative Expenses	PhP	2,687,825
b. Employee wages and benefits	PhP	
c. Payments to suppliers, other operating costs	PhP	100,800
d. Dividends given to stockholders and interest payments to loan providers	PhP	
e. Taxes given to government	PhP	13,723,937
f. Investments to community (e.g. donations, CSR)	PhP	

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain.* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts though its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable group)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The company's internal source of liquidity comes primarily from its share in the rental income termed as "depot royalties" it receives from the operations of Trinoma Mall, a commercial mall owned and managed by North Triangle Depot Commercial Corporation (NTDCC), a company substantially owned by Ayala Land, Inc.	*Stockholder- Fil-Estate Management, Inc. (FEM), the parent company of MGHC*	The company's external source of financing comes from advances made by FEMI, the parent company of MGHC.

What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
1. **Liquidity Risk** arises from the possibility that the Company may encounter difficulties in raising funds to meet or settle its obligations and supporting the Company's operations and activities.	Parent Company	FEMI committed not to demand payment of the amount due from the Company which therefore reduces the Company's exposure to liquidity risk.
2. **Credit Risk.** The Company's exposure to **credit risk** relates primarily to its deposits from banks with good credit rating. The gross and net maximum exposure to credit risk is equivalent to the carrying amount of these cash in banks and AFS financial assets.	Banks	These cash in banks are deposited with a reputable bank that belonged to the top three banks in the Philippines and approved by management. The company has not experienced any difficulty transacting with this bank.
3. **Equity Price Risk.** The Company is exposed to fair value changes on its AFS financial assets in listed equity services.	Shareholders	The Company's policy is to maintain the risk to an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position. The Company continuously conducts an internal review of its capital and financial risk management objective and policies.
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
New sources of cash flows through potential future investment and or cash infusions into the Company over the next five years. Entry into renewable energy generation and operation shall provide a constant source of cash flows once the Power Purchase Agreement with the offtaker is signed.	Investors and Shareholders	The Company coordinates and negotiates closely with its Parent Company to manage cash flow risks.

Climate-related risks and opportunities

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 business, 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**	**Disclose the metrics used by the organization to assess climate- related risks and opportunities in line with its strategy and risk management process.**
Board established a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	There is an increase in Authorized Capital Stock from P2Billion to P5Billion with par value of P1.00 which has been pre-approved by the Securities & Exchange Commission (SEC) and just awaiting issuance of relevant Certificate of Increase by the SEC Company plans to expand its primary purpose to include investments in business engaged in solar, wind and other renewable energy generation facilities. The Company intends to offer to the public at the right time the unsubscribed portion of its increase in authorized capital stocks of P2.25 Billion, divided into 2.25 Billion shares at P1.00 per share.	Going-concern of the company	The Company reported recurring Net Losses resulting to negative Stockholder's Equity balance

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**
Board has a strategy execution process (i.e. Annual Planning) that facilitates effective management performance and is attuned to the company's business environment, and culture.	With the intended increase in the Company's Authorized Capital Stock from P2 Billion to P5Billion and with additional subscription by FEMI to P750 million, the Company's Stockholder's Equity Balance is expected to result in a positive net equity balance of approximately P743.4 Million.	The Vision and Mission are reviewed by the Board regularly to ensure that corporate business directors, strategies, and objectives are consistent and coherent with the Mission and Vision of the Company.	The comparative financial Key Performance Indicators (KPIs) and non-financial KPIs are reviewed regularly.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2*C or lower scenario	**b) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management**	
	The Board of Directors oversee the development of, formulate and approve the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance in order to sustain the company's long-term viability and strength.	The Board of Directors review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures.	

15 Adapted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non- financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

16 For this disclosure, impact refers to the impact of the climate-related issues on the company

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	N/A	%
What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts thought its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
There are no expected purchases or sale of plant and significant equipment within the next 12 months as the Company is not engaged in any manufacturing business. Not being engaged in the manufacturing of any product, the Company does not require any raw materials, energy or other items from suppliers for conducting its business.	*Not Applicable*	Not Applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

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	100	%
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? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
No incidents of violations of the company policy found and reported.	Employees, Directors	Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Ethics &Conduct. The Company requires continuous management attention at all corporate levels to assure compliance with the spirit and letter of this policy.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not applicable	Not applicable	Not applicable

Incidents of Corruption

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

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	GJ
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	N/A	GJ
Energy consumption (electricity)	N/A	kWh

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? *Identify the impact and where it occurs (i.e.., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The Company does not engage in business operations that are subject to regulations which require compliance with	Community, Government	The Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the

environmental laws.		company to grow its business, while contributing to the advancement of the society where it operates.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
None of the projects will spew any harmful by-products - gas emissions or solid and liquid secretions - into the earth's soil or atmosphere.	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization.*	**Which stakeholders are affected?**	**Management Approach**
MRT-3 trains are operating purely on electrical power, which is NOT directly derived from fossil fuels (e.g. gasoline or diesel engines as busses have) that otherwise carry or have direct and intense emissions.	Public commuters, community	Averting of diesel consumption: Approximately 1,450 buses a day do not have to ply EDSA because of the MRT-3 operating under the average 2019 conditions of 350,000 passengers that were ferried daily.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	2,000	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? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

Average day-to-day consumption of employees and executive officers of the Company.	*Employees/Officers*	*To conserve energy. Meeting the needs of the present without compromising the ability of future generations to meet their own needs.*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization.*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

Materials used by the organization

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

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*	Not Applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

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	N/A	
Habitats protected or restored	N/A	ha
ICUN Red List species and national conservation lit species with habitats in areas affected by operations	N/A	

What is the impact and where does it occur? What is the Organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

Environmental impact management

Air Emissions

GHG

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

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	Not Applicable	Not Applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

Air pollutants

Disclosure	Quantity	Units
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	N/A	kg

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

Solid and Hazardous Wastes

Solid Waste

Disclosure	Units	MGH	MRTC (annual)	MRTDEVCO (annual)	MONUMENTO (annual)
		Quantity			
Total solid waste generated	kg	1	2	61	Nil
Reusable	kg	1	1	1	Nil
Recyclable	kg		1	60	Nil
Composted	kg	N/A	N/A	N/A	N/A
Incinerated	kg	N/A	N/A	N/A	N/A
Residuals/Land filled	kg	N/A	N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The company produces solid waste like used bond paper, used printer cartridges, used computer hardware, used telephones, etc. in its operations.	*Employees, Suppliers*	Recycle of used bond paper and refill of printer cartridges.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Pest infection of office premises.	Employees	Quarterly Pest Control program of the work place.
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	N/A	kg
Total weight of hazardous waste transported	N/A	kg

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*	Maintains well ventilated and nonhazardous workplace through daily inspection and maintenance of facilities and supplies.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Potential into Renewable energy generation.	Community, government	The company will be adding to its original portfolio, projects or objectives in three phases over the next 10 years that involve solar (panels), wind (turbines), hydro and waste-to-energy power generation – all quintessentially "Green" initiatives.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	N/A	Cubic meters
Percent of wastewater recycled	N/A	%

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

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	N/A	nil
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	N/A	nil
No. of cases resolved through dispute resolution mechanism	N/A	nil

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Which stakeholders are affected?** *(e.g. employees, community, suppliers, government, vulnerable groups)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The Company does not engage in business operations that are subject to regulations which require compliance with environmental laws.	*community, government*	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Which stakeholders are affected?**	**Management Approach**
Not Applicable	Not Applicable	Not Applicable

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Employee benefits

SOCIAL

Disclosure	**Units**	**MGH**	**MRTC**	**MRTDEVCO**	**MONUMENTO**
		Quantity			
a. Number of female employees	#	1	1	4	0

b. Number of male employees	#	1	0	9	0
Ratio of lowest paid employee against minimum wage	ratio	n/a	1:1.58	1:1.65	n/a

MGHC

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	none	none
PhilHealth	Y	none	none
Pag-ibig	Y	none	none
Parental leaves	Y	none	none
Vacation leaves	N	none	none
Sick leaves	Y		
Medical benefits (aside from PhilHealth))	Y	none	none
Housing assistance (aside from Pag- ibig)	Y	none	none
Retirement fund (aside from SSS)	Y	none	none
Further education support	Y	none	none
Company stock options	N	none	none
Telecommuting	Y	none	none
Flexible-working Hours	Y	none	none
(Others)			

MRTC

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	none	n/a
PhilHealth	Y	none	n/a
Pag-ibig	Y	none	n/a
Parental leaves	Y	none	n/a
Vacation leaves	N	100%	n/a
Sick leaves	Y	100%	n/a
Medical benefits (aside from PhilHealth))	Y	none	n/a
Housing assistance (aside from Pag- ibig)	Y	none	n/a
Retirement fund (aside from SSS)	Y	none	n/a
Further education support	Y	none	n/a
Company stock options	N	none	n/a
Telecommuting	Y	none	n/a
Flexible-working Hours	Y	none	n/a
(Others)		none	n/a

MRTDEVCO

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	none	None
PhilHealth	Y	25%	22%
Pag-ibig	Y	none	None
Parental leaves	Y	None	None
Vacation leaves	N	100%	100%
Sick leaves	Y	100%	100%
Medical benefits (aside from PhilHealth))	Y	50%	25%
Housing assistance (aside from Pag- ibig)	Y	none	None
Retirement fund (aside from SSS)	Y	none	None
Further education support	Y	none	None
Company stock options	N	none	None
Telecommuting	Y	none	None
Flexible-working Hours	Y	none	None
(Others)		none	None

MONUMENTO

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	n/a	n/a
PhilHealth	Y	n/a	n/a
Pag-ibig	Y	n/a	n/a
Parental leaves	Y	n/a	n/a
Vacation leaves	N	n/a	n/a
Sick leaves	Y	n/a	n/a
Medical benefits (aside from PhilHealth))	Y	n/a	n/a
Housing assistance (aside from Pag- ibig)	Y	n/a	n/a
Retirement fund (aside from SSS)	Y	n/a	n/a
Further education support	Y	n/a	n/a
Company stock options	N	n/a	n/a
Telecommuting	Y	n/a	n/a
Flexible-working Hours	Y	n/a	n/a
(Others)		n/a	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The Company has no employee who is not an executive officer who is expected by the Company to make a significant contribution to the Business.	The Company employed two (2) Office personnel starting June 2015 up to present. Compensation was paid starting June 2015 up to present with two (2) office personnel.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
The Company's business is not highly dependent on the services or any key personnel.	The Company's By-Laws on compensation, provides that "Each director shall receive a reasonable per diem allowance for his attendance at each meeting of the board. As a compensation, the Board shall receive and allocate an amount of not more than five (5%) percent of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper.

Employee Training and Development

The Company is committed to having a workplace prepared to meet current and future business objectives by providing its employees, at all levels, with appropriate education and training opportunities.

Disclosure	**Units**	**MGH**	**MRTC**	**MRTDEVCO**	**MONUMENTO**
		Quantity			
Total training hours provided to employees			2	26	Nil
a. Female employees	hours		2	8	Nil
b. Male employees	hours		Nil	18	Nil
Average training hours provided to employees					
a. Female employees	hours/employee		2	2	Nil
b. Male employees	hours/employee		0	2	Nil

What is the impact and where does it occur? What is the organization’s involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The management of MGHC is currently being undertaken by the executive officers and employees of the parent company, FEMI, which officers and employees are seconded by FEMI.	We provide intensive training and management support for our people and offer personal and financial growth though progressive hiring and promotion practices All employees are oriented in the philosophy, ethics, values, principles and business priorities of the company, such as induction into their group/department, thru its Management Development Program
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Gap in Knowledge, Skills and Attitude of employees	Attendance to public seminars and workshops are required to Address gap per KSA.
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Officers (Managers up) are also encouraged to attend seminars to update their KSAs.	In-house training is provided which are customized to the job needs as well as personal needs. All first time managers shall successfully complete specified supervisory training within a specified period of appointment. - Promotional Program, Management Development Program

Labor

-Management Relations

Metro Global Holdings, Inc.’s sees to it that our relationship with our employees is always healthy and fruitful.

Our Company has code of Business Conduct and Ethics which all employees must understand and follow. Applicable labor laws and regulations where we do business are also being complied with. Moreover, we are responsible for preventing violations of laws and for speaking up if we see possible violations.

Disclosure	Units	MGH	MRTC	MRTDEVCO	MONUMENTO
		Quantity			
% of employees covered with Collective Bargaining Agreements	%	nil	nil	nil	n/a
Number of consultations conducted with employees concerning employee-related policies	#		1	18	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Management of MGHC is currently being undertaken by the executive officers of the parent company.	The company has no existing employment contract with any executive officer nor is there any existing compensatory plan or arrangement, even on payments to be received from the Company, with respect to an executive officers employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the name executive officers' responsibilities following a change-in-control where the amount involved, if any including all periodic payments or installments, which exceeds p2.5M
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
In case unsure if action is not permitted by law or MGH policy.	We seek the advice of resource experts/consultants.
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Diversity and Equal Opportunity

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

Disclosure	Units	MGH	MRTC	MRTDEVCO	MONUMENTO
		Quantity			
% of female workers in the workforce	%	nil	Nil	Nil	n/a
% of male workers in the workforce	%	nil	Nil	Nil	n/a
Number of employees from indigenous communities and/or vulnerable sector*	#	nil	nil	nil	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	Not applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not applicable	Not applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not applicable	Not Applicable

Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety

Disclosure	Units	MGH	MRTC	MRTDEVCO	MONUMENTO
		Quantity			
Safe Man-Hours	Man-hours				
No. of work-related injuries	#	nil	nil	nil	n/a
No. of work-related fatalities	#	nil	nil	nil	n/a
No. of work related ill-health	#	nil	nil	nil	n/a
No. of safety drills	#	1	1	1	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The management of MGHC is currently being undertaken by the executive officers and employees of the parent company, FEMI, which officers and employees are seconded by FEMI.	The health of every employee shall be maintained at its highest level: 1. With existing health plan coverage, 2. With emergency medicine kit complete with emergency medicines, 3. With company nurse to address employees' health needs; assessment and, or referral of employee/s health condition in the workplace. 4. Employees are required to consult a Physician if sick leave is more than two days and a medical certificate/ clearance is required before resumption of work. 5. Pre- employment physical examination of newly hired employees. 6. Annual Physical examinations for all regular employees.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Presence of any symptoms of a suspected viral illness.	An employee is advised to go home and immediately consult a Physician
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Data relating to health, safety and welfare of its employees.	1. Annual vaccination program with Influenza virus is maintained 2. Monthly purchase of first aid supplies. 3. Maintains well ventilated and nonhazardous workplace through daily inspection and maintenance of facilities/supplies. 4. Quarterly Pest Control program of the work place.

Labor Laws and Human Rights

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

Disclosure	Units	MGH	MRTC	MRTDEVCO	MONUMENTO
		Quantity			
No. of legal actions or employee grievances involving forced or child labor	n.a	none	none	None	none

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? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	Not Applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Supply Chain Management

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

Not being engaged in the manufacturing of any product, the Company does not require any raw materials, energy or other items from suppliers in conducting its business.

MRTC, MRTDC and Monumento have no accreditation policy for its suppliers. The three (3) bid rule is being implementedfor company purchases.

Do you consider the following sustainability topics when accrediting suppliers?

On acquisition of supplies for operations like office supplies, computers air conditioners, etc., attach is code of ethics and anti-bribery and anti-corruption policy).

Topic	Y/N	If Yes, cite reference in the company policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	Y	MGHC strictly prohibits any form of bribery and corruption within the company, as well as in dealing with suppliers, contractors, and potential suppliers and contractors.

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
There are no expected purchases or sale of plant and significant equipment within the next 12 months as the Company is not engaged in any manufacturing business.	The Company discloses its policies and practices—specifically those that address the selection procedures with regards to suppliers and contractors thru its Code of Business Conduct and Ethics.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
The Company has a 28.47% equity interest in Monumento Rail Transit Corporation which as a result, allows participation in the MRT-3 System train system extension from North Triangle to Monumento (MRT 3 Phase 2); from Taft Avenue Station to the Airport (airport link); and Ayala Avenue Station to Buendia Station(the Makati Loop) in the event these projects are approved by the Philippine Government	The Company continues, through its holdings in Monumento Rail, to actively pursue its participation in the train system extensions.

Relationship with Community

Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.

Significant Impacts on Local Communities

MGHC's CSR programs are comprised of Green Outreach Programs focused on three major areas, namely: Environmental, Health and Educational prerogatives.

The three are central to 21st century living and are thus in line with MGHC’s historical corporate philosophy of staying abreast with the times – inclusive of when it comes to fulfilling its CSR mandate.

Geographically, MGHC has applied these initiatives not just within its immediate communities but beyond and even on a nationwide basis.

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)**
The MRT system provides a low fare and convenient mode of transport to 350,000 commuters a day. *There are elevators provided for the elderly and persons with disabilities*	13 stations from North Triangle to Taft Avenue	Public	Yes	Government	The Government, through Department of Transportation is responsible for the collection of fares and for the day-to-day operations of the system.

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting Indigenous Peoples (IPs), indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	**Quantity**	**Units**
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
The depletion or destruction of natural resources is altogether a non-issue. None of the projects will require compensatory or remedial measures to restore natural resources and will spew any harmful by-products – gas emissions or solid and liquid secretions – into the earth’s soil or atmosphere (such as would be the case in energy being generated from coal, for example).	MGCH will function sustainably to provide power to our country.

What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Future objectives in various parts of the country such as Baguio in Benguet province, the NCR, Pililla in Rizal province and Iloilo in the Visayas will not be depleting the planet's natural resources during the company's operations, thus capturing the very definition of Sustainable Development, or "meeting the needs of the present without compromising the ability of future generations to meet their own needs" In the case of waste-to-energy initiatives in Baguio and in Manila, there will be the additional benefit of a significant reduction in extremely detrimental manmade waste, as large quantities of rubbish is converted to genuinely usable power	The company will be acquiring two new subsidiaries: Metro Power Solutions, Inc. and Metro Renewable Energy Corporation. The company will be adding to its original portfolio (real estate development and management, IT and infrastructure, among others), projects or objectives in three phases over the next 10 years that involve solar (panels), wind (turbines), hydro and waste-to-energy power generation – all quintessentially "Green" initiatives.

Customer Management

The Company is a holding company and has no direct business operations that entail direct interaction with customers.

Business Operations of Affiliates

Monumento Rail

Monumento Rail currently has no project and is not in operation hence it has no direct interaction with customers.

MRTC

The operations and maintenance of MRT3 System is being handled by DOTR hence MRTC has no business operation that entails direct interaction with customers;

MRTDC

MRT Development Corporation's (MRTDC) main line of business is the leasing out of about 160 commercial retail spaces and about 1,200outdoor and 1,000 indoor advertising assets located in all 13 MRT-3 stations and guide way structures along the stretch of EDSA from North Avenue in Quezon City to Taft Avenue in Pasay City, constantly uphold the highest standards in servicing its tenants and advertisers with quality care and assistance under terms and conditions that are fair and satisfactory. Through the hard work and dedication of its management and employees, MRTDC will continue to sustain its quality service delivery to its tenants and advertisers, whose growth and success are also the company's.

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	N/A	No.

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
The Company is a holding company and has no direct business operations that entail direct interaction with customers.	Not Applicable
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Health and Safety

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

For MRTC and MRTDC, there were no reported or filed cases of any violation relating to Health and Safety Standards. For the operation and maintenance of the MRT-3 train system, DOTR is responsible for any operational related cases.

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	N/A	#
No. of complaints addressed	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Marketing and labeling

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labeling*	N/A	#
No. of complaints addressed	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	Management Approach
Not Applicable	Not Applicable

Customer privacy

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

MRT Development Corporation (MRTDC) strictly adheres to its responsibility towards confidential information provided by its tenants and advertisers. Unless in cases authorized by law, the company is accountable and compelled to protect every information provided by its tenants and advertisers. The company's leasing and advertising operations group, through the guidance of its corporate lawyers, is in-charge of handling tenants and advertisers' data privacy, reviewing guidelines and policies, executing strategies, establishing internal controls to protect these data and ensuring that these data are not compromised. MRTDC'spolicy on data privacy is in accordance with the Data Privacy Act. The company continues to educate its employees on the significance and confidentiality of tenants and advertisers' information.

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

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	Management Approach *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Not Applicable	*Not Applicable*
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact? *Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)* *Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)*	**Management Approach** *What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
Since 2007, the Company's securities are not traded due to voluntary suspension to allow the Company to re-align its business and explore new strategic directions.	Shareholders records are maintained by BDO Stock Transfer Agent.
What are the Risk/s Identified? *Identify risk/s related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable
What are the Opportunity/ies Identified? *Identify the opportunity/ies related to material topic of the organization*	**Management Approach**
Not Applicable	Not Applicable

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to United Nations 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**
In 2019, the wholly electrically-powered MRT-3 ferried an average of 350,000 daily passengers along its 13-station route from North Triangle to Taft Avenue.	MGHC environmental sustainability practices are exercised at the level of MRTC by the operations of MRT-3 System along EDSA on a daily basis all year long since 2000 (and through the year 2019). Approximately 1,450 buses a day do not have to ply EDSA, as a result. The scenario where vehicular diesel engines emit nitrogen compounds and particulate matter (hydrocarbons and carbon dioxide) as they burn diesel fuel is significantly diminished because 350,000 passengers ride the MRT-3 daily instead of the aforementioned buses. All stations of MRT have elevators for the use of the public.	Owing to the scaled-back, present day average of 40% less the number of trains running daily from its originally prescribed optimum of 20, the per-day average number of commuters riding the MRT-3 has correspondingly diminished from what the peak had been. As a result, with fewer trains servicing the commuting public, the public take buses and other forms of public transport like taxis or motorcycles instead. These other forms of public transport use fuel which pollutes the environment. This negative impact, unfortunately, is not within the control of the Company as it is the Philippine Government, through its agency, DOTR, which is responsible for ensuring the number of trains and the maintenance works on the MRT 3 System are enough to service the commuting public. While the MRT 3 is electrically powered and is a welcome substitute to the buses operating along EDSA that are run on diesel, there may still be a negative impact, albeit indirectly, on the environment by the mass rail system. This is because electricity in the Philippines is produced largely in coal fired plants which are less costly to operate.	Lobbied for and eventually succeeded in influencing the re-entry (which occurred in the 2nd quarter of 2019) of original maintenance service provider Sumitomo Corporation to restore riding capacity and bring it closer to its original ridership of 500,000+ passengers daily that occurred during its peak years of from 2000-2010.This will further add to the total number of buses that otherwise need to ply EDSA, and will remain sidelined, as a result. The Company's response to this negative impact is for MRT 3 to try to generate its own power through renewable energy, if feasible, if this is not feasible, the Company can more than offset the negative impact by developing renewable energy sources such as solar and wind farms, hydro electric and waste to energy plants.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

Signatures

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Company Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on JUN 29 2020.

By:

Robert John L. Sobrepeña Chief Executive Officer	**Atty. Ferdinand T. Santos** President/Chief Operating Officer
Ramon G. Jimenez VP -Accounting	**Alice O. Bondoc** Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUN 29 2020 day of ______ affiant(s) exhibiting to me his/their Social Security System Number, as follows:

NAMES	**SSS NO.**
Robert John L. Sobrepeña	03-6449007-1
Atty. Ferdinand T. Santos	03-2643588-3
Alice O. Bondoc	33-1923852-8
Ramon G. Jimenez	03-6347637-1

KAMILLE JOYCE E. CARRANZA-DITANGAN
Notary Public for Pasig, San Juan & Pateros
UF Renaissance Office Towers
Meralco Avenue, Ortigas Center, Pasig City
Roll of Attorneys No. 58810
Appointment No. 31 (2019-2020)
Commission Expires on December 31, 2020
PTR No. 6442663 / 01.10.2020 / Pasig
IBP LRN No. 988060 / 01.08.2015 / Cavite
MCLE Compliance No. VI-0017577 / 2.11.2019

Doc. No.: 244;
Page No.: 50;
Book No.: XIII;
Series of 2020

Re: METRO GLOBAL HOLDINGS CORPORATION_SEC FORM 17-A_30JUNE2020

From: ICTD Submission (ictdsubmission+canned.response@sec.gov.ph)

To: monjay@ymail.com

Date: Tuesday, June 30, 2020, 03:40 PM GMT+8

Dear Customer,

SUCCESSFULLY ACCEPTED
(subject to verification and review of the quality of the attached document)

Thank you.

SEC ICTD.

Fw: METRO GLOBAL HOLDINGS CORPORATION_SEC FORM 17-A_30JUNE2020

From: Ramon Jimenez (monjay@ymail.com)

To: mcsn_carrie@yahoo.com

Date: Monday, 6 July 2020, 12:55 pm GMT+8

----- Forwarded Message -----
From: MSRD COVID19 <msrd_covid19@sec.gov.ph>
To: Ramon Jimenez <monjay@ymail.com>
Cc: LOURVIC D. PACIS <ldpacis@sec.gov.ph>; CATHERINE E. GALIZA <cegaliza@sec.gov.ph>
Sent: Wednesday, July 1, 2020, 10:27:08 PM GMT+8
Subject: Re: METRO GLOBAL HOLDINGS CORPORATION_SEC FORM 17-A_30JUNE2020

Dear Sir/Madam,

Acknowledging receipt of your email with attachment.

Thank you.

Regards,

MARKETS AND SECURITIES REGULATION DEPARTMENT
PHILIPPINE SECURITIES AND EXCHANGE COMMISSION

On Tue, Jun 30, 2020 at 2:36 PM Ramon Jimenez <monjay@ymail.com> wrote:

> Greetings!
>
> We are hereby submitting Metro Global Holdings Corporation's SEC Form 17-A, together with the Sustainability Report and 2019 Audited Financial Statements.
>
> Kindly confirm receipt of this submission.
>
> Thank you,
>
> By:
> Metro Global Holdings Corporation
> Ramon G. Jimenez
> CFO

METRO GLOBAL HOLDINGS CORPORATION_SEC FORM 17-A_30JUNE2020

From: Ramon Jimenez (monjay@ymail.com)

To: ictdsubmission@sec.gov.ph

Cc: cgfd@sec.gov.ph

Bcc: marissa_dallo@yahoo.com.ph; mcsn_carrie@yahoo.com; kathleen.l.siy@klsiyassociates.com.ph

Date: Tuesday, June 30, 2020, 03:40 PM GMT+8

Greetings!

We are hereby submitting Metro Global Holdings Corporation's SEC Form 17-A, together with the Sustainability Report and 2019 Audited Financial Statements.

Kindly confirm receipt of this submission.

Thank you,

By:
Metro Global Holdings Corporation
Ramon G. Jimenez
CFO

METRO GLOBAL HOLDINGS CORPORATION_SEC FORM 17-A_30June2020.pdf
12.4MB

SEC copy

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

							9	1	4	2

COMPANY NAME

METRO GLOBAL HOLDINGS, CORPORATION (*formerly FIL-ESTATE CORPORATION*)

PRINCIPAL OFFICE (No./Street/Barangay/City/Town)Province)

MEZZANINE FLOOR, RENAISSANCE TOWER, MERALCO AVENUE, PASIG CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	MRD	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@metroglobalholdings.com	8633-6205	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1906	1st Thursday of March	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
Ramon Jimenez	monjay@ymail.com	8633-6205	

CONTACT PERSON's ADDRESS

Mezzanine Floor, Renaissance Tower, Meralco Avenue, Pasig City

Note 1: In case of death, resgination 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.

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.

METRO GLOBAL HOLDINGS CORPORATION
(formerly Fil-Estate Corporation)

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019 AND 2018

METRO GLOBAL HOLDINGS CORPORATION

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ANNUAL AUDITED FINANCIAL REPORT PACKAGE
DECEMBER 31, 2019

METRO GLOBAL HOLDINGS CORP.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **METRO GLOBAL HOLDINGS CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2019, 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 or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern 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 process.

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

KL Siy & Associates, 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 or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed under oath by the following:

Robert John L. Sobrepeña
Chairman of the Board

Atty. Ferdinand T. Santos
Chief Executive Officer

Ramon G. Jimenez
VP - Accounting

Mezzanine Floor, Renaissance Tower. Meralco Avenue, Barangay Ugong, Pasig City, Philippines
Tel.: +63.2.633.6205; Tel Fax: +63.2.633.6248
Website: www.metroglobalholdings.com; Email: info@metroglobalholdings.com

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me this 11 day of June 2020 affiant(s) exhibiting to me his/their Social Security System Number, as follows:

NAMES	SSS NO.
Robert John L. Sobrepeña	03-6449007-1
Atty. Ferdinand T. Santos	03-2643588-3
Ramon G. Jimenez	03-6347637-1

Doc. No.: 236 ;
Page No.: 50 ;
Book No.: XIII ;
Series of 2020.

ATTY. KAMILLE JOYCE E. CARRANZA-DITANGAN
NOTARY PUBLIC
ROLL NO. 58810
PASIG, SAN JUAN AND PATEROS

KAMILLE JOYCE E. CARRANZA-DITANGAN
Notary Public for Pasig, San Juan & Pateros
M/F Renaissance Office Towers
Meralco Avenue, Ortigas Center, Pasig City
Roll of Attorneys No. 58810
Appointment No. 31 (2019-2020)
Commission Expires on December 31, 2020
PTR No. 6442663 / 01.10.2020 / Pasig
IBP LRN No. 988060 / 01.08.2015 / Cavite
MCLE Compliance No. VI-0017577 / 2.11.2019

KL Siy & Associates

Assurance Consultancy Tax Services

TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the financial statements of **METRO GLOBAL HOLDINGS CORPORATION** ***(formerly Fil-Estate Corporation)*** which are to be submitted to the Commission, I hereby represent the following:

1. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);

2. That financial statements are presented in conformity with generally accepted accounting principles in the Philippines in all cases where I shall express an unqualified opinion; except that in case of any departure from such principles, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact;

3. That I shall fully meet the requirements of independence as provided under the Code of Professional Ethics for CPAs;

4. That in the conduct of the audit, I shall comply with the generally accepted auditing standards promulgated by the Board of Accountancy; in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion;

5. That I shall comply with the applicable rules and regulations of the Securities and Exchange Commission in the preparation and submission of financial statements; and

6. That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under the Code of Professional Ethics for CPAs.

Unit 1104, Prestige Tower Condominium, F. Ortigas Jr. Road, Ortigas Center, Pasig City 1605
Tel: (02) 8634-7685 / (02) 7730-3015 E-mail: artdsabino@klsiyassociates.com.ph

As a CPA engaged in public practice, I make these representations in my individual capacity and as a partner in the accounting firm of KL Siy & Associates.

KL SIY & ASSOCIATES
BOA Accreditation No. 0668
Effective until April 17, 2021
CDA Accreditation No. CEA 130-AF
Effective Until May 14, 2021
SEC Accreditation No. A-167-F (Conditional A)
Effective until June 30, 2020 (Renewal in Process)
IC Accreditation No. F-2016-003-R
Effective until December 31, 2020
TIN No. 215-665-658-000
BIR Accreditation No. 07-100131-001-2020
Effective until April 13, 2023

By:

ARTURO D. SABINO
Partner
CPA Certificate No. 91333
BOA Accreditation No. 0668
Effective until April 17, 2021
SEC Accreditation No. A-857-A (Conditional A)
Effective until June 30, 2020 (Renewal in Process)
BIR Accreditation No. 07-100129-001-2020
Effective until April 13, 2023
IC Accreditation No. SP-2019-003-O
Effective until December 04, 2022

TIN No. 175-119-851-000
PTR NO. 6448455, January 11, 2020, Pasig City

June 15,2020
Ortigas Center, Pasig City

The Board of Directors
METRO GLOBAL HOLDINGS CORPORATION
(formerly Fil-Estate Corporation)
Mezzaninne Floor, Renaissance Tower, Meralco Ave., Pasig City

We have audited the accompanying financial statements of Metro Global Holdings Corporation as of December 31, 2019 and 2018, on which we have rendered our report dated June 15,2020.

1. In compliance with Revenue Regulation V-20, we are stating that we are not related by consanguinity nor affinity to the president, manager or principal stockholder of the Company; and the taxes paid or accrued by the Company during the year are shown in Note 13.2 – Supplementary information in compliance with RR15 – 2010.

2. In compliance with SRC Rule 68, we are stating that said company has a total number of eight hundred twelve (812) stockholders owning one hundred (100) or more shares each.

KL SIY & ASSOCIATES
BOA Accreditation No. 0668
Effective until April 17, 2021
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TIN No. 175-119-851-000
PTR NO. 6448455, January 11, 2020, Pasig City

June 15,2020
Ortigas Center, Pasig City

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors
METRO GLOBAL HOLDINGS CORPORATION ***(formerly Fil-Estate Corporation)***
Mezzanine Floor,
Renaissance Tower,
Meralco Ave., Pasig

Opinion

We have audited the financial statements of Metro Global Holdings Corporation (the Company) which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial condition of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the 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.

Other Matter

The financial statements of Metro Global Holdings Corp., for the year ended December 31, 2018 was audited by another auditor who expressed an unmodified opinion on those financial statements on April 12, 2019.

Report on the Supplementary Information Under Revenue Revenue Regulation 15-2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 13.2 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

KL SIY & ASSOCIATES
BOA Accreditation No. 0668
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BIR - RR7B - EAST NCR PANANAW
RECEIVED 2020
RDO 43
29 JUN 2020
PASIG CITY
RHODA P. LAGUNTING
COMPLIANCE SECTION

By:

ARTURO D. SABINO
Partner
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Effective until December 04, 2022

TIN No. 175-119-851-000
PTR NO. 6448455, January 11, 2020, Pasig City

June 15, 2020
Ortigas Center, Pasig City

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019, 2018 and 2017
(Amounts in Philippine Peso)

	Notes	2019	2018
ASSETS			
Current Assets			
Financial assets at amortised cost			
Cash	*4.1,4.2,5*	P 932,232	P 620,599
Receivables	*4.1,4.2,6*	40,015,860	40,271,082
Other current assets	*4.1,8, 13.3*	67,786	1,686,473
Total current assets		41,015,878	42,578,154
Non-current assets			
Financial assets at fair value through OCI	*4.1,4.2,7*	1,460,331,875	1,485,780,626
Investment in Associate	*4.3, 9.1*	25,257,938	25,858,133
Investment in Subsidiary	*4.4, 9.2*	2,499,500	2,499,500
Deferred Tax Asset	*4.12, 13.2*	10,182,449	2,655,356
Total non-current assets		1,498,271,762	1,516,793,615
TOTAL ASSETS		P 1,539,287,640	P 1,559,371,768
LIABILITIES AND STOCKHOLDERS EQUITY			
Current Liabilities			
Financial liabilites at amortised cost			
Accrued expense and other payables	*4.1,10*	413,122,742	P 440,352,109
Income tax payable	*4.11,13.4*	7,594,816	3,827,231
Other current liabilities	*10*	3,705,261	3,566,275
Total current liabilities		424,422,819	447,745,615
Non-Current Liabilities			
Financial liabilities at amortised cost			
Due to a stockholder	*4.11,17.1*	773,371,405	802,063,113
Due to related parties	*4.11,17.2*	348,128,285	333,890,283
Total Non-current liabilities		1,121,499,690	1,135,953,396
Total Liabilities		1,545,922,509	1,583,699,011
Stockholder's Equity			
Paid up capital	*4.14,15*	1,998,553,181	1,998,553,181
Additional Paid in capital	*4.14,15*	589,120,804	589,120,804
Cumulative Market adjustment	*4.14,7.2*	516,307	1,017,460
Deficit	*4.14*	(2,594,825,161)	(2,613,018,687)
Total stockholders equity		(6,634,869)	(24,327,242)
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY		P 1,539,287,640	P 1,559,371,769

See notes to financial statements.

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
DECEMBER 31, 2019, 2018 and 2017
(Amounts in Philippine Peso)

	Notes		2019		2018		2017
Other Income	4.7,10.3,11.1	P	50,621,497	P	47,604,060	P	27,848,761
Other Expense	4.7,11.2		(25,838,294)		(8,603,614)		(11,615,849)
General and Administrative Expense	4.7,12		(5,004,819)		(14,613,203)		(16,495,752)
Income (Loss) before tax			19,778,384		24,387,243		(262,840)
Income tax expense	4.7,13.1		(1,584,857)		(1,944,767)		(5,228,356)
Net Income (Loss) for the year			18,193,527		22,442,476		(5,491,197)
Other Comprehensive Income - net							
Items reclassified subsequently to net income upon derecognition							
Gain (Loss) on valuation of available-for-sale	7.2		(501,154)		(869,762)		(964,186)
Income tax relating to these items	13.2		(150,346)		(260,928)		(289,256)
Total Comprehensive Income (Loss)		P	17,842,719	P	21,833,643	P	(6,166,127)
Earnings (Loss) per share	4.12,14	P	0.009	P	0.011	P	(0.003)

See notes to financial statements.

BIR - RR7B - EAST NCR PANANAW 2020
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RDO 43
29 JUN 2020
PASIG CITY
RHODA P. LAGUNTING
COMPLIANCE SECTION

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN EQUITY
DECEMBER 31, 2019, 2018 and 2017
(Amounts in Philippine Peso)

	Notes	NUMBER OF SHARES		PAID-UP CAPITAL		ADDITIONAL PAID-IN CAPITAL		MARKET ADJUSTMENT		DEFICIT		TOTAL EQUITY
Balance as at January 1, 2017		1,998,553,181	P	1,998,553,181	P	589,120,804	P	2,851,408	P	(2,629,969,966)		(39,444,573)
Comprehensive loss for the year	*7.2*	-		-		-		(964,186)		(5,491,197)		(6,455,383)
Balance at December 31 2017	*14.13*	1,998,553,181	P	1,998,553,181	P	589,120,804	P	1,887,222	P	(2,635,461,163)	P	(45,899,956)
Balance as at January 1, 2018		1,998,553,181		1,998,553,181		589,120,804		1,887,222		(2,635,461,163)		(45,899,956)
Comprehensive loss for the year	*7.2*	-		-		-		(869,762)		22,442,476		21,572,715
Balance at December 31 2018	*14.3*	1,998,553,181	P	1,998,553,181	P	589,120,804	P	1,017,460	P	(2,613,018,687)	P	(24,327,242)
Balance as at January 1, 2019	**7.2**	**1,998,553,181**	**P**	**1,998,553,181**	**P**	**589,120,804**	**P**	**1,017,460**	**P**	**(2,613,018,687)**		**(24,327,242)**
Comprehensive loss for the year	***14.3***	**-**		**-**		**-**		**(501,154)**		**18,193,527**		**17,692,373**
Balance at December 31 2019		**1,998,553,181**		**1,998,553,181.00**		**589,120,804.00**		**516,306.52**		**(2,594,825,161)**	**P**	**(6,634,869)**

#

See notes to financial statements.

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2019, 2018 and 2017
(Amounts in Philippine Peso)

	Notes		2019		2018		2017
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income/loss before tax		P	19,778,384	P	24,387,243	P	(262,840)
Adjustment for:							
Impairment loss	*11.2*		24,947,596		8,594,456		11,595,015
Interest Income	*11.1*		(4,040)		(2,599)		(3,606)
Share in net (income)/loss of associates	*11.2*		-		(17,926,928)		20,833
Operating income/loss before working capital changes			44,721,940		15,052,172		11,349,403
Increase/decrease in receivables			255,222		(1,627,039)		(684,439)
Increase/decrease in other current asset			1,618,688		(980,640)		100,803
Increase/decrease in accrued expense and other current liabilities			(27,090,381)		(2,541,857)		5,182,988
Increase/decrease in due to a stockholder			(28,691,708)		22,966,212		8,583,472
Cash generated from operations			(9,186,239)		32,868,848		24,532,228
Interest received			4,040		2,599		3,606
Cash paid for income taxes			(5,344,366)		(3,422,792)		(1,917,391)
Net cash used by in operating activities			(14,526,565)		29,448,655		22,618,443
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition/Disposal investment in subsidiary			-		(0)		(2,499,500)
Purchase of computer equipment			-		-		-
			-		(0)		(2,499,500)
CASH FLOWS FROM FINANCING ACTIVITIES							
Related Party Transactions							
Borrowing	*17.1*		600,195		1,894,800		50,000
Payment	*17.1*		14,238,002		(31,594,456)		(20,228,489)
Cash provided by financing activities			14,838,197		(29,699,656)		(20,178,489)
NET INCREASE (DECREASE) IN CASH			311,632		(251,002)		(59,546)
CASH AT BEGINNING OF THE YEAR			620,599		871,601		931,147
CASH AT END OF THE YEAR	*5*	P	932,232	P	620,599	P	871,601

See notes to financial statements.

Note 1 - CORPORATE INFORMATION

1.1 Incorporation

The Company was incorporated as San Jose Oil Company, Inc. on September 17, 1954 and was listed on the Philippine Stock Exchange (PSE) on May 4, 1964 as an oil exploration company and was reorganized in 1996 into a corporate vehicle that will pursue infrastructure-related investments and was renamed Fil-Estate Corporation (the Company). On September 9, 2004, the Philippines Securities and Exchange Commission (SEC) approved the extension of the Company's corporate life for another 50 years or 2054.

The Company is 87.885% owned by Fil-Estate Management, Inc. (FEMI), the Parent company. The principal activity of the Company is the holding of 4,278,511 shares or 18.6% interest in Metro Rail Transit Holdings, Inc. (MRTHI) and 24,034,840 shares or 12.6% interest in Metro Rail Transit Holdings II, Inc. (MRTH II). MRTHI has 84.9% interest in MRTH II which wholly owns Metro Rail Transit Corporation (MRTC). MRTHI, MRTH II, MRTC, and Monumento Rail Transit Corporation (Monumento Rail) are collectively referred to as the Metro Rail Transit (MRT) Companies. The earnings of the MRT Companies are derived from lease financing income relating to equity rentals received from the Department of Transportation and Communication (DOTC) as defined in the Build, Lease and Transfer (BLT) Agreement.

Notwithstanding the sale of future share distributions as discussed in *Note 7.1*, the Company continues to hold on to the legal rights over the shares of stock in MRTHI and MRTH II.

On May 30, 2014, the SEC approved the amendment of the Articles of Incorporation and By-Laws of the Company, changing its name from Fil-Estate Corporation to Metro Global Holdings Corporation. The amendments were intended to identify the group of companies under the "METRO GROUP" and establish the affiliation of the Company with its affiliate infrastructure companies, which likewise had the word "Metro" in their corporate names.

The Company owns 99% of MGHC Royal Holdings Corporation, a domestic corporation organized and established on May 19, 2017. (*See Note 9.2*)

On November 22, 2018, the stockholders approved the amendment of the Articles of Incorporation to include in the primary purpose investment in business engaged in solar, wind, and other renewable energy generation facilities. The proposed amendment will allow the Company to expand its investment into business engaged in solar, wind, and other renewable energy generation facilities, a growth area the Company intends to pursue.

On December 20, 2018, the Company entered into a Deed of Assignment with Fil-Estate Properties, Inc. (FEPI) to acquire the one thousand five hundred seventy-nine (1,579) shares or 15.79% equity ownership of FEPI in Metro Rail Transit Development Corporation (MRTDC).

The Company's registered office address is at Mezzanine Floor, Renaissance Centre, Meralco Avenue, Pasig City. The Company employed two (2) office personnel both in 2019 and in 2018.

1.2 Approval of Financial Statements

The financial statements of the Company for the year ended December 31, 2019 (including the comparatives for the year ended December 31, 2018) were authorized for issue by the Board of Directors on June 11, 2020. The Board of Directors is empowered to make revisions after the date of issue.

Note 2 – STATUS OF OPERATION AND MANAGEMENT PLAN

Status of operation

The Company incurred net income(loss) amounting to P18,193,527, P22,442,476 and P(5,491,197) in 2019, 2018 and 2017, respectively, with capital (deficiency) amounting to P P(6,634,869), P(24,327,242) and P(45,899,956) as at December 31, 2019, 2018 and 2017, respectively.

The Company continues to obtain support from FEMI and the management has undertaken steps to improve financial performance by agreeing to proposed equity infusions in the Company which are expected to provide significant revenues to the Company. The Company continues to hold legal rights over the shares of MRTHI, MRTHII and MRTC, the Company expects that its residual interest over these shares upon final liquidation of these companies or expiration of the BLT agreement would provide significant cash inflows to the Company. FEMI, in its letter of support to the Company, committed not to demand payment of the amount due from the Company not covered by the "Letter of Agreement" as discussed in Note 7.1, until such time that the Company has the ability to pay.

The BOD approved the recommendation of management to re-align the other businesses of the Company by spinning-off these businesses to new companies or to existing companies affiliated with the Company so that the Company can focus on its core business of infrastructure.

The trading of Company's shares of stock at the PSE has also been voluntarily suspended since March 20, 2007 to allow the Company to re-align its business and explore new strategic directions.

Equity Infusion
On March 19, 2007, the Company accepted the proposal of FEMI to infuse its 30.0% equity ownership in Camp John Hay Development Corporation (CJH) in exchange for up to 450.0 million shares of the Company at P1.0 par value, subject to the approval of the SEC.

On September 11, 2007, the Company signed a Deed of Assignment transferring the 30.0% equity ownership of FEMI in CJH Development Corporation in exchange for 450.0 million shares of the Company at P1.0 par value subject to the approval of the Bases Conversion Development Authority (BCDA). The Deed of Assignment by FEMI of its equity interest in CJH in favor of the Company was signed in 2007 in conjunction with CJH's active discussions with certain property developers and business process outsourcing (BPO) operators who intend to invest in the CJH area. The expansion of the CJH tourism and leisure complex in the northern resort destination of Baguio City will involve about 19 hectares of new development out of the total 247-hectare former rest and recreation facility of the United States Military. It is further expected that the profitability of CJH will also be boosted by such investments and which, in turn, will positively affect the financial performance of the Company.

On July 1, 2008, the BCDA gave its consent on the transfer made by FEMI of its 30.0% equity interest in CJH in exchange for new shares of stocks of the Company.

On April 23, 2009, the Company and FEMI (the parties) executed an Amendment to the Deed of Assignment which (a) amends the number of shares to be transferred to 1.5 million shares still representing 30.0% equity interest in CJH and (b) extends date of closing of transaction to June 30, 2010 or any date agreed upon by the parties in writing, in order to allow the parties to fully comply with the conditions precedent to closing as set forth in the Deed of Assignment, particularly the consent from the SEC.

Rescission of Restructured MOA with BCDA. On January 9, 2012, CJH rescinded the Restructured Memorandum of Agreement it entered into with BCDA on July 1, 2008, in view of the continuing inability of BCDA to make good its one-stop-shop 30-day permit issuance guaranty. CJH subsequently filed a case against BCDA for arbitration with the Philippine Dispute Resolution Center, Inc.

On March 14, 2012, the House of Representatives passed a resolution creating a technical working group aimed at assisting CJH and BCDA in amicably resolving the dispute.

On April 12, 2012, the Board of Directors (BOD) approved the deferment of assignment, transfer and conveyance in favor of the Company of FEMI's 30.0% equity in CJH until the resolution of the dispute between CJH and BCDA.

Final Award on Arbitration. On February 11, 2015, the PDRCI rendered its Final Award on the arbitration case filed by CJH Development Corporation (CJH) against the Bases Conversion and Development Authority ((BCDA). The decision stated that the Original Lease Agreement, and the subsequent Memorandums of Agreements entered into by CJH and BCDA were rescinded due to mutual breach of both parties.

The PDRCI (a) directed BCDA to return to CJH the total amount of rentals it paid amounting to P1,421,096,052; and (b) ordered CJH to vacate the leased premises and promptly deliver the leased property to BCDA upon full payment by BCDA to CJH of the aforementioned rental amount. The PDRCI likewise declared CJH as not liable for any unpaid back rent consistent with the ruling that rescission and mutual restitution is proper in the case.

On March 6, 2015, CJH filed a Verified Petition for Confirmation of Final Award with the Regional Trial Court of Baguio City. On March 27, 2015, the Court issued an Order of Confirmation of the Final Award.

Cancellation of equity infusion. In view of the PDRCI decision, the Board of Directors approved to cancel the proposed transaction of FEMI to infuse its 30.0% equity in CJH in exchange for equity shares of the Company. The cancellation was also in line with the Company's plan to focus on its core business of infrastructure.

Conversion of advances to equity
SEC approval of conversion of P800M advances. On January 28, 2008, the BOD approved the conversion of a portion of the liabilities to FEMI amounting to about P400.0 million into equity shares of the Company at a par value of P1.0 per share. In view of the increase in the balance of liabilities to FEMI, the amount to be converted to equity was increased to P600.0 million as approved by the BOD on April 18, 2011. The amount for conversion was further increased to P800.0 million as subsequently approved by the BOD on April 12, 2012.

On December 16, 2013, the SEC approved the conversion of portion of the Company's liabilities to FEMI amounting to P800.0 million, into equity shares totaling 800.0 million shares at P1.0 par value. *(see Note 15)*

SEC approval of conversion of P200,150,000 advances. On May 6, 2014, the BOD approved the request of FEMI to increase its shareholdings and further reduce its receivables from the Company through the conversion into equity of portion of its receivables amounting to P200,150,000, equivalent to 200,150,000 shares at P1.00 par value. *(see Note 15d)*

On September 4, 2014, the SEC approved the conversion of portion of the Company's liabilities to FEMI amounting to P200.15 million, into equity shares equivalent to 200,150,000 shares at P1.00 par value. With the additional subscription of FEMI, FEMI's total shareholdings in the Company stands at 87.885% as of December 31, 2014.

Infusion of certain properties
On April 12, 2012, the Company accepted the infusion by FEMI of certain properties of Mt. Zion Memorial, Inc. (MZMI) worth P500.0 million in exchange for 500.0 million shares of the Company at P1.0 par value. MZMI is a wholly-owned subsidiary of FEMI engaged in the development of Class A memorial parks. Organized in 1999, MZMI now has twelve (12) memorial parks nationwide with a total combined saleable memorial lots aggregating 50 hectares, with an estimated value of P2,500.0 million. A significant amount of annual income is expected to be generated from this infusion.

Consistent with the new business directions of the Company, the BOD approved to cancel the implementation of the proposed plan of FEMI to assign of properties of Mt. Zion Memorial Inc. (MZMI), worth P500 million in exchange for 500,000,000 shares of the Company at P1.00 per share.

Cooperation Agreement
On November 12, 2010, the Company, Fil-Estate Properties, Inc. (FEPI) and FEMI (collectively termed as the 'Fil-Estate Companies') entered into a Cooperation Agreement with Metro Pacific Investment Corporation (MPIC) relating to the Fil-Estate Companies' rights and interests in the MRT Companies. The cooperation has the following objectives: (i) explore solutions that will enable the expansion of the MRT 3 system through financially and legally viable means, and (ii) to transfer the interests of the Fil-Estate Companies in the MRT Companies, subject to obtaining the necessary consents from the relevant parties. Under the Cooperation Agreement, the Fil-Estate Companies shall appoint MPIC as its attorney-in-fact in connection with the exercise of the rights and interests of the Fil-Estate Companies in the MRT Companies. The completion and consummation of the transaction contemplated by the parties is subject to certain conditions, which as at December 31, 2017 has not yet occurred. As such, MPIC and Fil-Estate Companies are still in the process of discussing possible scenarios on how to implement the transactions contemplated by the parties when they entered into the Cooperation Agreement.

A total of P350M in advances has been received from MPIC. *(See Note 10.1)*

Settlement Agreement
On December 17, 2014, the Company, together with all the shareholders of Monumento Rail Transit Corp., entered into a Settlement Agreement with Metro Rail Transit Development Corporation (MRTDC) and companies who are parties to a Vested Rights Agreement dated May 22, 1995, whereby MRTDC agreed to assign to parties of the Vested Rights Agreement the development rights to specific developable areas of the 16 hectares Depot in North Triangle corner EDSA, North Avenue and Mindanao Avenue. The assignment of development rights, however, are conditioned on the assumption of the assignees of the obligation to pay royalties to shareholders of Monumento Rail Transit Corp. (Monumento Rail) arising from the developments in the Depot in accordance with the Deed of Assignment of Development Rights of June 16, 1995 between Metro Rail Transit Corp. Ltd. (MRTCL) and MRTDC, the Assignment and Assumption Agreement of December 18, 2000 between MRTCL and

Monumento Rail. The Company became a successor-in-interest of Monumento Rail to the extent of 28.47% of 5% of the Depot Income from the exercise by specific assignees of the development rights in specific developable areas of the Depot by virtue of the Settlement Agreement and the December 17, 2014 Deed of Assignment between Monumento Rail and the Company. *(See Note 9)*

As one of the stockholders of Monumento Rail, the Company is entitled to receive 28.47% of the lease income termed Depot Royalty computed at 5% of the gross receipts of the rental income from 8.3 ha commercial center and 5% of the gross proceeds of sale or leases on improvements constructed on the 4.6 ha lot pads less management fees and general and administrative expenses relative to the leased areas under the Development Rights Assignment. *(See Note 9)*

As at December 31, 2019, 2018 and 2017, the Company recognized Depot Royalty amounting to P30,296,661, P29,455,307 and P27,843,189 respectively which were paid in subsequent year. *(See Notes 6 and 11.1)*

Proposal to Department of Transportation and Communications (DOTC)
On December 19, 2014, the Company presented to the Department of Transportation and Communication (DOTC) its proposal for a Fast Track Rehabilitation of the MRT-3 system as a substantial shareholder of Metro Rail Transit Corporation (MRTC), owner of the MRT-3 System. The proposal, included among others, the total rehabilitation of the MRT-3 rail system and of the existing 73 rail cars, and the acquisition of new rail cars, at no cost to the government. Subsequently, MRTC adopted the proposal and submitted the same to DOTC.

As of December 31, 2019, the foregoing proposals remain pending with the office of the President.

Proposed increase in authorized capital stock
The Company plans to increase its authorized capital stock to 5,000,000,000 shares at P1.00 per share, from 2,000,000,000 shares at P1.00 per share. The initial plan in increase of its authorized
Capital stock to 3,000,000,000 shares at P1.00 per share, from 2,000,000,000 shares at P1.00 per share has been superseded by the approval by the Board of Directors on 24 September 2018.

FEMI agrees to subscribe to 25% of the plan increased in capitalization, or 750,000,000 shares at P1.00 per share. Out of the said subscription, Five Hundred Million Pesos (P500,000,000.00) corresponding to Five Hundred Million (500,000,000) common shares at P1.00 per share will be fully paid through the conversion into equity of portion of its advances to the Company.

As of December 31, 2019 and 2018, FEMI's advances to the Company amounted to P773.37 million and P802.06 million. *(See Note 15)*

<u>Expansion of the Company's primary purpose</u>
The Company plans to expand its primary purpose to include investment in business engaged in solar, wind and other renewable energy generation facilities.

On November 20, 2018, the Board authorized the Company to enter into a Memorandum of Agreement with Fil-Estate Management Inc. (FEMI) whereby the Company shall purchase the Two Hundred Forty Nine Thousand Nine Hundred Ninety Five (249,995) shares of common stock of FEMI in Metro Solar Power Solutions Inc. (Metro Solar); a stock corporation registered with the Securities and Exchange Commission (the "SEC") with SEC registration No. CS201622607 on September 28, 2016 primarily to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution.

Such shares issued by Metro Solar to FEMI represents 100% percent of the entire issued and outstanding capital stock of Metro Solar. As per agreement with FEMI, the consideration in the value of the Metro Solar shares will be determined by an independent appraiser which shall be acceptable to the Company.

The shares that the Company will issue to FEMI in exchange for the Metro Solar shares will come from the proposed three billion increase in authorized capital stock of the Company.

Assignment of Lease Income Termed "Depot Royalties"
On November 20, 2018, the Board approved to earmark/allocate to FEMI its Depot Royalties for a period of fifteen (15) years commencing January 30, 2020 and ending January 30, 2034 to enable the Company to partially repay the Advances to FEMI to the extent of Three Hundred Million Pesos (P300,000,000.00). *(see Note 17.3)*

On April 11, 2019, the Board of Directors of the Company passed a resolution approving the Company's agreement with FEMI that in consideration of FEMI not charging interest on the outstanding obligations of the Company, the Company agreed to partially repay the advances from FEMI by way of allocating to FEMI dividends and other income from affiliates of the Company in addition to the assignment of depot royalties (for a period of fifteen (15) years commencing on January 30, 2020 and ending on January 30, 2034.

Note 3 – BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in 2019, 2018 and 2017.

3.1 Presentation of Financial Statements

Presentation
These financial statements are presented in Philippine Peso (₱), the Company's functional currency, and all values are rounded to the nearest peso except when otherwise indicated.

Assets and liabilities are presented in the Statement of Financial Position in a current and non-current distinction and in order of liquidity.

The Statement of Comprehensive Income presents an analysis of expenses using a classification based on their functions.

The Company changes the presentation of its financial statements only if the changed presentation provides information that is reliable and more relevant to its users and the revised structure is likely to continue so that comparability is not impaired.

3.2 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB). PFRS consist of:

(i) PFRS – corresponding to International Financial Reporting Standards;

(ii) Philippine Accounting Standards (PAS) – corresponding to International Accounting Standards; and,
(iii) Interpretations to existing standards – representing interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), of the IASB which are adopted by the FRSC.

The Company need not present consolidated financial statements since the Company is partially-owned of another entity and its ultimate parent produces financial statements available for public use that comply with PFRSs, in which subsidiaries are consolidated in accordance with PFRS 10.

3.3 Basis of Measurement

These financial statements have been prepared on a historical basis modified by financial assets at fair values. The Company's financial statements have been prepared on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business.

3.4 Use of judgments and estimates

The preparation of the Company's financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

Determining when the Amortized Cost, FVOCI or FVPL categories apply to the Company's financial instruments

The Company management exercised judgement in classifying its cash in bank, receivables and due from related parties as financial assets at Amortised Cost based on a business model whose objective is to collect contractual cash flows, its Investment in quoted and unquoted shares as financial assets at FVOCI based on a business model whose objective is to both collect contractual cash flows and to sell. Its accrued and other current liabilities and due to related parties will remain as financial liabilities at amortised cost.

Investment in Redeemable Preferred Shares in Associate

The Company's investment in the redeemable preferred shares of its associate was classified by the issuer, Monumento Rail Transit Corporation, as equity upon issuance. The Redemption Price of the shares redeemed on August 22, 2006 was determined to be at par value of P.05 per share which is the price per share upon redemption. In accordance with the Articles of Incorporation of the issuer, the holder of the redeemable preferred shares is given the privilege of a right to receive Depot Royalty pro-rata to the percentage of shareholdings of redeemable shares held by each shareholder of record thereof as of August 22, 2006. *(See Note 9)*

Determination of Fair Value of Available-for-sale Financial Assets - Not Quoted in an Active Market

The Company determines whether a reliable measure of fair value is available for equity investments not quoted in an active market. If a reliable measure is not available or ceases to be available, the unquoted equity investments are measured at cost.

The fair values of the Company's investments in MRTHI and MRTH II cannot be reasonably determined as the shares are unquoted nor are there any expected future cash flows in view of the sale of future distributions as discussed in *Note 7.1* and that the investments, pursuant to the "Letter of Agreement" as also discussed in *Note 7.1,* will be used to settle the Company's liability to FEMI.

The fair values of financial assets amount to P1,460.3 million and P1,485.8 million as at December 31, 2019 and 2018, respectively *(see Note 7.1)*.

The fair value of financial liabilities amounted to P413.12 million and P440.35 million as at December 31, 2019 and 2018, respectively *(see Note 10).*

Management believes that the carrying value of the unquoted equity securities, after the application of the proceeds from the sale of the share of the future share distributions, can be realized in the future through: a) the Company's share in any additional variable equity rental payments (ERP) received by MRTC from DOTC in the form of a ridership bonus or sharing scheme which were not included in the future share distributions sold; b) the Company's share in the benefits arising from the residual rights in the expansion project; and c) the Company's put option to use the shares of stocks of MRTHI and MRTH II to pay-off its net advances from FEMI pursuant to the "Letter of Agreement".

As at December 31, 2019, the outstanding liability to FEMI and after considering the deposit received from MPIC and advances from MRTHI and MRTHII for an aggregate amount of P1,457.25 million while the carrying value of the investments amounts to P1,482.20 million. Therefore, there is an indication of impairment. The Company recognized an impairment loss of P24.95 million for the year. *(See Notes 7.1 and 11.2)*

As at December 31, 2018, the outstanding liability to FEMI and after considering the deposit received from MPIC and advances from MRTHI and MRTHII for an aggregate amount of P1,490.80 million while the carrying value of the investments amounts to P1,482.20 million. Therefore, there is an indication of impairment. The Company recognized an impairment loss of P8.59 million for the year. *(See Notes 7.1 and 11.2)*

Determination of Impairment of Available-for-sale Financial Assets- Quoted in an Active Market

The Company treats AFS financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination when an investment is other-than-temporarily impaired requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows, or the normal volatility in share price for quoted equities.

In the case of unquoted shares, AFS financial assets are considered impaired when management believes that future cash flows generated from the investment is expected to decline significantly.

Disclosure on Related Party Transactions

The Company determines the level of detail to be disclosed, in accordance with the requirements of the Philippine Financial Reporting Standards, in order to provide information in sufficient detail to the users of the financial statements to understand the effects of related party transactions on its financial statements:

i. the nature and amount of each individually significant transaction; and
ii. a qualitative or quantitative indication of the extent of transactions that are collectively, but not individually, significant.

In arriving at this judgment, the Company considers the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transactions. *(See Notes 4.10 and 17)*

Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies based on the certainty of the significant obligation or outflow resulting from contractual obligations, agreements, etc. and said outflow can be estimated reliably even if timing of may not be certain. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in *Note 4.6*.

Key Sources of Estimation Uncertainty

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Adequacy of recognition of expected credit losses on loans and receivables including short-term receivables

The Company management exercised judgement in determining that the provision for allowances for credit losses of P399,444 is adequate which considered forward-looking estimates. *(see Notes 6.3 & 12)*

Income Tax Provision

The Company's current tax provision amounting to P9,111,142 relates to management's interpretation of tax legislation applicable to the Company. *(See Note 13.1)*

Realizable Amount of Deferred Tax Assets and Liabilities

Significant management judgment is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Company reviews its deferred tax assets and liability at each reporting date and reduces carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. *(See Note 13.1)*

Deferred tax assets as at December 31, 2019 and 2018 amounts to P10,182,449 and P2,655,356, respectively. *(See Note 13.1)*

Impairment of Non-Financial Assets

The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

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

The Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the value in use approach. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets or holding of an investment, the Company is required to make estimates and assumptions that can materially affect the financial statements. *(See Note 9)*

3.5 Changes in Accounting Policies

The Company changes an accounting policy only if the change is (a) required by a Standard or an Interpretation; or (b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial position, financial performance or cash flows.

Impact of New Amendments and Interpretations to Existing Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of certain new PFRS and amendments to existing PFRS and PAS which became effective for current period on or after January 1, 2019. Unless otherwise stated, the adoption of the following new standards, interpretations and amendment does not have a material effect on the financial statements:

Effective in 2019

STANDARDS

- *PFRS 16, 'Leases'*

This standard replaces the current guidance in PAS 17 and is a far-reaching change in accounting by lessees in particular.

Under PAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). PFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees.

Under PFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Effective annual periods beginning on or after 1 January 2019 with earlier application permitted if PFRS 15, ‘Revenue from Contracts with Customers’, is also applied.

The Company is neither a lessor nor a lessee.

INTERPRETATIONS

- *IFRIC 23, ‘Uncertainty over income tax treatments’*

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under PAS 12. It specifically considers:

Whether tax treatments should be considered collectively Assumptions for taxation authorities' examinations The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates The effect of changes in facts and circumstances.

AMENDMENTS

- *Applying PFRS 9 'Financial Instruments' with PFRS 4 'Insurance Contracts' (Amendments to PFRS 4)*

Amends PFRS 4 *Insurance Contracts* provide two options for entities that issue insurance contracts within the scope of PFRS 4: an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach; an optional temporary exemption from applying PFRS 9 for entities whose predominant activity is issuing contracts within the scope of PFRS 4; this is the so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

The amendment is not applicable to the Company.

- *Amendment to PFRS 9, ‘Financial instruments’, on prepayment features with negative compensation*

Amends the existing requirements in PFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

- *Long-term Interests in Associates and Joint Ventures (Amendments to PAS 28)*

Clarifies that an entity applies PFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendment is not applicable to the Company.

- *Annual Improvements to PFRS Standards 2015–2017 Cycle*

Makes amendments to the following standards:

- **PFRS 3** and **PFRS 11** - The amendments to PFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to PFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

The amendment is not applicable to the Company

- **PAS 12** - The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

- **PAS 23** - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows *generally* when calculating the capitalisation rate on general borrowings.

- *Plan Amendment, Curtailment or Settlement (Amendments to PAS 19)*

The amendments in *Plan Amendment, Curtailment or Settlement (Amendments to PAS 19)* are: If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

<u>*Future Changes in Accounting Policies*</u>

The Company will adopt the following revised standards, interpretations and amendments when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standards and interpretations to have significant impact on its financial statements.

Effective in 2021

PFRS 17, 'Insurance contracts'

PFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. PFRS 17 supersedes PFRS 4 *Insurance Contracts* as of 1 January 2021.

The standard is not applicable to the Company.

Note 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all years presented unless otherwise stated.

4.1 Financial Instruments after adoption of PFRS 9

Classification and Measurement at initial recognition

Financial assets and liabilities are classified and measured at fair value at initial recognition (adjusted in some cases for transaction costs). The exception is for trade receivables that do not contain a significant financing component, as defined by PFRS 15, Revenue from Contracts with Customers. These are measured at the transaction price (e.g. invoice price excluding costs collected on behalf of third parties, such as sales taxes). As a practical expedient, it can be presumed that a trade receivable that does not have a significant financing component if the expected term is less than one year.

Financial assets are generally classified and measured at fair value, with changes in fair value recognized in profit or loss as they arise (FVPL) unless restrictive criteria are met for classifying and measuring them at Amortised Cost or Fair Value through Other Comprehensive Income (FVOCI).

Financial Assets and Financial Liabilities held:

Financial Assets	Notes	**2019**	2018
Financial Assets at amortised cost			
Cash	*5*	**P 932,232**	P620,599
Receivables	*6*	**40,015,860**	40,271,082
Financial Assets at Fair value through other comprehensive income	*7*	**1,460,331,875**	1,485,780,626
Total			P 1,526.672.307
Financial Liabilities	Notes	**2019**	2018
Financial Liabilities at amortised cost			
Advances from MPIC	*9*	**350,000,000**	350,000,000
Accrued expenses	*9*	**32,869,551**	60,098,919
Advances from NTDCC	*9*	**28,366,428**	28,366,428
Subscription payable	*9*	**1,886,763**	1,886,763
Due to Related Parties	*17*	**1,121,499,691**	1,135,953,396
Total		**P1,184,972,433**	P 1,226,655,506

Cost as the basis for estimating fair value
In limited circumstances, cost may provide an appropriate estimate of fair value. This would be the case if insufficient more recent information is available to measure fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Classification and Measurement after initial recognition
The basis on which financial assets are measured determines their classification.

Categories of financial instruments
The foregoing categories of financial instruments are more fully described below.

(a) Amortized Cost

The asset (debt instrument) is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified. Sale of asset, if any, are incidentally made in response to increase in asset's credit risk or to manage concentrations of credit risk.

The Company has bank deposits repayable on demand and Trade Receivables requiring payment only of fixed amounts on fixed dates.

The Company does not have any contract with any customer. The Other Receivables represent the Company's 28.48% share in the 5% rental income called "Depot Royalties" from depot developments rights in Trinoma for North Triangle Depot Development Corporation on account of the Company's P18,029,417 redeemable preferred shares *(see Note 9.1.1)*

For an instrument at Amortized Cost, the following tests have to be met:
• The objective of the entity's business model is to hold assets only to collect cash flows ("the Business Model test"), and
• The contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding ("the SPPI test"). Principal is the fair value of a financial asset at initial recognition which may change over the life of the financial instrument if there are repayments of the principal. Interest is the consideration for the time value of money, for the credit risk associated with the principal outstanding during a particular period of time, basic risks, administrative costs and profit margin. There are factors to be considered in applying the SPPI test to a financial instrument (e.g. prepayments, foreign currency or when non-payment occurs)

(b) FVOCI

The asset is measured at fair value. The Company has investment in equity instruments designated as FVOCI. *(see Note 7)*

Loans and receivables (Debt Instrument)
Interest revenue, impairment gains and losses, and a portion of foreign exchange gains and losses, are recognized in profit and loss on the same basis as for Amortized Cost assets. Changes in fair value are recognized initially in Other Comprehensive Income (OCI). This includes assets held to maturity.

Derecognition
When the asset is derecognized or reclassified, changes in fair value previously recognized in OCI and accumulated in equity are reclassified to profit and loss on a basis that always results in an asset measured at FVOCI having the same effect on profit and loss as if it were measured at Amortized Cost. Under PFRS 39, assets of this category include held to maturity.

Investments in equity instruments
Equity investments represents any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Dividends represent "distributions of profits to holders

of equity instruments in proportion to their holdings of a particular class of capital. Dividends are recognized when the entity's right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably. Dividends are recognized in profit and loss unless they clearly represent recovery of a part of the cost of the investment, in which case they are included in OCI. Changes in fair value are recognized in OCI and are never recycled to profit and loss, even if the asset is sold or impaired.

Derecognition
When the asset is sold, changes in the fair value of the asset can be transferred from the equity account where OCI is accumulated to another equity account, retained earnings.

For an instrument at FVOCI, the following tests have to be met:
• The objective of the entity's business model is both to hold assets to collect cash flows and to sell ("the Business Model test"), and
• The contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding ("the SPPI test").

(c) FVPL

The asset is measured at fair value if it fails both the Business Model test and the SPPI test. Changes in fair value are recognized in profit and loss as they arise.

(d) Financial Liabilities at FVPL

Change in the fair value of financial liabilities designated as FVPL are recognized in profit and loss. However, that portion of the change attributable to changes in the entity's own credit risk is recognized in OCI, with no recycling, unless:
• OCI presentation would create or enlarge an accounting mismatch in profit and loss; or
• The liability is a loan commitment or financial guarantee contract.

Reclassification of Financial Assets and Financial Liabilities

The general requirements for the reclassification:
• In the rare circumstances when an entity changes its business model for managing financial assets, it must reclassify all affected financial assets according to the basic classification and measurement criteria discussed earlier.
• An entity cannot reclassify financial liabilities.
In general, reclassifications of financial assets are accounted for prospectively under IFRS 9; i.e., they do not result in restatements of previously recognized gains, losses or interest income.

Recognition and Measurement of Impairment – Expected Credit Losses

This applies to loans and receivables measured at amortized cost or FVOCI. Because every loan and receivable has at least some probability of defaulting in the future, every loan or receivable has an expected credit loss associated with it—from the moment of its origination or acquisition. Financial assets measured and classified as FVPL or qualifying equity investments (FVOCI) do not have recycling of fair value changes to profit or loss.

Expected credit losses are calculated by: (a) identifying scenarios in which a loan or receivable defaults; (b) estimating the cash shortfall that would be incurred in each scenario if a default were to happen; (c) multiplying that loss by the probability of the default happening; and (d) summing the results of all such possible default events. As a general rule, the maximum period to consider in measuring expected credit losses is the maximum contractual period (including extension options).

From the three available approaches: a general approach, a simplified approach (usually for trade receivables, contract receivables, lease receivables) and the so-called "credit adjusted approach (usually for purchased or originated credit-impaired financial assets), the Company adopted the simplified approach (provision matrix) due to short credit term given to its customer which is 30 days and it does not have a significant financing component. The provision matrix is based on an entity's historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

After initial recognition, the impairment allowance is adjusted, up or down, through profit or loss at each balance sheet date as the probabilities of collection and recoveries change. If the loan turns out to be fully collectible, expected losses eventually would fall to zero as the probability of non-payment declines and "impairment gains" would be recognized in profit and loss. If the loan grows riskier, the probability that a default will occur and thus expected credit losses will increase. If a default happens, and the lender suffers an actual cash shortfall, expected credit losses will equal that shortfall.

Write-offs
For assets classified as Amortized Cost, an entity must write off a loan or receivable when no reasonable expectation of recovering the asset or a portion thereof (e.g., a specified percentage) exists.

4.2 Investment in Associate

Significant influence and use of equity method
The Company carries its investment in Monumento Rail, where the Company has the ability to exercise significant influence since the date of acquisition, under the equity method of accounting. The existence of significant influence of the Company is evidenced by the following: representation on the board of directors, participation in the policy-making process, managerial personnel and material transaction between the two companies. *(see Note 9.1)*

Initial and subsequent recognition
Under the equity method, the investment is initially carried at cost and is subsequently adjusted to reflect its share in Monumento Rail's net profit or loss. Other adjustments to its carrying amount include distributions received from Monument Rail and those arising from changes in Monumento Rail's other comprehensive income not included in its profit or loss such as revaluations.

Presentation
The investment is carried in the statement of financial position at cost plus post-acquisition changes in the Company's share in net assets of the associate, distributions received less any impairment in value. The statement of comprehensive income reflects the Company's share of the financial performance of the associate. Where there has been a change recognized directly in equity of the associate, the Company recognizes its share of any changes and discloses this, when applicable, in the statement of changes in capital deficiency.

The share of profit of associates is shown in the statement of comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

Date of associate's financial statements and accounting policies
In applying the equity method, the Company uses the financial statements of the associate as of the same date as its financial statements unless it is impracticable to do so. If it is

impracticable, the most recent available financial statements of its associate are used, with adjustments made for the effects of any significant transactions or events occurring between the accounting period ends. However, the difference between the reporting date of the associate and that of the Company is not longer than three months. Monumento Rail's accounting policies are the same as that of the Company's.

Derecognition
Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal are recognized in profit or loss.

Share in losses in excess of investment
If the Company's share of losses in Monumento Rail equals or exceeds its interest in Monumento Rail, the Company discontinues recognizing its share of further losses. The Company's interest in Monumento Rail is the carrying amount of its investment in Monumento Rail under the equity method together with any long-term interests that, in substance, form part of its net investment in Monumento Rail. After its interest is reduced to zero, additional losses are recognized by a provision (liability) only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of Monumento Rail. If Monumento Rail subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized. *(See Note 9)*

4.3 Investment in Subsidiary

Subsidiaries are all entities over which the Company has the power to control the financial and operating policies. Control is achieved where the Parent Company has the power to govern the financial and operating policies of an entity 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 Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company uses the acquisition method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured at fair value of the assets given, the equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of the minority interest. The excess of cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. If the acquisition is less than fair value of the net assets of the subsidiary acquired, the difference, or negative goodwill, is recognized as Income from Acquisition directly in the Company statement of comprehensive income as part of Other Revenues. *(see Note 9.2)*

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired *(see Note 4.4)*

Transfers of assets between commonly controlled entities are accounted for under historical cost accounting.

The results of subsidiaries disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of disposal.

Intra group transactions, gains and losses on intra-group transactions are eliminated. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the accounting policies adopted by the Company.

Non-controlling interests in subsidiaries are identified separately from the Company's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the investee's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under PAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

4.4 Impairment of Non-Financial Assets

The Company's Non-financial assets are subject to impairment testing. Intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal evaluation of discounted cash flow. Impairment loss is charged pro-rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

4.5 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. 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. In addition, where time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

4.6 Revenue, Other Income and Expense Recognition

Revenue
Revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services based on a five-step model:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Contract Liability
This account pertains to any amount made by a customer as advance payment to the Company before the latter performs its obligation.

Other Income
1. *Share in the Lease income termed as "Depot Royalties"*– Revenue is recognized when earned and computed at 28.47% of 5% the gross receipts of the rental income from 8.3 ha commercial center and 5% of the gross proceeds of sale or leases on improvements of 4.6 ha lot pads less management fee and general and admin expenses relative to the leased areas. *(See Notes 2, 9.1 and 11.1)*

2. *Assumption of Liability* – The Company recognized as other income the assumption of the Company's liability on consultancy fees to Arch. Advisory by MRTDC.
3. *Interest* – Revenue is recognized as interest accrues (taking into account the effective yield on the asset).
4. *Share in net profit of associate* – Revenue is recognized on the basis of its proportionate ownership interest.
5. *Realized gain on foreign exchange* – Foreign exchange gain is the difference resulting from exchange differences arising on the settlement of monetary items.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding value-added tax (VAT) and trade discounts.

Cost and Expense Recognition
Costs and expenses are recognized in the Statement of Comprehensive Income upon utilization of the service or at the date they are incurred. Except for borrowing costs attributable to qualifying assets, all finance costs are reported on an accrual basis. Cost and Expenses are presented as Other Expense *(Note 11.2)* and General and Administrative Expenses *(Note 12)* in the Statements of Comprehensive Income.

Cost of Service
This pertains to the cost of fulfilling the contract based on the following criteria:

- the costs relate directly to a contract (or a specific anticipated contract);
- the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future; and
- the costs are expected to be recovered.

4.7 Employee Benefits

Statutory Benefits

In accordance with the provisions of the Labor Code, the Company provides 13th month Pay, Social Security System, Pag-ibig Membership, Home Mutual Development Fund Membership and Philhealth Membership to all employees. This is presented as part of 13th month and other benefits.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: (a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the reporting date. They are included in Other Payables account in the Statement of Financial Position at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.
Retirement Benefits

The requirements of Republic Act 7641 amending the Article 287 of Presidential Decree No. 442, otherwise known as the Labor Code, requires companies with more than ten (10) employees to set up or plan a retirement benefit program for its employees.

The Company only has two (2) office personnel both in 2019 and 2018.

4.8 Functional Currency and Foreign Currency Transactions

(a) Functional and Presentation Currency

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

(b) Transactions and Balances

The accounting records of the Company are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency 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 the Statement of Comprehensive Income.

The Effects of Changes in Foreign Exchange Rates
Provides certain restrictions in allowing the capitalization of foreign exchange differentials. Under prevailing circumstances, the adoption will not have a material effect on the Company's financial position, results of operations and cash flows in year 2017 and 2016 since the Company does not have foreign currency transactions.

4.9 Impairment of Non-financial Assets

Identifying an asset that may be impaired

At the end of each reporting period, the Company assesses whether there is any indication that any of its non-financial assets may be impaired (i.e. its carrying amount may be higher than its recoverable amount).

Indications of impairment
For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.
The factors that the Company considers important which could trigger an impairment review include the following:

External sources
- market value declines;
- negative changes in technology, markets, economy or laws;
- increase in market interest rates;
- net assets of the Company higher than market capitalization

Internal sources:
- obsolescence or physical damage;

- asset is idle, part of a restructuring or held for disposal
- worse economic performance than expected
- for investments in subsidiaries, joint ventures or associates, the carrying amount is higher than the carrying amount of the investee's assets, or a dividend exceeds the total comprehensive income of the investee

Determining recoverable amount

- If fair value less costs of disposal or value in use is more than carrying amount, it is not necessary to calculate the other amount. The asset is not impaired.
- If fair value less costs of disposal cannot be determined, then recoverable amount is value in use.
- For assets to be disposed of, recoverable amount is fair value less costs of disposal.

Recognition of an impairment loss

An impairment loss is recognised whenever recoverable amount is below carrying amount. The impairment loss is recognised as an expense (unless it relates to a revalued asset where the impairment loss is treated as a revaluation decrease). Adjust depreciation for future periods.

Reversal of an impairment loss

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

4.10 Related Party Transactions

Parties are considered to be related if one party has the ability to, directly or indirectly, control or exercise significant influence over the party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Related party relationships are a normal feature of commerce and business. The Company sometimes grants/secures interest-bearing and non-interest-bearing advances to/from its affiliates and/or shareholders. Interest-bearing advances are covered by promissory notes renewable annually. Advances to affiliates and/or shareholders are presented as part of Loans and Receivables in the Company's Statement of Financial Condition. Interest-bearing advances from an affiliate and/or shareholder are presented as part of Notes Payable in the Statement of Financial Position.

Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related entities in an economically compatible market. *(See Note 17)*

4.11 Income Taxes

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the Statement of Comprehensive Income.

Deferred tax is provided, using the balance sheet liability method on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. *(See Note 13.1)*

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences, carry forward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused tax losses from net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward benefits of unused tax credits from excess MCIT over RCIT and unused tax losses from NOLCO can be utilized. Deferred tax assets and liabilities are not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred income tax asset can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in subsidiaries and affiliates.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the Statement of Comprehensive Income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

At each reporting date, management re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

4.12 Earnings (Loss) per Share

Earnings (Loss) per share is computed by dividing the net income (loss) for the year attributable to equity holders of the Company by the weighted average number of ordinary shares issued and outstanding during the year after considering the retroactive effect, if any, of stock dividends declared during the year, excluding treasury shares. *(See Note 14)*

Diluted earnings per share is calculated by dividing the net income or loss for the year by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares and adjusted for the effects of all dilutive potential common shares, if any.

In determining both the basic and diluted earnings per share, the effect of stock dividends, if any, is accounted for retroactively.

4.13 Equity

Capital stock is determined using the nominal value of shares that have been issued. *(See Note 15)*

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits. Treasury shares are stated at the cost of reacquiring such shares.

Unrealized gain/loss includes all changes in market value of the Available-for-sale Financial Assets that are taken directly to the equity. *(See Note 7.2)*

Retained earnings (deficit) include all current and prior period results as disclosed in the statement of income.

Prior Period Adjustments

Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Potential current period errors discovered in that period are corrected before the financial statements are authorized for issue. However, material errors are sometimes not discovered until a subsequent period, and these prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period.

The Company corrects a prior period error by retrospective restatement except when it is impracticable to determine either the period-specific effects or the cumulative effect of the error. When it is impracticable to determine the period-specific effects of the error on comparative information for one or more prior periods presented, the restatement of the opening balances of assets, liabilities and equity shall be made for the earliest period for which retrospective restatement is practicable. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, restatement of the comparative information to correct the error prospectively shall be made from the earliest date practicable.

4.14 Business Segments

The Company's operating business are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products.
Segment Assets and Liabilities. Segment assets include all operating assets used by a segment and consist principally of operating cash. Segment liabilities include all operating liabilities and consist principally of accrued expenses and other current liabilities. Segment assets and liabilities do not include AFS financial assets and borrowings, respectively.

Inter-segment Transactions. Segment revenue, segment expenses and segment performance include transfers among business segments. The transfers, if any, are accounted for at competitive market prices charged to unaffiliated customers for similar products.

4.15 Events after the Reporting Date

Events after the reporting date are those events, favorable and unfavorable, that occur between the reporting date and the date when the financial statements are authorized for issue.

The Company adjusts the amounts recognized in the financial statements to reflect adjusting events after the reporting date. Non-adjusting events are not recognized in the financial statements but are disclosed in the Notes to Financial Statements. *(See Note 22)*

Note 5 – FINANCIAL ASSETS AT AMORTISED COST - CASH

The Company recognized cash in bank amounting to P932,232 and P620,599 as at December 31, 2019 and 2018, respectively.

Cash accounts with banks generally earn interest at rates based on daily bank deposit rates. Interest income amounts to P4,039, 2,599 and P3,606 in 2019, 2018 and 2017, respectively. The Company recognized foreign exchange gain(loss) in USD-denominated bank account amount to P(290,502), P1,000 and P1,966 in 2019, 2018 and 2017, respectively. Interest Income and Foreign Exchange Gain presented as part of Other Income in the Statement of Comprehensive Income. Unrealized Foreign Exchange Loss is presented as part of Other Expense *(See Notes 11.1 and 11.2)*

Note 6 – FINANCIAL ASSETS AT AMORTISED - RECEIVABLES

This account is composed of the following:

		2019		2018
Accounts Receivable *(Note 6.1)*	**P**	**32,417,427**	P	31,517,178
Other Receivables				
Receivable from Monumento Rail *(Notes 6.2 and 17)*		**6,216,406**		6,216,406
Advances to MRTHI *(Note 6.3)*		**1,766,472**		2,779,228
Advances to Officer / Employee		**15,000**		15,000
		7,997,877		9,010,634
Allowance for credit losses *(Note 12)*		**(399,444)**		(256,730)
		7,598,433		8,753,904
	P	**40,015,860**	P	40,271,082

6.1 Accounts Receivable

This account pertains to accrual of the Company's 28.47% share in the lease income from depot development rights in TriNoma from North Triangle Depot Commercial Corporation (NTDCC) *(see Notes 11.1)* which is inclusive of deferred output VAT *(see Note 10.4).*

The fair value of these short-term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

6.2 Receivable from Monumento Rail

This account includes the share in various expenses of Monumento Rail paid by the Company *(see Note 17)* and settlement of the redemption price for the preferred shares redeemed amounting to P901,471 in 2017 *(see Note 8).* During the year, there is no movement in the account.

6.3 Advances to MRTHI and MRTHII

On MRTHI
During the year, the Company received P1,012,756 as payment from MRTHI. Outstanding balance amounts to P117,362.

On MRTHII
This account amounts to P1,539,110 and pertains to expenses relating to meetings with prospective investors paid by the Company in behalf of MRTHII in 2014 *(See Note 17)*. There is no movement in this account since 2014.

6.4 Allowance for Credit Losses

The roll-forward of this account follows:

	2019	2018
Beginning	**P 256,730**	P -
Provisions during the year *(see Note 12)*	**142,714**	256,730
Ending	**399,444**	256,730

Note 7 – FINANCIAL ASSET VALUED THROUGH OTHER COMPREHENSIVE INCOME

This account is composed of the following:

	2019	2018
Unquoted equity securities *(Note 7.1)*	**P 1,457,249,987**	P 1,482,197,584
Quoted equity securities *(Note 7.2)*	**3,081,888**	3,583,042
	P 1,460,331,875	P 1,485,780,626

7.1 Unquoted equity securities

Details of investments in MRTHI and MRTHII as at December 31, 2019 and 2018 as follow:

	2019	2018
Acquistion Cost	**P 3,331,144,116**	P 3,331,144,116
Balance at beginning of year	**P 1,482,197,584**	P 1,490,792,040
Less: Impairment loss *(Note 11.2)*	**(24,947,597)**	(8,594,456)
Balance at the end of the year	**P 1,457,249,987**	P 1,482,197,584

The Company's ownership interests as at December 31, 2019 and 2018 in MRTHI and MRTHII are as follow:

Investee	Interest	Indirect Interest	Effective Interest	Nature of Business
MRTHI	18.6%	-	18.6%	Holding Company
MRTHII	12.6%	15.80%	28.4%	Holding Company

MRTHI
MRTHI has 84.9% interest in MRTH II.

MRTH II
MRTHII wholly owns MRTC, which was awarded by the Philippine Government (Government), acting through the DOTC, the BLT Agreement to build, lease, and transfer a

16.9-kilometer rail transit system in Metro Manila, known as LRTS Phase I, with a right to submit a bid for the Monumento Extension (LRTS Phase II) and the Makati Loop. *(See Note 2)*

Sale of Future Share Distributions
In 2002, the Company and other participating shareholders of MRTHI and II (collectively referred to as the 'Sellers', entered into Sale Agreements where they sold all future share distributions arising from the ERP of the LRTS Phase I Project of MRTC in exchange for Original Issuance Discount Bonds (OID Bonds).

The transaction is covered by several agreements that provide the link between share distributions arising from the ERP of the LRTS Phase I Project of MRTC and payments to the Noteholders. These agreements: (a) facilitate the timely payment of the Sellers' share of the ERP of the LRTS Phase I Project of MRTC ensuring that the right to receive their share in the ERP has been legally independent of the Sellers to the Noteholders, (b) ensure the flow of rental payments independent of the Sellers, (c) bind the Sellers to cause the timely collection of rental payments and to cause MRTC to perform its obligations, and (d) prevent the Sellers from selling their rights in MRTC for as long as the Notes are outstanding. Accordingly, the stock certificates of the Company in MRTHI and MRTH II are under the custody of a trustee and were pledged to MRT III.

MRTC accounts for the lease payments from DOTC under finance lease where lease financing income is recognized using a constant periodic rate of return on the net investment. Future share distribution sold under the Agreements pertains to the Company's share in the ERPs of the LRTS Phase 1 Project of MRTC.

Notwithstanding the sale of future share distributions, the Company continues to hold on to the legal rights over the shares of stock in MRTHI and MRTH II in compliance with the various agreements related to the sale of share of future share distributions mentioned above, as well as the Company's obligation under the Agreement of MRTC with DOTC whereby the original shareholders of MRTHI and MRTH II are precluded from transferring their equity interest in MRTHI and MRTH II until the end of the BLT Agreement in July 2025. Accordingly, any additional variable ERP to be received by MRTHI and MRTH II through MRTC from DOTC in the future and any benefits arising from the residual rights in the expansion project shall still accrue to the Company and the other shareholders.

Letter of Agreement
On the basis of these potential benefits, on August 18, 2005, the Company and FEMI entered into a "Letter of Agreement", whereby FEMI has agreed to grant and granted the Company the sole option to assign to FEMI its equity interests in MRTHI and MRTH II as settlement of the Company's liabilities to FEMI amounting to P807.32 million (included in 'Due to a stockholder' account in the statements of financial position) and any additional advances or interest which FEMI may charge to the Company in relation to the said advances. Under the "Letter of Agreement," should the Company opt to sell the said investments to third party or parties in the future, FEMI has the right of first refusal to purchase the said investments at its prevailing market value.

Management believes that the carrying amount of the investments in MRTHI and MRTH II, after the application of the proceeds from the sale of the share of the future share distributions as discussed above, can be realized in the future through:

a. The Company's share in any additional variable ERP received by MRTC from DOTC in the form of a ridership bonus or sharing scheme which were not included in the future share distributions sold;

b. The Company's share in the benefits arising from the residual rights in the expansion project; and

c. The Company's put option to use the shares of stocks of MRTHI and MRTH II to pay-off its net advances from FEMI pursuant to the "Letter of Agreement" discussed above.

Impairment Loss on Value of Investment
As at December 31, 2018, the outstanding liability to FEMI and after considering the deposit received from MPIC and advances from MRTHI and MRTHII for an aggregate amount of P1,473.61 million while the carrying value of the investments amounts to P1,482.20 million. Therefore, there is an indication of impairment. The Company recognized an impairment loss of P8.59 million for the year. *(See Notes 11.2)*

As at December 31, 2019, the outstanding liability to FEMI and after considering the deposit received from MPIC and advances from MRTHI and MRTHII for an aggregate amount of P1,460.1 million while the carrying value of the investments amounts to P1,482.2M. Therefore, there is an indication of impairment. The Company recognized an impairment loss of
P24.95 million for the year. *(See Note 11.2)*

Dividends Declaration
On April 4, 2014, MRTC declared cash dividends equivalent to and to be offset against future advances to shareholders representing Equity Rental Payment remittances to shareholders as of December 31, 2013.

On December 11, 2019, MRTC declared additional dividends based on its December 31, 2018 Audited Financial Statements which shall be paid in accordance with the schedule to be determined by the MRTC Management.

As of December 31, 2019, MRTHI and MRTHII have yet to declare dividends.

7.2 Quoted equity securities

Movements in AFS financial assets consists of:

	2019	2018
Acquistion cost	**P 2,565,582**	P 2,565,582
Cumulative change in fair value of AFS		
Balance at the beginning of the year	**1,017,460**	1,887,222
Changes in fair value during the year	**(501,154)**	(869,762)
Balance at the end of year	**516,306**	1,017,460
	P 3,081,888	P 3,583,042

The changes in fair value of quoted equity securities are presented as changes in fair value of available-for-sale financial assets in the Other Comprehensive Income amounting to P(501,154) and P(869,762) in 2019 and 2018, respectively.

Note 8 – OTHER CURRENT ASSETS

This account consists of the following:

	2019	2018
Input VAT *(Note 13.2)*	**P 67,786**	P 170,146
Creditable Withholding Tax *(Note 13.2)*	**-**	1,516,327
Balance at end of year	**P 67,786**	P 1,686,473

Creditable withholding relates to the lease income received in 2019 and 2018. *(See Note 11.1)*

Note 9 – INVESTMENTS

9.1 Investment in Associates

	2019	2018
Monumento Rail Transit Corp.	**P 6,019,026**	P 6,027,248
Metro Rail Transit Development Corp.	**19,238,911**	19,830,886
	25,257,937	25,858,134

The Company, through its direct and indirect investments in MRTHI and MRTH II, is the beneficial owner of 28.47% equity interest in Monumento Rail Transit Corporation (Monumento Rail). The Company's interest in Monumento Rail expectedly allows the Company's participation in the train system extension and additional train/vehicle procurement, in the event the Government awards the projects to MRTC, and it will continue to pursue. As at December 31, 2019, the Monumento Rail has no commercial activity and is in the process of negotiating with the Government towards the submission of a proposal for the said projects.

Build-Lease-Transfer Agreement
Under the Build-Lease-Transfer (BLT) between the Department of Transportation and Communication (DOTC) and Metro Rail Transit Corporation, (formerly EDSA LRT Corporation), Metro Rail Transit Corporation was granted Development Rights over the 16 ha. Depot along North Avenue, Quezon City.

Development Rights Assignment
On June 16, 1995, Metro Rail Transit Corporation and MRTDC (formerly EDSA LRT Development Corporation) entered into a Deed of Assignment of Development Rights where MRTDC is obligated to pay/deliver to Metro Rail Transit Corporation the following:

(a) with respect to the improvements constructed by MRTDC on the Depot intended for sale or disposition, 5% of the gross proceeds of such sale;

Deeds of Assignment of Reserve Rights and Reserve Obligations
By virtue of an Assignment and Assumption Agreement dated December 18, 2000, Monumento Rail, a subsidiary of Metro Rail Transit Corp. Ltd. (MRTCL), accepted the assignment from the latter of the Reserved Rights as follows:

(a) Develop commercial premises in the depot and the air space above the stations,
(b) Lease or sub-lease interests or assign such interests in the depot and
(c) Obtain any advertising income from the depot and such air space and LRTS Phase I, and the assumption of the Reserved Obligation representing all the obligations, liabilities an indebtedness under the assignment of Development Rights dated June 15, 1995 between MRTCL and Metro Rail Transit Dev. Corp. (DEVCO).

Reclassification of common shares into redeemable preferred shares
On February 17, 2006, the SEC approved the reclassification of a portion of the Monumento Rail's 190,000,000 issued common shares into 126,666,666 common shares and 63,333,334 common shares convertible into redeemable preferred shares.

Redemption of redeemable preferred shares
On August 22, 2006, the Board of Directors of Monumento Rail Transit Corporation (Monumento Rail) approved the redemption of the redeemable preferred shares it issued to its shareholders through the assignment of its right to receive Depot Royalty Rights pro-rata to the percentage of shareholdings held by each shareholder. On December 17, 2014, Monumento Rail and its shareholders executed the Redemption and Deeds of Assignment of the redeemable shares issued by Monumento Rail to the Company and certain trustees of the Company, Monumento Rail assigned to the Company a pro-rata interest on Monumento Rail's Depot Royalty Rights to the extent of an aggregate of 28.47% thereof.

The cost of the Company's 18,029,417 redeemable preferred shares amounts to P901,471 based on par value of P.05 per share which is the price per share at time of redemption. In accordance with the Articles of Incorporation of the issuer, the holder of the redeemable preferred shares is given the privilege of a right to receive Depot Royalty pro-rata to the percentage of shareholdings of redeemable shares by each stockholder of record as of August 22, 2006.

As of reporting date, the Company recognized its share in the lease income termed as "Depot Royalty" amounting to P30,296,661 representing 28.47% of 5% of lease income in the subject Depot. *(See Note 11.1)*

Settlement Agreement
On December 17, 2014, the Company, together with all the shareholders of Monumento Rail Transit Corp., entered into a Settlement Agreement with Metro Rail Transit Development Corporation (MRTDC) and companies who are parties to a Vested Rights Agreement dated May 22, 1995, whereby MRTDC agreed to assign to parties of the Vested Rights Agreement the development rights to specific developable areas of the 16 hectares Depot in North Triangle corner EDSA, North Avenue and Mindanao Avenue. The assignment of development rights, however, are conditioned on the assumption of the assignees of the obligation to pay the Depot Royalties to shareholders of Monumento Rail Transit Corp. (Monumento Rail) or its successors in interest in accordance with the Deed of Assignment of Development Rights of June 16, 1995 between Metro Rail Transit Corp. Ltd. (MRTCL) and Monumento Rail. The Company became a successor-in-interest on Monumento Rail to the extent of 28.47% of 5% of the Depot Income from the exercise by specific assignees of the development rights in specific developable areas of the Depot by virtue of the Settlement Agreement and the December 14, 2014 Deed of Assignment between monument Rail and the Company.

Assumption and Accession Agreement
On October 29, 2015, as a condition for Global-Estate Resorts, Inc.(GERI) to enter into a Lease Agreement with North Triangle Depot Commercial Corporation (NTDCC) and for the latter to commence the development on the North Avenue Lot Pads A and B in the Depot, GERI, NTDCC and the Company entered into an Assumption and Accession Agreement. Under the agreement, NTDCC, with the consent of the Company, assumed the obligation of GERI to pay the Company the latter's 28.47% share of 5% of the Depot Royalties from developments and improvements on North Avenue Lot Pads A and B.

Lease Agreement
On October 29, 2015, GERI and NTDCC also entered into a Lease Agreement over North Avenue Lot Pads A and B in the Depot. As a condition to the signing of the Lease Agreement,

GERI required NTDCC to execute an Assumption and Accession Agreement in faor of the Company, which agreement is described below.

The 28.47% equity interest of the Company in Monumento Rail consisted of:

(a) Shares issued to the Company totaling 10,000,675 shares, which constitutes 15.79% of the total equity of Monumento Rail;

(b) Shares issued in the name of Fil-Estate Properties, Inc. (FEPI), totaling 5,485,680 shares, which represents 8.66% equity interest in Monumento Rail, to which FEPI issued in favor of the Company, a "Declaration of Trust and Transfer"; and,

(c) Shares of several minority shareholders aggregating 2,544,320 shares, representing 4.02% equity interest in Monumento Rail, acquired by the Company in 2002. On January 7, 2015, the Regional Trial Court of Makati issued a certification of a Special Power of Attorney (document) issued on January 14, 2002 whereby these minority shareholders have named and appointed the Company to be their lawful attorney-in-fact with full power and authority to perform such acts relative to the shares as enumerated in the document. In 2014, Deeds of Assignment were issued formally transferring minority shareholders' respective interest in Monumento Rail aggregating 4.02% to the Company.

The 28.47% equity interest in Monumento Rail entitled the Company to a share in the Depot Royalty Rights due to the shareholders of Monumento Rail computed at 28.47% of 5% of the gross receipts of the rental income from 8.3 ha commercial center and 5% of the gross proceeds of sale or leases on improvements of 4.6 ha lot pads less management fee and general and admin expenses relative to the leased areas. *(See Notes 2 and 6.1)*

Monumento Rail has no commercial activity and is in the process of negotiating with the Government towards the submission of a viable proposal.

There are no significant restrictions on the ability of Monumento Rail to transfer funds to the Company in the form of cash dividends or repayment of loans or advances. The Company's original investment with Monumento Rail amounts to P1.2M.

Share in the net loss of operations of Monumento Rail

As at December 31, 2019, 2018 and 2017, the Company recognized a share in net loss amounting to P600,196, P9,158 and P20,833 respectively. *(See Note 11.2)*

	2019	2018	2017
Share in profit (losses) for the period	**P (600,196)**	P (9,158)	P (20,833)
Cumulative share of profit (losses)	**6,328,523**	6,928,719	6,937,877

The summarized financial information of Monumento Rail as follows:

	2019	2018
Total assets	**P 130,969,944**	P 127,803,277
Total liabilities	**124,445,578**	124,384,531
Total capital	**6,524,366**	3,418,746
Retained earnings	**(29,756,334)**	(5,856,123)
Net income (loss)	**(28,878)**	(2,914,588)

Dividends Declaration
On March 25, 2019, the Board of Directors of MRTDC has authorized the declaration of cash dividends, which shall come from the unrestricted retained earnings of MRTDC. As of December 31, 2019, MRTDC has not yet implemented the transaction awaiting completion of the audit of its financial statements.

9.2 Investment in Subsidiary

The Company owns 99% of MGHC Royal Holdings Corporation.

MGHC Royal Holdings Corporation was organized and established as a domestic corporation under SEC Registration Number 201715236 dated May 19, 2017. The principal activity of the company is to engage in the business of investing, purchasing, or otherwise acquiring, and owning, holding, using, selling, assigning, transferring, pledging, exchanging, or otherwise disposing of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities of obligation of any other corporation or corporations associations or associations, domestic or foreign, for whatever lawful purpose or purposes.

The condensed financial information of MGHC Royal Holdings Corp. as of December 31 as follows:

		2019		2018
Total assets	**P**	**539,567**	P	551,370
Total liabilities		**10,800**		11,200
Total capital		**625,000**		625,000
Retained earnings		**(96,233)**		(84,830)
Net income (loss)		**(11,403)**		(39,960)

Note 10 – FINANCIAL LIABILITIES AT AMORTISED COST - ACCRUED EXPENSE AND OTHER LIABILITIES

This account consists of the following on the next page:

		2019		2018
Advances from MPIC *(Note 10.1)*	**P**	**350,000,000**	P	350,000,000
Accrued Expense (Note 10.2)		**32,869,551**		60,098,919
Advances from NTDCC *(Note 10.3)*		**28,366,428**		28,366,428
Subscription Payable *(Note 10.4)*		**1,886,763**		1,886,763
		413,122,741		440,352,109
Other Non-Financial Current Liabilities				
Deferred Output VAT *(Note 10.5)*		**3,635,599**		3,534,637
Withholding Tax Payable - Compensation *(Note 13.2)*		**60,247**		9,415
Withholding Tax Payable - Expanded *(Note 13.2)*		**9,415**		22,223
		3,705,261		3,566,275
	P	**449,697,554**	P	504,017,302

10.1 Advances from MPIC

This account pertains to deposit received from MPIC in relation to the Cooperation Agreement entered into by the Fil-Estate Companies amounting to P350M. Should the Cooperation Agreement be consummated, these advances will be used as acquisition price of the shares *(see Note 2)*.

10.2 Accrued Expense

This account pertains mainly to accrual of deficiency tax for prior year and professional fee including audit fee. Also included is the accrual of retainer fees to Arch Advisory Limited amounting to P2,384,070, P6,012,795, and P6,078,015 in 2018, 2017 and 2016, respectively. During the year, MRTC assumed the liability to Arch Advisory for the year and all other fees paid to the latter in prior years for a total assumption of P20,260,083. *(See Notes 11.1 and 21.2)*

10.3 Advances from NTDCC

This account pertains to advances from North Triangle Depot Commercial Corporation (NTDCC) for future lease income. *(See Note 9.1)*

NTDCC was organized primarily to own and operate the commercial center known as Triangle in Northern Metro Manila (TriNoma) developed and built on top of the MRT Depot.

10.4 Subscription Payable

This account pertains to the Company's investment to MGHC Royal Holdings Corporation which are not yet paid as of reporting date.

10.5 Deferred Output VAT

This account pertains to VAT on royalty income not yet received as of reporting date. *(See Note 6.1)*

Note 11 – OTHER INCOME AND EXPENSE

11.1 Other Income

This account consists of the following:

		2019		2018		2017
Share in the rental income termed as "Depot royalties" *(Note 6)*	**P**	**30,296,661**	P	29,455,307	P	27,843,189
Assumption of liability		**20,260,083**		-		
Share in net profit of associate				17,936,086		-
Interest Income *(Note 5)*		**4,039**		2,599		3,606
Gain/Loss on Foreign Exchange *(Note 5)*		**-**		210,068		1,966
Other income		**60,714**		-		-
		50,621,497		47,604,060		27,848,761

11.2 Other Expense

This account consists of the following:

	2019	2018	2017
Impairment loss on investment *(Note 7.1)*	**P 24,947,596**	P 8,594,456	P 11,595,015
Share in net loss of associate *(Note 9.1)*	**600,196**	9,158	20,833
Unrealized Loss on Foreign Exchange (Note 5)	**290,502**	-	-
	P 25,838,294	P 8,603,614	P 11,615,848

Note 12 – GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of the following:

	2019	2018	2017
Taxes & Licenses *(Note 13.2)*	**P 1,339,176**	P 1,200,473	P 1,069,740
Salaries & Wages	**1,093,336**	1,048,891	960,000
Transportation & Travel Expense	**756,029**	572,094	932,808
Director's Fee	**440,351**	303,509	-
Professional & Retainers Fee *(Note 22.1)*	**503,349**	9,873,628	11,754,059
Legal/litigation	**292,890**	346,176	1,100,283
Provision for credit losses (Note 6)	**142,714**	256,730	-
13th month pay	**119,500**	123,195	80,000
Telephone, Telegraphic & Postage	**106,158**	329,345	13
Food Expense	**64,364**	37,974	78,882
Interest expense	**27,375**		
Employee Benefit	**26,000**	12,000	-
Printing & Reproduction	**25,034**	99,383	18,301
Bank Charges	**24,919**	9,778	15,013
Representation Exp.	**20,000**	-	45
Office Supplies	**11,227**	19,376	-
Gasoline Exp	**5,014**	3,164	1,607
Fines & penalties	**-**	215,699	425,000
Seminar & Training	**-**	136,506	60,000
Miscellaneous expense	**7,383**	25,282	-
	P 5,004,819	P 14,613,203	P 16,495,752

In 2018, *professional fees* include retainer fee for the Company's financial advisor in connection with new financing of MRT3 for potential investors. In 2019, MRTC assumed all outstanding liabilities aggregating P20,252,494. *(see Notes 21.2)*

In 2018, *fines and penalties* pertain to SEC charges relative to annual PSE listing.

Note 13 – TAXES

13.1 Current and Deferred Tax

The major components of tax expense for the years ended December 31, 2019 and 2018 are as follows:

		2019		2018
Regular Income Tax at 30%	**P**	**9,111,142**	P	4,599,603
Final tax on interest income		**808**		520
Deferred tax on:				
Impairment losses		**(7,484,279)**		(2,578,337)
Provision for credit losses		**(42,814)**		(77,019)
	P	**1,584,857**	P	1,944,767

The reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense attributable to continuing operations follows:

		2019		2018
Tax on pre-tax income	**P**	**5,933,515**	P	7,316,173
Interest Income		**(1,212)**		(780)
Foreign exchange gain		**87,151**		(300)
Disallowed Expense		**1,501,537**		7,232
Share in net loss of associate		**180,059**		(5,378,708)
Final tax on interest income		**808**		520
Excess of itemized deduction over OSD		**(6,117,000)**		
	P	**1,584,857**	P	1,944,137

Deferred Tax Asset

Deferred tax asset was recognized in respect to Company's impairment loss in unquoted AFS, provision for probable losses and market adjustment of quoted AFS for an aggregate amount of P10,182,449 and P2,655,398 as at December 31, 2019 and 2018, respectively.

Details of deferred tax asset are as follows:

	2018		movements during the year		2019	
	Tax Base	Tax Effect	Tax Base	Tax Effect	Tax Base	Tax Effect
Impairment loss on AFS investment *(Note 7.1, 10.2)*	P 8,594,456	P 2,578,337	P 24,947,596	P 7,484,279	P 33,542,052	P 10,062,616
Provision for probable losses *(Note 9.2, 11.2)*	-	-	-	-	-	-
Unrealized (gain) loss on AFS	256,730	77,019	142,714	42,814	399,444	119,833
	P 8,851,186	P 2,655,356	P 25,090,310	P 7,527,093	P 33,941,496	P 10,182,449

Details of unrecognized deferred tax asset in 2017:

	2017			
		Tax Base		Tax Effect
Impairment loss on AFS investment *(Note 7.1, 10.2)*	**P**	**1,840,352,077**	**P**	**552,105,623**
Provision for probable losses *(Note 9.2, 11.2)*		**19,399,093**		**5,819,728**
Unrealized (gain) loss on AFS		**1,887,222**		**566,166.50**
	P	**1,861,638,392**	**P**	**558,491,518**

13.2 Supplementary Information Required Under RR 15 – 2010

<u>*Output VAT*</u>

VAT Payable (Jan. 1, 2019)					-
		Sales		***Output VAT***	
Vatable Sales/Receipts for 2019	P	29,523,610	P	3,542,833	
Zero-rated sales/receipts		-		-	
Exempt sales/receipts		-		-	
		29,523,610		3,542,833	
Less:					
Allowable Input Tax:					
Purchases for the year		***Purchases***		***Input VAT***	
Input Tax Carried from Previous Year/Excess over 70% of output VAT			P	170,146	
Input Tax Carried from Current period					
Purchase of capital goods exceeding P1m		88,076		10,569	
Domestic Purchase of Services		895,183		107,422	
Total current purchases		983,259		117,991	
Total Available Input Tax				288,137	
Less: Deductions					
Input Tax on capital goods exceeding P1Mdeferred for succeeding period					
Input Tax allocable to exempt sales				-	
Input Tax in excess over 70% cap of output VAT carried to next period				67,786	
Sub-Total				67,786	
Total Allowable Input Tax			P	220,351	
Net VAT Payable (Overpayment) for 2019					3,322,482
Less: Payments					
Remittance of VAT Payable, Dec. 31, 2018				-	
Remittance of 2018 VAT Payable (January to November, 2019)				3,322,482	3,322,482
Tax Still Payable (a + b - c)					**P (0)**

Withholding Taxes

	Remitted	Accrued
Compensation		
Remittance of W/T Payable, Dec. 31, 2018	P 22,223	
Remittance of W/T Payable (January 2018 to November, 2019)	318,774	P 60,247
Expanded		
Remittance of W/T Payable, Dec. 31, 2018	P 9,415	
Remittance of W/T Payable (January to November, 2019)	30,936	P 9,415

Taxes and Licenses

	2019	2018	2017
Business permit	**P 1,077,388**	P 867,358	P 810,590
Annual Listing Fee	**250,000**	286,720	258,500
Others	**11,788**	46,395	650
	P 1,339,176	P 1,200,473	P 1,069,740

Creditable Withholding Tax

	2019	**2018**
Beginning balance	**P 1,516,326**	P 1,392,159
Add: Creditable wittholding tax received for the year	**-**	896,539
Less: Applications made		
Application made on 2018 income tax payable		(772,372)
Application made during the year 2019	**(1,516,327)**	-
Ending balance *(Note 8)*	**P (0)**	P 1,516,326

13.3 Income Tax Payable

	2019	2018
Income tax payable, beginning	**P 3,827,231**	P 3,422,273
Add: Income tax due for the year	**9,111,142**	4,599,603
Less: Prior period tax credits	**(1,516,327)**	-
Less: Payments		
Income tax paid previous year	**(3,827,231)**	(3,422,273)
Income tax paid for first 3 quarters	**-**	-
Less: Creditable withholding tax		
applied in previous year income tax due	**-**	-
for the first 3 quarters 2019		(772,372)
Less: Excess MCIT applied this current year	**-**	-
Income tax payable, ending	**P 7,594,816**	P 3,827,231

13.4 Tax Assessments and tax cases

The Company has no deficiency tax assessments or on-going tax cases, protested or not, as of December 31, 2019.

13.5 Uncertain Tax Position

The Company has not identified any significant component of the financial statements that may hold uncertain tax position under the tax laws of the Philippines other than those that have been considered in the Company's income tax calculation.

13.6 Recent tax regulation

The following are the major changes brought by new tax regulations that are relevant to the Company:

(a) On December 19, 2017, President Rodrigo Duterte signed into law package 1 of the Tax Reform for Acceleration and Inclusion ("TRAIN") bill of or Republic Act No. 10963. The law contains amendments to several provisions of the National Internal Revenue Code of 1997 on individual income taxation, passive income for both individuals and corporations, estate tax, donor's tax, value added tax (VAT), excise tax, and documentary stamp tax ("DST"), among others. The said law shall be in effect starting on January 4, 2018.

(b) REVENUE REGULATIONS NO. 5-2016 issued on June 1, 2016 amends Revenue Regulations No. 15-2012 by providing additional criteria in the accreditation of printers engaged in printing services of official receipts, sales invoices and other commercial receipts and/or invoices.

(c) REVENUE REGULATIONS NO. 12-2014 amends Section 2.58.5 of Revenue Regulation No. 2-98 Requirements of deductibility. Any income payment which is otherwise deductible under the Code shall be allowed as a deduction from the payors' gross income only if it shown that the income tax required to be withheld has been paid to the Bureau in accordance with Secs. 57 and 58 of the Code. "No deduction will also be allowed notwithstanding payments of withholding tax at the time of the audit investigation or reinvestigation/reconsideration in cases where no withholding of tax was made in accordance with Secs. 57 and 58 of the Code."

Note 14 – LOSS PER SHARE

Loss per share were computed as follows:

		2019		2018		2017
Net income(loss)	**P**	**18,193,527**	P	22,442,476	P	(5,491,197)
Divided by Weighted average number of shares outstanding		**1,998,553,181**		1,998,553,181		1,998,553,181
	P	**0.009**	P	0.011	P	(0.003)

Note 15 - EQUITY

Share Capital

	2019	2018
Authorized capital stock	**2,000,000,000**	2,000,000,000
Issued and subscribed capital stock	**1,998,553,181**	1,998,553,181
Less: subscription receivable	**-**	-
Issued and subscribed capital stock	**1,998,553,181**	1,998,553,181
Add: shares issued through conversion	**-**	-
	1,998,553,181	1,998,553,181
Par value	**1**	1
	P 1,998,553,181	P 1,998,553,181

Proposed increase in authorized capital stock
The Company plans to increase its authorized capital stock to 5,000,000,000 shares at P1.00 per share, from 2,000,000,000 shares at P1.00 per share.

FEMI agrees to subscribed to 25% of the plan increased in capitalization, or 750,000,000 shares at P1.00 per share, through the conversion into equity of portion of its advances to the Company. As of December 31, 2019, FEMI's advances to the Company amounted to P773.37 Million. *(See Note 2)*

Additional Paid-in Capital

In 1996, the Board of Directors and Stockholders approved (i) the increase in authorized capital stock (Class A and B) from P300 million, divided into 30 billion shares at P0.01 par value per
share to P2 billion, divided into 2 billion shares at P1.00 par value; and (ii) the declassification of Class A and B common shares to a single common share. Fil-Estate Management, Inc. (FEMI) subscribed to 700 million shares in exchange for the assignment of its interests in the MRTHI and Metro Rail Transit Corp., Limited (MRTCL) with an aggregate carrying value of P1.3 billion.

On January 22, 1998, the Securities and Exchange Commission (SEC) approved the change in par value from P0.01 per share and the declassification of Class A and B common shares to a single class of common shares. On December 11, 2000, the SEC approved the Company's application for the increase in authorized capital stock from 300 million shares to 2 billion shares at P1.00 par value. Accordingly, the equity contribution of FEMI of P1.3 million as mentioned above was presented as part of "Capital stock" and "Additional paid-in capital" for the excess in par value.

Conversion of Advances to Equity
On December 16, 2013, the Securities and Exchange Commission (SEC) approved the Increase in Paid-up capital through conversion of advances amounting to P800M.

On September 4, 2014, the Securities and Exchange Commission (SEC) approved the Increase in Paid-up capital through conversion of advances amounting to P200.15M.

Track Record of Registration of Securities

Date of SEC Approval	*Authorized Shares*	*Number of Shares Issued*	*Issue/Offer Price*
January 22, 1998	300,000,000	297,948,837	P1.00
1999	-	1,901,163	P1.00
December 11, 2000	1,700,000,000	-	P1,00
2000	-	700,000,000	P1.00
December 16, 2013	-	800,000,000	P1.00
September 4, 2014	-	200,150,000	P1.00
	P2,000,000,000	P1,998,553,181	

a. On January 22, 1998, the SEC approved the changed in par value from P0.01 per share to P1.00 per share and the declassification of Class A and B common shares to a single class of common shares.
b. On December 11, 2000, the SEC approved the increase in authorized capital stock from P300Million, divided into 30.0 billion shares with a par value P0.01per share, to P2 billion divided into 2.0billion shares with a par value P1.00 per share.
c. On December 16, 2013, the SEC approved the conversion of portion of the Company's liabilities to FEMI amounting to P800million into equity shares totaling 800million shares at P1.00 par value.
d. On September 4, 2014, the SEC approved the conversion of portion of the Company's liabilities to FEMI amounting to P200.15million into equity shares totaling 200.15million shares at P1.00 par value.

Note 16 – OPERATING SEGMENT

For management purposes, the Company is organized into one main operating segment, which invests in infrastructure-related investments. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment.

Financial information about the Company's business segments are shown below:

	2019	2018	2017
Earnings Information			
Share in the rental income termed as "Depot royalties" *(Note 6)*	**P 30,296,661**	P 29,455,307	P 27,843,189
Interest Income	**4,039**	2,599	3,606
Gain on foreign exchange	**1,000**	1,000	1,966
General and administrative expenses	**(5,004,819)**	(14,613,203)	(16,495,752)
Net income (loss)	**31,641,485**	22,442,476	(5,491,197)
Other information			
AFS financial assets	**1,460,331,875**	1,485,780,626	1,495,244,843
Segments assets	**41,015,878**	42,578,154	40,993,848
Segments liabilities	**416,828,003**	443,918,384	446,460,241

The following illustrate the reconciliation of reportable segment assets and liabilities to the Company's corresponding amounts:

	2019		2018		2017	
Assets						
Total assets for reportable segments	**P**	**41,015,878**	**P**	**42,578,154**	P	40,993,848
AFS financial assets		**1,460,331,875**		**1,485,780,626**		1,495,244,843
Total assets	**P**	**1,501,347,753**	**P**	**1,528,358,779**	P	1,536,238,691
Liabilities						
Total liabilities for reportable segments	**P**	**416,828,003**	**P**	**443,918,384**	P	446,460,241
Due to stockholder		**773,371,405**		**802,063,113**		807,323,416
Due to other related parties		**348,128,285**		**333,890,283**		333,468,624
Total liabilities	**P**	**1,538,327,693**	**P**	**1,579,871,780**	P	1,587,252,281

Note 17 – RELATED PARTY TRANSACTIONS

The Company's major transactions with related parties include those with its Parent company and other related parties are described below.

		December 31				
Due from related parties						
MRTHI *(Note 6.3)*	**2019**	**(1,012,756)**	**P**	**1,766,472**	Non-interest bearing	Secured
	2018	-		2,779,228		
Monumento Rail *(Note 6.2)*	**2019**	**-**		**6,216,406**	Non-interest bearing	Secured
	2018	-		6,216,406		
Advances to Subsidiary						
MCHC Royal Holding Corp *(Note 17.1)*	**2019**	**11,700**		**(409,859)**		
	2018	(45,191)		(421,659)	Non-interest bearing	
Due to Stockholder						
Fil-Estate Management, Inc. *(Note 17.2)*	**2019**	**28,691,708**		**(773,371,405)**	Non-interest bearing	Secured
	2018	5,260,302		(802,063,113)	Non-interest bearing	Secured
Due to Other related parties						
MRTHI *(Note 17.3)*	**2019**	**-**		**(213,740,407)**	Non-interest bearing	Secured
	2018	-		(213,740,407)	Non-interest bearing	Secured
MRTHII *(Note 17.3)*	**2019**	**-**		**(119,728,217)**	Non-interest bearing	Secured
	2018	-		(119,728,217)	Non-interest bearing	Secured
MRT DEVCO *(Note 17.4)*	**2019**	**(14,249,803)**		**(14,249,803)**		
	2018	-		-		
	2019			**(1,121,499,690)**		
	2018			**(1,135,953,396)**		

17.1 Advances to Subsidiary

This account pertains to non-interest-bearing advances granted to MGHC Royal Holding Corporation for use in the latter's operation. The advances are unsecured and due on demand.

17.2 Due to Stockholder

Waiver of Interest
Due to a stockholder pertains to advances from FEMI with interest of 4% per annum until 2011. On December 10, 2012, as a form of support to the Company, FEMI waived the 4% interest charged to advances made to the Company starting January 1, 2012.

This liability arose mainly from FEMI's payment of the Company's bank loans including interests and penalties, aggregating P3,000 million and the cost of acquisition of shares of minority stockholders of MRTH II amounting to P180.0million. Over the years, the amount of liability was reduced mainly by transferring asset back notes to FEMI aggregating P978million in 2004 and P650million prior to 2004.

As discussed in Notes 2 and 7.1, under the "Letter of Agreement" entered into between the Company and FEMI, the Company has the option to transfer its investments in MRTHI and MRTH II in payment for the outstanding advances.

FEMI made advances to the Company that decreases by P8.6 Million in 2019 and totaling to P8.5 Million in 2018. There are no interest expenses related to these advances.

Non-current classification
As the Company has a standing option to offset the unquoted securities against the advances from FEMI and exercise the option to settle the remaining liability with the delivery of the shares upon expiration of the BLT Agreement in 2025, "Due to a stockholder" was classified as non-current.

Accounting and administrative functions
The accounting and administrative functions of the Company are also being handled by FEMI for no consideration.

Fil-Estate Management, Inc. (FEMI), Parent company, made advances to the Company to cover all the expenses related to the latter's operation.

Conversion of advances to equity
On September 4, 2014, the Securities and Exchange Commission (SEC) approved the Increase in Paid-up capital through conversion of advances amounting to P200.15M.

Roll-forward analysis:

	2019	2018
Balance at the beginning of the year	**P 802,063,113**	P 807,323,416
Cash advances		-
Expenses paid in advance	**-**	24,894,800
Cash payment *(Note 17.3)*	**(28,691,708)**	(30,155,103)
Balance at the end of the year	**P 773,371,405**	P 802,063,113

17.2.1 Repayment Agreement

On November 2, 2018, the Company entered into a Repayment Agreement with the Parent Company, Fil-Estate Management, Inc., for the repayment of advances to the latter which amounted to P800,990,403 at the time of execution of this agreement. To enable the Company to make its repayments to the extent of Three Hundred Million Pesos (P300Million), the Company assigns to FEMI for a period of fifteen (15) years commencing January 30, 2020 and ending on January 30, 2034 its 28.47% of 5% of the share in rental income termed as "Depot Income" resulting from being a successor-in-interest of Monumento Rail. *(see Note 9)*

As at 2019 and 2018, the Company has made repayments amounting to P28,691,708 and P30,155,103. Outstanding advances amount to P773,371,405 and P802,063,113. *(see Note 17.1)*

17.3 Due to Other Related Parties

Due to related parties pertain to advances received from MRTHI and MRTH II in prior years to be applied against future dividends to be declared by MRTHI and MRTH II. The advances had not been discounted as there is no reliable basis of estimating the cash flow. As at December 31, 2019 and 2018, the outstanding due to related parties are as follows:

	2019	2018
MRTHI	**P 213,740,407**	P 213,740,407
MRTHII	**119,728,217**	119,728,217
	P 333,468,624	P 333,468,624

17.4 Due to MRTDC

This account pertains to cash advances received from MRTDC which shall be applied against future dividends to be declared by MRTDC.

Note 18 – CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company manages its paid-up capital, additional paid-in capital, deficit and due to related parties as capital.

The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position.

	2019	2018
Total Liabilities	**P 1,545,922,509**	P 1,583,699,011
Total Equity	**(6,634,869)**	(24,327,242)
Debt-to-Equity Ratio	**(233.00)**	(65.10)

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may pay off its debt, issue new shares or sell assets to reduce debt.

The Company obtains its financial support from its parent company as and when it is needed. In addition, the Company has a planned increase in its authorized capital stock. *(See Note 15)*

Note 19 – RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated with the Board of Directors and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's business activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

19.1 Liquidity risk

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Company's inability to meet its obligations when they come due without recurring unacceptable losses or costs.

In the management of liquidity, the Company monitors and maintains a level of cash deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuation in cash flows.

The Company continues to obtain support from FEMI to finance the Company's operations. *(See Note 2.1)*

Contractual maturities	**less than**			**more than**	
2019	**1 year**	**1 -3 years**	**3-5 years**	**5 years**	**Total**
Accrued Expenses	**P 32,869,551**	**P -**	**P -**	**P -**	**P 32,869,551**
Other payables	**380,253,191**	**-**	**-**	**-**	**380,253,191**
Due to a stockholder	**-**	**-**	**-**	**773,371,405**	**773,371,405**
Due to related parties	**-**	**-**	**-**	**348,128,285**	**348,128,285**
	P 413,122,742	**P -**	**P -**	**P 1,121,499,690**	**P 1,534,622,432**

Contractual maturities	less than			more than	
2018	1 year	1 -3 years	3-5 years	5 years	Total
Accrued Expenses	P 60,098,919	P -	P -	P -	P 60,098,919
Other payables	380,253,190	-	-	-	380,253,190
Due to a stockholder	-	-	-	802,063,113	802,063,113
Due to related parties	-	-	-	333,890,283	333,890,283
	P 440,352,109	P -	P -	P 1,135,953,396	P 1,576,305,505

Note: Financial Liabilities do not include Payable to BIR.

19.2 Credit risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statement of financial position (or in the detailed analysis provided in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The Company's other receivables are actively monitored to avoid significant concentrations of credit risk and are all currently demandable. As at reporting date, the Company's Receivables are all current.

2019

	Neither past due nor impaired				Total
	High grade	Medium grade	Low grade	Past due or Individually Impaired	
Cash	P 932,232	P -	P -	P -	P 932,232
Receivables	39,616,416	-	-	399,444	40,015,860
Total	P 40,548,648	-	P -	P 399,444	P 40,948,092

2018

	Neither past due nor impaired				**Total**
	High grade	**Medium grade**	**Low grade**	**Past due or Individually Impaired**	
Cash	**P 620,599**	**P -**	**P -**	**P -**	**P 620,599**
Receivables	**40,271,082**	**-**	**-**	**256,730**	**40,527,812**
Total	**P 40,891,681**	**-**	**P -**	**P 256,730**	**P 41,148,411**

Note 20 – FAIR VALUE MEASUREMENT

20.1 Fair value measurement

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Company takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial assets and liabilities:

		2019				2018		
		Carrying Amount		**Fair Value**		Carrying Amount		Fair Value
Cash	**P**	**932,232**	**P**	**932,232**	P	620,599	P	931,146
Receivables		**40,015,860**		**40,015,860**		40,617,812		39,087,529
Available-for-sale securities		**1,460,331,875**		**1,460,331,875**		1,485,780,626		1,507,804,046
Due from related parties		-		-		560,647		560,647
Total financial assets	**P**	**1,501,279,967**	**P**	**1,501,279,967**	P	1,527,579,683	P	1,548,383,367
Accrued Expense	**P**	**32,869,551**		**32,869,551**	P	60,098,919		60,098,919
Other payables		**380,253,191**		**380,253,191**		380,253,190		380,253,190
Due to related parties		**1,121,499,691**		**1,121,499,691**		1,134,619,243		1,152,387,055
Total financial liabilities	**P**	**1,534,622,433**	**P**	**1,534,622,433**	P	1,574,971,352	P	1,592,739,164

The carrying amounts approximate their fair values due to relatively short-term maturity of these financial instruments. Similarly, the historical cost carrying amounts of receivables and payables approximate their fair values.

Fair value hierarchy

The different levels of financial instruments carried at fair value, by valuation method have been defined as follows:

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

As of December 31, 2019 and 2018, the fair values of the Company's financial assets valued through other comprehensive income are P1,460,331,875 and P1,485,780,626. There is no movement between levels of fair value measurement hierarchy occurred for both years.

Note 21 - COMMITMENTS AND CONTINGENCIES

21.1 Deed of Assignment

On December 20, 2018, the Company entered into a Deed of Assignment as Assignee with Fil-Estate Properties, Inc. (Assignor) for the latter's ownership of 1,579 shares in MRT Development Corporation for a consideration of P1,894,000.

21.2 Agreement with Arch Advisory Limited

On May 1, 2014, the Company has engaged Arch Advisory Limited as its financial supervisor in connection with preparation of investable financial models including funding, negotiation of potential projects with the Philippine Government and Metro Pacific, preparation of structuring the terms and conditions of a new financing for the MRT3 rail line that will be offered to potential investors, among others. The monthly retainer fee will be US$15K and reimbursement of all reasonable out-of-pocket expenses receipted to the Company's standards.

During the reporting year, MRTC assumed all outstanding liabilities to Arch Advisory Limited aggregating P20,252,494. *(see Note 11.1)*

In 2018, the Company paid P3,220,470, respectively. *(See Note 12)*

21.3 Others

As of December 31, 2018, there are no pending claims and legal actions against or involving the Company other than those arising from the normal course of business.

Note 22 - EVENTS AFTER REPORTING DATE

Following the outbreak of the coronavirus 2019 (COVID-19) which started in Wuhan, Hubei, China, the Philippine government confirmed the first case of the disease on January 30, 2020. After a month since then, there was a steady rise in the number of cases. On March 16, 2020, under Proclamation No. 929 the entire country was placed under state of calamity due to COVID-19. This was followed by placing the entire Luzon under enhanced community quarantine (ECQ) from March 17 to a second extension to May 15. Thereafter, only high-risk areas including Metro Manila was put on extended ECQ until May 15, 2020. The implementation of the ECQ has caused 'work from homes' arrangements, land, air and sea travel restrictions significant business disruption and market volatility.

As a result of the ongoing ECQ, government agencies have provided a relief in reportorial deadlines. The interim audit conducted in early November 4, 2019 and an early commencement of the year-end audit of the financial statements of the Company in January 15, 2020 allowed the completion of the audit. Several conference calls were conducted with the management team and Board member to discuss and settle audit issues, subsequent events and finalizing the audit of the Company's financial statements.

Management assessed that there is no material impact on the expected credit losses on its receivables as there were substantial collections during the first quarter of 2020. Liabilities with suppliers were likewise, substantially settled during the first quarter.

As the COVID-19 pandemic is complex and rapidly evolving, the Company cannot reasonably estimate the duration and severity of the pandemic which could have a material adverse impact on the Company's business, results of operation, financial position and cash flows.

22.2 Others

There were no other material events that occurred subsequent to December 31, 2019 that were not reflected in the financial statements for the period.

Note 23 – NOTES TO STATEMENT OF CASH FLOWS

The most significant cash flow activity from the statement of cash flows is from financing activity:

	Note	Liabilities		Equity	
		Other loans and borrowings	Finance lease liabilities	Share capital/ premium	Total
Balance at 1 January 2019		1,135,531,737	-	-	1,135,531,737
Changes from financing cash flows					
Proceeds from loans and borrowings		600,195	-	-	600,195
Repayment of borrowings		(14,238,002)	-	-	(14,238,002)
Conversion to APIC					-
Proceeds from investors					
Payment of finance lease liabilities				-	-
Total changes from financing cash flows		(13,637,807)	-	-	(13,637,807)
The effect of changes in foreign exchange rates		-	-	-	-
Changes in fair value		-	-	-	-
Other changes					
Liability-related					
New finance leases		-	-	-	-
Interest expense		-	-	-	-
Total liability-related other changes		1,121,893,930	-	-	1,121,893,930
Total equity-related other changes		-	-	-	-

SCHEDULE I

METRO GLOBAL HOLDINGS, CORP.
PFRS STANDARDS AND INTERPRETATIONS APPLIED
SRC RULE 68.1 AS AMENDED (2011)
FOR THE YEAR ENDED DECEMBER 31, 2019

Below are all the standards and interpretation s existing in the Philippines and an indication of whether it is *"Adopted", "Not Adopted", and "Not Applicable".*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		√		
PFRSs Practice Statement Management Commentary			√	
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	*First-time Adoption of Philippine Financial Reporting Standards*			√
	Amendments to PFRS 1 and PAS 27: *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*			√
	Amendments to PFRS 1: *Additional Exemptions for First-time Adopters*			√
	Amendment to PFRS 1: *Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters*			√
	Amendments to PFRS 1: *Severe Hyperinflation and Removal of Fixed Date for First-time Adopters*			√
	Amendments to PFRS 1: *Government Loans*			√
	Amendments to PFRS 1: *Borrowing Costs*			√
PFRS 2	Share-based Payment			√
	Amendments to PFRS 2: *Vesting Conditions and Cancellations*			√
	Amendments to PFRS 2: *Group Cash-settled Share-based Payment Transactions*			√
	Amendments to PFRS 2: Definition of Vesting Condition			√
PFRS 3 (Revised)	Business Combinations			√
	Amendments to PFRS 3: *Measurement of non-controlling interests, replaced share-based payment awards, transitional arrangements for contingent consideration*			√
	Amendments to PFRS 3: *Accounting for contingent consideration in a business combination*			√

	Amendments to PFRS 3: *Scope of exception for joint ventures*			√
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
PFRS 4	Insurance Contracts			√
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			√
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			√
	Amendments to PFRS 5: Sale of a controlling interest in the subsidiary			√
	Amendments to PFRS 5: *Consequential amendments from IFRIC 17 Distributions of Non-cash Assets to Owners (assets held for distribution to owners)*			√
	Amendments to PFRS 5: Disclosure requirements in other standards			√
	Amendments to PFRS 5: *Changes in methods of disposal**			√
PFRS 6	Exploration for and Evaluation of Mineral Resources			√
PFRS 7	Financial Instruments: Disclosures	√		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	√		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	√		
	Amendments by Improvements to PFRS: Clarification of disclosures	√		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			√
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	√		
	Amendments to PFRS 7 and PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures*		√	
	Amendments to PAS 39, PFRS 9 and PFRS 7 : Introduction of the Hedge Accounting chapter in PFRS 9*		√	
	Amendments to PFRS 7: Servicing Contracts and applicability of the amendments to Condensed Interim Financial Statements*			√
PFRS 8	Operating Segments			√
	Amendments to PFRS 8: Disclosure of information about Segment Assets			√

	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliations of Assets			√
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
PFRS 9	Financial Instruments: Complete and Final Version*	√		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	√		
PFRS 10	Consolidated Financial Statements			√
	Amendments to PFRS 10, : *Transition Guidance*			√
	Amendments to PFRS 10 : *Investment Entities*			√
	Amendments to PFRS 10 : *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**			√
	Amendments to PFRS 10: *Regarding the application of the consolidation exception**			√
PFRS 11	Joint Arrangements			√
	Amendments to PFRS 11 : *Transition Guidance*			√
	Amendments to PFRS 11: *Accounting for Acquisitions of Interests in Joint Operations**			√
PFRS 12	Disclosure of Interests in Other Entities	√		
	Amendments to PFRS 12 : *Transition Guidance*			√
	Amendments to PFRS 12 : *Investment Entities*			√
	Amendments to PFRS 10: *Regarding the application of the consolidation exception**			√
PFRS 13	Fair Value Measurement	√		
	Amendment to PFRS 13: Short-term Receivables and Payables*	√		
	Amendments to PFRS 13: *Scope of Portfolio Exception*			√
PFRS 14	Regulatory Deferral Accounts*			√
PFRS 15	Revenue from Contracts with Customers*			√
Philippine Accounting Standards				
PAS 1 PAS(Revised)	Presentation of Financial Statements	√		
	Amendments to PAS 1: *Puttable Financial Instruments and Obligations Arising on Liquidation*			√
	Amendments to PAS 1: *Current/Non-current Classification of Derivatives*			√
	Amendments to PAS 1: *Current/Non-current Classification of Convertible Instruments*			√

	Amendments to PAS 1: *Clarification of Statement of Changes in Equity*			√
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
	Amendments to PAS 1: *Presentation of Items of Other Comprehensive Income*	√		
	Amendments to PAS 1: *Clarification of the requirements for comparative information*	√		
	Amended by Disclosure Initiative*	√		
PAS 2	Inventories			√
PAS 7	Statement of Cash Flows	√		
	Amendments to PAS 7: Expenditures *that do not result in a recognised asset.*	√		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	√		
PAS 10	Events after the Reporting Period	√		
PAS 11	Construction Contracts			√
PAS 12	Income Taxes	√		
	Amendment to PAS 12: *Deferred Tax: Recovery of Underlying Assets*	√		
PAS 16	Property, Plant and Equipment			√
	Amendment to PAS 16 – *Classification of Service Equipment*			√
	Amendment to PAS 16: *Revaluation method - proportionate restatement of accumulated depreciation*			√
	Amendments to PAS 16 : *Clarification of Acceptable Methods of Depreciation and Amortisation**			√
	Amendments to PAS 16 : *Agriculture- Bearer Plants**			√
PAS 17 (Revised 2003)	Leases			√
PAS 18	Revenue	√		
PAS 19 (Amended 2011)	Employee Benefits	√		
	Amendments to PAS 19: *Employee Benefits - Defined Benefit Plans: Employee Contributions*	√		
	Amendments to PAS 19: *Discount rate- Regional Market Issue**			√
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			√
PAS 21	The Effects of Changes in Foreign Exchange Rates	√		
	Amendment: Net Investment in a Foreign Operation			√
PAS 23 (Revised)	Borrowing Costs			√
PAS 24 (Revised)	Related Party Disclosures	√		

	Amendments to PAS 24: *Key Management Personnel*	√		
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
PAS 26	Accounting and Reporting by Retirement Benefit Plans			√
PAS 27 (Amended 2011)	Separate Financial Statements			√
	Amendments to PFRS 10, PFRS 12 and PAS 27 : *Investment Entities*			√
	Amendments to PAS 27 : *Equity Method in Separate Financial Statements**			√
PAS 28 (Amended)	Investments in Associates and Joint Ventures	√		
	Amendments to PAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**			√
	*Amendments to PFRS 10: Regarding the application of the consolidation exception **			√
PAS 29	Financial Reporting in Hyperinflationary Economies			√
PAS 31	Interests in Joint Ventures			√
PAS 32	Financial Instruments: *Disclosure and Presentation*	√		
	Amendments to PAS 32 : *Puttable Financial Instruments and Obligations Arising on Liquidation*			√
	Amendment to PAS 32: *Classification of Rights Issues*			√
	Amendment to PAS 32: Tax Effects of Distribution to Holders of Equity Instruments	√		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities		√	
PAS 33	Earnings per Share	√		
PAS 34	Interim Financial Reporting	√		
	Amendment to PAS 34: *Significant Transactions and Events*	√		
	Amendment to PAS 34: *Interim Financial Reporting and Segment Information for Total Assets and Liabilities*	√		
	Amendment to PAS 34: *Disclosure of information 'elsewhere in the interim financial report'**	√		
PAS 36	Impairment of Assets	√		
	Amendment to PAS 36: *Disclosure of estimates used to determine a recoverable amount*	√		
	Amendment to PAS 34: *Units of accounting for goodwill impairment testing using segments under PFRS 8 before aggregation*			√

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	√		
PAS 38	Intangible Assets			√
	Amendments to PAS 38: *Advertising and promotional activities, units of production method of amortisation*			√
	Amendments to PAS 38: *Measurement of intangible assets in business combinations*			√
	Amendments to PAS 38: *Proportionate restatement of accumulated depreciation under the revaluation method*			√
	Amendments to PAS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation**			√
PAS 39	Financial Instruments: *Recognition and Measurement*	√		
	Amendments to PAS 39: *Transition and Initial Recognition of Financial Assets and Financial Liabilities*	√		
	Amendments to PAS 39: *Cash Flow Hedge Accounting of Forecast Intragroup Transactions*			√
	Amendments to PAS 39: *The Fair Value Option*	√		
	Amendments to PAS 39 and PFRS 4: *Financial Guarantee Contracts*			√
	Amendments to PAS 39 and PFRS 7: *Reclassification of Financial Assets*	√		
	Amendments to PAS 39 and PFRS 7: *Reclassification of Financial Assets – Effective Date and Transition*	√		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: *Embedded Derivatives*			√
	Amendment to PAS 39: *Eligible Hedged Items*			√
	Amendment to PAS 39: *Novation of Derivatives and Continuation of Hedge Accounting*			√
PAS 40	Investment Property			√
	Amendment to PAS 40: *Property under construction or development for future use as investment property*			√
	Amendment to PAS 40: *Interrelationship of PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property*			√
PAS 41	Agriculture			√
	Amendment to PAS 41: Discount rate for fair value calculations and Additional biological transformation			√

	Amendments to PAS 16 and PAS 41: *Agriculture-Bearer Plants**			√
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			√
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			√
IFRIC 4	Determining Whether an Arrangement Contains a Lease			√
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			√
IFRIC 6	Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment			√
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			√
IFRIC 8	*Scope of PFRS 2*			√
IFRIC 9	Reassessment of Embedded Derivatives			√
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			√
	Amendments to Philippine Interpretation IFRIC 9 and Revised IFRS 3: Scope of IFRIC 9 and revised IFRS 3			√
IFRIC 10	Interim Financial Reporting and Impairment			√
IFRIC 11	PFRS 2 – Group and Treasury Share Transactions			√
IFRIC 12	Service Concession Arrangements			√
IFRIC 13	Customer Loyalty Programmes *(Will be superseded by IFRS 15 as of 1 January 2018)*			√
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			√
	Amendments to Philippine Interpretations IFRIC-14: *Prepayments of a Minimum Funding Requirement*			√
IFRIC 15	Agreements for the Construction of Real Estate *(Will be superseded by IFRS 15 as of 1 January 2018)*			√
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			√
	Amendments to Philippine Interpretations IFRIC-16: *Entity that can hold hedging instruments*			√
IFRIC 17	Distributions of Non-cash Assets to Owners *(Will be superseded by IFRS 15 as of 1 January 2018)*			√
IFRIC 18	Transfers of Assets from Customers			√
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			√
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			√
IFRIC 21	Levies			√

SIC-7	Introduction of the Euro			√
SIC-10	Government Assistance - No Specific Relation to Operating Activities			√
SIC-15	Operating Leases - Incentives *(Will be superseded by IFRS 16 as of 1 January 2019)*			√
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			√
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease *(Will be superseded by IFRS 16 as of 1 January 2019)*			√
SIC-29	Service Concession Arrangements: Disclosures.			√
SIC-31	Revenue – Barter Transactions Involving Advertising Services *(Will be superseded by IFRS 15 as of 1 January 2018)*			√
SIC-32	Intangible Assets - Web Site Costs			√

** Not early adopted*

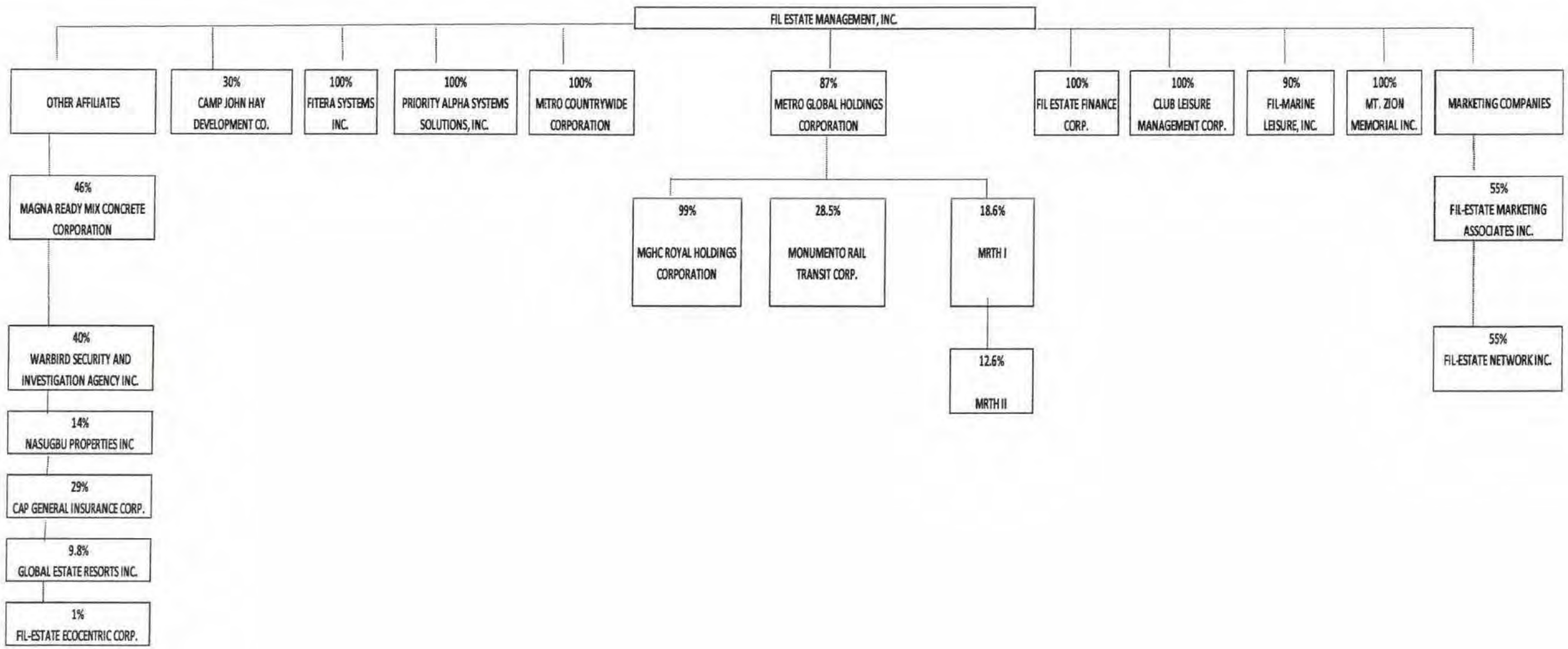
SCHEDULE II

RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
As of December 31, 2019
METRO GLOBAL HOLDINGS CORPORATION
Mezzanine Floor, Renaissance Tower
Meralco Avenue, Pasig City

The Company has no unrestricted retained earnings and has continuously recognized deficit.

SCHEDULE III

METRO GLOBAL HOLDINGS CORPORATION
RELATIONSHIPS BETWEEN AND AMONG THE COMPANY AND ITS ULTIMATE PARENT, MIDDLE PARENT, SUBSIDIARIES OR CO-SUBSIDIARIES AND ASSOCIATES
As of December 31, 2019



METRO GLOBAL HOLDINGS CORPORATION
SUPPLEMENTARY SCHEDULES REQUIRED BY SRC RULE 68 (ANNEX 68 – E)
As of December 31, 2019

Schedule A Financial Assets

The Company's Financial Assets as of December 31, 2019 are as follows:

Cash	**P**	**2,433,712**
Receivables		**945,015**
	P	**3,378,727**

Schedule B Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Shareholders (Other than Related Parties)

	Relationship	Beginning Balance	Ending Balance
Joel De Leon		15,000	**15,000**
		P 15,000	**P 15,000**

Schedule C Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

Note applicable. The Company does not prepare consolidated financial statements.

Schedule D Intangible Assets – Other Assets

Not applicable. The Company does not have any intangible asset.

Schedule E Long-term Debt

Not applicable.

Schedule F Indebtedness to Related Parties

REPORT OF INDEPENDENT PUBLIC AUDITORS TO ACCOMPANY SEC SCHEDULES FILED SEPARATELY FROM THE BASIC FINANCIAL STATEMENTS

The Board of Directors
METRO GLOBAL HOLDINGS CORPORATION
(formerly Fil-Estate Corporation)
Mezzaninne Floor, Renaissance Tower, Meralco Ave., Pasig City

We have audited the financial statements of **Metro Global Holdings Corporation** (the Company) for the years ended December 31, 2019 and 2018, on which we have rendered our report dated June 15,2020. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary schedules (enumerated in table of contents) of the Company as of December 31, 2019 and for the year ended, required by the Securities and Exchange Commission, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KL SIY & ASSOCIATES
BOA Accreditation No. 0668
Effective until April 17, 2021
CDA Accreditation No. CEA 130-AF
Effective Until May 14, 2021
SEC Accreditation No. A-167-F (Conditional A)
Effective until June 30, 2020 (Renewal in Process)
IC Accreditation No. F-2016-003-R
Effective until December 31, 2020
TIN No. 215-665-658-000
BIR Accreditation No. 07-100131-001-2020
Effective until April 13, 2023

By:

ARTURO D. SABINO
Partner
CPA Certificate No. 91333
BOA Accreditation No. 0668
Effective until April 17, 2021
SEC Accreditation No. A-857-A (Conditional A)
Effective until June 30, 2020 (Renewal in Process)
BIR Accreditation No. 07-100129-001-2020
Effective until April 13, 2023
IC Accreditation No. SP-2019-003-O
Effective until December 04, 2022

TIN No. 175-119-851-000
PTR NO. 6448455, January 11, 2020, Pasig City

June 15,2020
Ortigas Center, Pasig City

	Relationship	Beginning Balance	Ending Balance
Fil-Estate	Stockholder	P 773,371,405	**P 773,371,405**
MRTHI	Affiliate	213,740,407	**14,249,803**
MRTHI		119,728,217	**409,859**
		P 1,106,840,029	**P 788,031,066**

Schedule G Guarantees of Securities of Other Issuers

Not applicable.

Schedule H Capital Stock

Title of Issue	Number of Shares Authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversionand other rights	Number of sharesheld by related parties	Number of shares held by Directors, officers and employees	Number of shares held by others
Common shares	2,000,000,000	1,995,389,897	-	1,759,750,196	3,410,014	232,229,687

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders amd the Board of Directors
METRO GLOBAL HOLDINGS CORPORATION
(formerly File-Estate Corporation)
Mezzanine Floor, Renaissance Tower, Meralco Ave., Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **METRO GLOBAL HOLDINGS CORPORATION.** as at December 31, 2019 and 2018, and have issued our report thereon dated June 15, 2020. Our audits were made for the purpose of forming an opinion on the basic 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 Company's management. These financial soundness indicators are not measures of 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 basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2019 and 2018 and no material exceptions were noted.

KL SIY & ASSOCIATES
BOA Accreditation No. 0668
Effective until April 17, 2021
CDA Accreditation No. CEA 130-AF
Effective Until May 14, 2021
SEC Accreditation No. A-167-F (Conditional A)
Effective until June 30, 2020 (Renewal in process)
IC Accreditation No. F-2016-003-R
Effective until December 31, 2020
TIN No. 215-665-658-000
BIR Accreditation No. 07-100131-001-2020
Effective until April 13, 2023

By:

ARTURO D. SABINO
Partner
CPA Certificate No. 91333
BOA Accreditation No. 0668
Effective until April 17, 2021
SEC Accreditation No. A-857-A (Conditional A)
Effective until June 30, 2020 (Renewal in process)
BIR Accreditation No. 07-100129-001-2020
Effective until April 13, 2023
IC Accreditation No. SP-2019-003-O
Effective until December 04, 2022

TIN No. 175-119-851-000
PTR NO. 6448455, January 11, 2020, Pasig City

June 15, 2020
Ortigas Center, Pasig City

SCHEDULE V

METRO GLOBAL HOLDINGS CORPORATION
FINANCIAL SOUNDNESS INDICATORS
SRC RULE 68.1, AS AMENDED (2011)
FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018

Financial Soundness Indicators are used to monitor the soundness of a financial system and assess systemic risk. It responds to the need for better tools to assess the strengths and vulnerabilities of the financial system.

Below is the schedule showing financial soundness indicators for the years ended December 31, 2019 and 2018:

	Financial Statement Account	2019	2018
Current Ratio		**0.1:1**	**0.1:1**
Total Current Assets divide by Total Current Liabiltiies	Total Current Assets	**41,015,878**	42,578,154
	Total Current Liabilities	**424,422,819**	447,745,615
Acid Test Ratio		**0.1:1**	**0.09:1**
Quick Assets Less Inventories and Other Current Assets divided by Total Current Liabilities	Total Current Assets	**41,015,878**	42,578,154
	Less: Inventories	**-**	-
	Less:Other Current Assets	**67,786**	1,686,473
	Quick Assets/	**40,948,092**	**40,891,681**
	Current Liabilities	**424,422,819**	447,745,615
Solvency Ratio		**0.01:1**	**0.01:1**
Net Profit(Loss) before depreciation divided by Total Liabilities	Net Profit (Loss)	**18,193,527**	**22,442,476**
	Add: Depreciation	**-**	-
	Net Profit(Loss) before Depreciation	**18,193,527**	**22,442,476**
	Total Liabilities	**1,545,922,509**	1,583,699,011
Debt-to-Equity Ratio		**233:1**	**65.1:1**
Total Liabilities divide by Total Equity	Total Liabilities	**1,545,922,509**	1,583,699,011
	Total Equity	**6,634,869**	24,327,242
Asset-to-Equity Ratio		**232:1**	**64.1:1**
Total Assets Divide By Total Equity	Total Assets	**1,539,287,640**	1,559,371,768
	Total Equity	**6,634,869**	24,327,242

PROFITABILITY RATIOS

			2019		2018
Return on Asset			**0.01:1**		0.01:1
Net profit Divide by Average Asset (Total Assets Prior Year plus Total Assets Current Year Divide By 2	Net Profit		**18,193,527**		**22,442,476**
	Total Assets (PY)		**1,559,371,768**	**P**	**1,544,774,597**
	Total Assets (CY)		**1,539,287,640**		**1,559,371,768**
	Total		**3,098,659,408**		**3,104,146,365**
	Divide by 2 = Average Asset		**1,549,329,704**		**1,552,073,183**
Return on Equity			**-1.18:1**		-0.64:1
Net Profit Divide By Average Equity (Equity Prior Year Plus Equity Current Year Divide by 2)	Net Profit		**18,193,527**		**22,442,476**
	Total Equity (PY)	-	**24,327,242**	-	45,899,957
	Total Equity (CY)	-	**6,634,869**	-	**24,327,242**
	Total	-	**30,962,111**	-	**70,227,199**
	Divide by 2 = Average Equity	-	**15,481,056**	-	**35,113,600**
Gross Profit Margin Ratio			**0:1**		0:1
Gross Profit Divide By Revenue	Gross Profit		**-**		-
	Revenue		**50,621,497**		47,604,060
Profit Margin			**0.36:1**		0.47:1
Net Income Divide By Revenue	Net Income/		**18,193,527**		**22,442,476**
	Revenue		**50,621,497**		47,604,060

The key indicators were chosen to provide management with a measure of the Company's financial Strength *(Current Ratio, Liquidity Ratio, Solvency Ratio, Asset to Equity and Debt to Equity)* and the Company's ability to maximize the value of its investment in the Company *(Profitability Ratio)*. Likewise, the ratios are used to compare the Company's performance with similar companies.

ANNEX B

COVER SHEET

9142

S.E.C. Registration Number

METRO GLOBAL HOLDINGS

CORPORATION

(Company's Full Name)

MEZZANINE FLOOR RENAISSANCE

TOWER MERALCO AVENUE

PASIG CITY

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

RAMON G. JIMENEZ	(02) 633 - 6205
Contact Person	Company Telephone Number

12	31	SEC FORM 17Q (3rd Quarter of 2020)	09	30
Month	Day	FORM TYPE	Month	Day

2020

calendar year

Regitered/Listed

Secondary License Type, If Appplicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **September 30, 2020**

2. Commission identification number **9142** 3. BIR Tax Identification No **000-194-408-000**

4. Exact name of issuer as specified in its charter **METRO GLOBAL HOLDINGS CORPORATION**

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

6. Industry Classification Code: (SEC Use Only)

Mezzanine Floor Renaissance Tower,
Meralco Avenue, Pasig City 1604
7. Address of registrant's principal office Postal Code

8. **(02)633-6248**
Issuer's telephone number, including area code

9. **Not applicable**
Former name, former address and former fiscal year, if changed since last report

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common stock - P 1 par value	**2,000,000,000 shares**

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes [X] No [ ]
If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine and Makati Stock Exchange **Common shares**

12. Indicate by check mark 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 11of the RSA and SRA Rule 11(1a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such reports)
Yes [X] No [ ]

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

Yes [X] No [ ]

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2020
(With Comparative Figures as of Calendar Year Ended December 31, 2019)

		September 30, 2020		December 31, 2019
ASSETS				
Current Asset				
Financial assets at amortised cost				
Cash	₱	1,642,862	₱	932,232
Receivables		8,226,508		40,015,860
Other current assets		83,175		67,786
Total current assets		**9,952,545**		**41,015,878**
Non-current Assets				
Financial assets at fair value through OCI		1,462,751,661		1,460,331,875
Investment in Associates		25,257,938		25,257,938
Investment in Subsidiary		2,499,500		2,499,500
Deferred Tax Asset		10,182,449		10,182,449
Total non-current assets		**1,500,691,547**		**1,498,271,762**
TOTAL ASSETS	₱	**1,510,644,093**	₱	**1,539,287,640**
LIABILITIES AND STOCKHOLDERS EQUITY				
Current Liabilities				
Financial liabilities at amortised cost				
Accrued expense and other payables	₱	413,538,098	₱	413,122,742
Income Tax Payable		5,097,743		7,594,816
Other current liabilities		223,443		3,705,261
Total current liabilities		**418,859,285**		**424,422,819**
Noncurrent Liabilities				
Financial liabilities at amortised cost				
Due to a stockholder		741,655,148		773,371,405
Due to other related parties		358,671,675		348,128,285
Total non-current liabilities		**1,100,326,823**		**1,121,499,690**
Total Liabilities		**1,519,186,108**		**1,545,922,509**
Stockholder's Equity				
Paid up Capital		1,998,553,181		1,998,553,181
Additional paid-in capital		589,120,803		589,120,804
Cumulative Market Adjustment		2,936,092		516,307
Deficit		(2,599,152,091)		(2,594,825,161)
Total stockholders equity		**(8,542,015)**		**(6,634,869)**
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	₱	**1,510,644,093**	₱	**1,539,287,640**

METRO GLOBAL HOLDINGS CORPORATION
AGING OF RECEIVABLES
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

RECEIVABLES FROM	**Less than 1 Year**	**1-3 years**	**3-5 years**	**5-7 years**	**Total**
MRTH II	-			1,649,110	**1,649,110**
MONUMENTO RAIL	-		5,314,935	901,471	**6,216,406**
MRTH I	-		117,362		**117,362**
METRO RENEWABLE TRANSPORT CORP.	625,075				**625,075**
EMPLOYEES	18,000		-		**18,000**
OTHERS		(399,444)	-		**(399,444)**
TOTAL	**643,075**	**(399,444)**	**5,432,297**	**2,550,581**	**8,226,508**

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

		For the Nine Months Ended September		
		2020		**2019**
Interest Income	₱	**3,499**	₱	2,923
Expenses				
Realized Forex Gain/Loss		**(93,622)**		(279,993)
General & Administrative Expense		**(4,236,808)**		(2,964,154)
INCOME BEFORE TAX		**(4,326,931)**		(3,241,224)
Net Loss for the year		**(4,326,931)**		**(3,241,224)**
OTHER COMPREHENSIVE INCOME				
Change in fair value of Available-for-sale Financial Assets		**2,936,092**		1,907,399
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	₱	**(1,390,839)**	₱	**(1,333,825)**
		(0.00217)		(0.00162)

METRO GLOBAL HOLDINGS CORPORATION
TRAILING 12MONTHS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Year to Date September 2020 Net Loss	(4,326,930)
Year to Date December 2019 Net Income	18,193,527
Year to Date September 2019 Net Loss	(3,241,224)
Trailing 12 mos Net Income	17,107,821
Weighted Average Number of Shares Outstanding	1,998,553,181
Trailing 12mos Earnings/(Loss) per Share (Basic)	0.0086

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF INCOME & DEFICIT
FOR THE QUARTER ENDED SEPTEMBER 30, 2020
(With Comparative Figures for the Nine Months Ended September 30 and July to September 2020 & 2019)

	January to September		July to September	
	2020	**2019**	**2020**	**2019**
Interest Income	**3,499**	2,923	**713**	479
EXPENSES				
General & Administrative expenses	**(4,236,808)**	(2,964,154)	**(2,094,993)**	**(701,019)**
Realized Forex Gain/Loss	**(93,622)**	(279,993)	**(86,861)**	**4,568**
NET LOSS	**(4,326,931)**	(3,241,224)	**(2,181,141)**	(695,972)
DEFICIT AT BEGINNING OF THE QUARTER	**(2,594,825,161)**	(2,613,018,687)	**(2,596,970,950)**	**(2,615,563,939)**
DEFICIT AT END OF THE MONTH	**(2,599,152,091)**	(2,616,259,911)	**(2,599,152,091)**	(2,616,259,911)

****Note: LOSS PER SHARE**
The computation of loss per share is as follows:

	January to September		July to September	
	2020	**2019**	**2020**	**2019**
(a) Net Income/loss	**(4,326,931)**	(3,241,224)	**(2,181,141)**	(695,972)
(b) Weighted average number of shares outstanding	**1,998,553,181**	1,998,553,181	**1,998,553,181**	1,998,553,181
	(0.00217)	(0.00162)	**(0.00109)**	(0.00035)

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY

	For the nine months ended September 30	
	2020	**2019**
CAPITAL STOCK P 1 par value	**1,998,553,181**	1,998,553,181
ADDITIONAL PAID IN CAPITAL	**589,120,803**	589,120,803
CUMULATIVE CHANGES IN FAIR VALUE OF AVAILABLE-FOR-SALE FINANCIAL ASSETS		
Balance at beginning of the year	**516,307**	1,017,460
Other Comprehensive Income	**2,419,785**	889,939
Balance at end of the year	**2,936,092**	1,907,399
DEFICIT		
Balance beginning of the Year	**(2,594,825,161)**	(2,613,018,687)
Net Loss	**(4,326,930)**	(3,241,224)
Balance at end of year	**(2,599,152,091)**	(2,616,259,911)
	(8,542,015)	(26,678,527)

METRO GLOBAL HOLDINGS CORPORATION
STATEMENT OF CASH FLOWS

		Nine Months Ended September 30		
		2020		**2019**
CASH FLOW FROM OPERATING ACTIVITIES				
Net Loss before income tax	₱	**(4,326,930)**	₱	(3,241,224)
Adjustment for:				
Increase (decrease) in Accrued expenses and other current liabilities		**(3,066,462)**		23,889,029
Increase (decrease) in Income Tax Payable		**(2,497,073)**		(4,599,603)
Net cash used for operating activities		**(9,890,465)**		16,048,202
CASH FLOW FROM INVESTING ACTIVITIES				
(Increase)Decrease in Investment				
(Increase)Decrease in Other Assets		**(15,389)**		2,397,494
(Increase)Decrease in Receivables		**31,789,352**		32,497,595
Net cash used in investing activities		**31,773,962**		34,895,089
CASH FLOW FROM FINANCING ACTIVITIES				
Increase(Decrease) in Due to related parties		**10,543,390**		(11,700)
Increase(Decrease) in Due to stockholder		**(31,716,257)**		(50,540,712)
Net cash used in financing activities		**(21,172,867)**		(50,540,712)
Net Increase/Decrease in Cash		**710,630**		390,878
CASH BEGINNING OF THE YEAR		**932,232**		620,599
End of Period	₱	**1,642,862**	₱	1,011,477

METRO GLOBAL HOLDINGS CORPORATION
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

These financial statements are presented in Philippine Peso (₱), the Company's functional currency, and all values are rounded to the nearest peso except when otherwise indicated.

Assets and liabilities are presented in the Statement of Financial Position in a current and non-current distinction and in order of liquidity.

The Statement of Comprehensive Income presents an analysis of expenses using a classification based on their functions.

The Company changes the presentation of its financial statements only if the changed presentation provides information that is reliable and more relevant to its users and the revised structure is likely to continue so that comparability is not impaired.

Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PRFS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB). PFRS consist of:

(i) PFRS-corresponding to International Financial Reporting Standards;
(ii) Philippine Accounting Standards (PAS)-corresponding to International Accounting Standards; and,
(iii) Interpretations to existing standards-representing interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), of the IASB which are adopted by the FRSC.

The Company need not present consolidated financial statements since the Company is partially-owned of another entity and its ultimate parent produces financial statements available for public use that comply with PFRSs, in which subsidiaries are consolidated in accordance with PFRS 10.

Changes in Accounting Policies

The Company changes an accounting policy only if the change is (a) required by a Standard or an Interpretation; or (b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Company's financial position, financial performance or cash flows.

Impact of New Amendments and Interpretations to Existing Standards

The accounting policies adopted are consistent with those of previous financial year, except for the adoption of certain new PFRS and amendments to existing PFRS and PAS which became effective for current period on or after January 1, 2019. Unless otherwise stated, the adoption of the following new standards, interpretations and amendment does not have a material effect on the financial statements:
Effective in 2019

STANDARDS

- PFRS 16, "Leases"

This standard replaces the current guidance in PAS 17 and is a far-reaching change in accounting by lessees in particular.

Under PAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). PFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a `right-of-use asset` for virtually all leases contract. The IASB has included an optional exemption for certain short-term leases and leases of low-value-assets; however, this exemption can only be applied by lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees.

Under PFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Effective annual periods beginning on or after 1 January 2019 with earlier application permitted if PFRS, `Revenue from Contracts with Customers`, is also applied.

The Company is neither a lessor nor a lessee.

INTERPRETATIONS

- IFRIC 23, `Uncertainty over income tax treatments`

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under PAS 12. It specifically considers:

Whether tax treatments should be considered collectively Assumptions for taxation authorities' examinations. The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effect of changes in facts and circumstances.

AMENDMENTS

- Applying PFRS 9 `Financial Instruments` with PFRS 4 `Insurance Contracts` (Amendments to PFRS 4)

Amends PFRS 4 Insurance Contracts provide two options for entities that issue insurance contracts within the scope of PFRS 4: an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach; an optional temporary exemption from applying PFRS 9 for entities whose predominant activity is issuing contracts within the scope of PFRS 4; this is so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the insurance contracts standard is applied.

The amendment is not applicable to the Company

- Amendment to PFRS 9, 'Financial instruments', on prepayment features with negative compensation

Amends the existing requirements in PFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value although other comprehensive income) even in the case of negative compensation payments.

- Long-term Interests in Associates and Joint Ventures (Amendments to PAS 28)

Clarifies that an entity applies PFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendment is not applicable to the Company.

● Annual Improvements to PFRS Standards 2015-2017 Cycle

Makes amendments to the following standards:
● **PFRS 3** and **PFRS 11** – The amendments to PFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it measures previously held interests in that business. The amendments to PFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

The amendment is not applicable to the Company.

● **PAS 12** – The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

● **PAS 23** – The amendments clarify that if any specific borrowing remains outstanding after the related assets is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowing.

● Plan Amendment, Curtailment or Settlement (Amendments to PAS 19)

The amendments in Plan Amendment, Curtailment or Settlement (Amendments to PAS 19) are: If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

<u>Future Changes in Accounting Policies</u>
The Company will adopt the following revised standards, interpretations and amendments when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standards and interpretations to have signicant impact on its financial statements.

Effective in 2021

PFRS 17, 'Insurance contracts'
PFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. PFRS 17 supersedes PFRS 4 Insurance Contracts of 1 January 2021.

The standard is not applicable to the Company.

The significant accounting policies used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all years presented unless otherwise stated.

Financial Instruments after adoption of PFRS 9

Classification and Measurement at initial recognition

Financial Assets and Financial Liabilities are classified and measured at fair value at initial recognition (adjusted in some cases for transaction costs). The exception is for trade receivables that do not contain a significant financing component, as defined by PFRS 15, Revenue from Contracts with Customers. These are measured at the transaction price (e.g. invoice price excluding costs collected on behalf of third parties, such as sales taxes). As a practical expedient, it can be presumed that a trade receivable that does not have a significant financing component if the expected term is less than one year.

Financial assets are generally classified and measured at fair value, with changes in fair value recognized in profit or loss as they arise (FVPL) unless restrictive criteria are met for classifying and measuring them at Amortised Cost or Fair Value through Other Comprehensive Income (FVOCI).

Cost as the basis for estimating fair value
In limited circumstances, cost may provide an appropriate estimate of fair value. This would be the case if insufficient more recent information is available to measure fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Classification and Measurement after Initial Recognition.
The basis on which *f*inancial assets are measured determines their classification.

Categories of financial instruments
The foregoing categories of financial instruments are more fully described below.

(a) Amortised Cost
The asset (debt instrument) is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, any loss allowance. Interest income is calculated the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified. Sale of Asset, if any, is incidentally made in response to increase in asset's credit risk or to manage concentrations of credit risk.

The Company has bank deposits repayable on demand and Trade Receivables requiring payment only of fixed amounts on fixed dates.

The Company does not have any contract with any customer. The Other Receivables represent the Company's 28.48% share in the 5% rental income called "Depot Royalties" from depot developments rights in Trinoma for North triangle Depot Development Corporation on account of the Company's 18,029,417 redeemable preferred shares (see Note9.1.1)

For an instrument at Amortised Cost, the following tests have to be met:

- The objective of the entity's business model is to hold assets only to collect cash flows ("the Business Model test"), and
- The contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding ("the SPPI test"). Principal is the fair value of a financial asset at initial recognition, which may change over the life of the financial instrument if

there are repayments of the principal. Interest is the consideration for the time value of money, for the credit risk associated with the principal outstanding during a particular period of time, basic risks, administrative costs and profit margin. There are factors to be considered in applying the SPPI test to a financial instrument (e.g. prepayments, foreign currency or when non-payment occurs).

(b) FVOCI
The asset is measured at fair value. The Company has investment in equity instruments designated as FVOCI. (See Note 7)

Loans and receivables (Debt Instrument)

Interest revenue, impairment gains and losses, and a portion of foreign exchange gains and losses, are recognized in profit and loss on the same basis as for Amortized Cost Assets. Changes in fair value are recognized initially in Other Comprehensive Income (OIC). This includes assets held to maturity.

Derecognition
When the asset is derecognized or reclassified, changes in fair value previously recognized in OCI and accumulated in equity are reclassified to profit and loss on a basis that always results in an asset measured at FVOCI having the same effect on profit and loss as if were measured at Amortised Cost. Under PFRS 39, assets of this category include held to maturity.

Investment in equity instruments

Equity investments represent any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Dividends represent " distribution of profits to holders of equity instruments in proportion to their holdings of a particular class of capital. Dividends are recognized when the entity's right to receive payment is established, it is probable the economic benefits will flow to the entity and the amount can be measured reliably. Dividends are recognized in profit and loss unless they clearly represent recovery of a part of the cost of the investment, in which case they are included in OCI. Changes in fair value are recognized in OCI and are never recycled to profit and loss, even if the asset is sold or impaired.

Financial Assets
Financial assets are classified as financial assets at FVPL, loans and receivables, held-to-maturity investments (HTM), AFS financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each reporting date.

The Company has no financial assets designated at FVPL, HTM investments and derivatives designated as hedging instruments as at September 30, 2020 and December 31, 2019.

Cash in Banks represents deposits in local banks that are unrestricted and immediately available for use in current operations and earn interest based on daily bank deposit rates.

Classified under this category are the Company's cash in banks as at September 30, 2020, and December 31, 2019.

Loans and Receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets nor financial assets at FVPL. After initial measurement, loans and receivables are subsequently measured at amortized cost less any allowance on impairment. Amortization is determined using the EIR method. Amortized cost is calculated taking into account any discount or premium on acquisition and include fees that are integral part of the EIR and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired as well as through the amortization process. Loans and receivables are included in current assets if maturity is within twelve months from the reporting date. Otherwise, these are classified as noncurrent assets.

AFS Financial Assets. AFS financial assets are non-derivative financial assets that are designated as such or do not qualify to be classified in any of the other preceding categories. AFS financial assets include equity and debt securities. Equity investments classified as AFS are those, either designated in this category or not classified in any of the other categories. After initial measurement, AFS financial assets are measured at fair value with unrealized gains or losses recognized as separate component of other comprehensive income in the cumulative change in fair value of AFS financial assets until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or determined to be impaired, at which time the cumulative loss is recognized in profit or loss in finance costs and removed from the cumulative change in fair value of AFS financial assets.

The Company evaluated its AFS financial assets whether the ability and intention to sell them in the near term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intent significantly changes to do so in the foreseeable future, the Company may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and has the intent and ability to hold these assets for the foreseeable future or maturity. The reclassification to HTM is permitted only when the entity has the ability and intent to hold until the financial asset matures accordingly.

For a financial asset reclassified out of the AFS category, any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR method. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the EIR method. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

As at September 30, 2020 and December 31, 2019, AFS financial assets consist of the Company's investments in quoted equity securities currently traded in the PSE and unquoted equity securities like investments in shares of stock of MRTHI and MRTHII.

<u>Financial Liabilities</u>

Financial liabilities are classified as financial liabilities at FVPL, other financial liabilities or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification at initial recognition and re-evaluates this designation at every reporting date.

The Company has not designated any financial liabilities at FVPL and derivatives designated as hedging instruments as at September 30, 2020 and December 31, 2019.

Other financial liabilities pertain to financial liabilities that are not held for trading or not designated at FVPL upon the inception of the liability.
This category includes accrued expenses and other current liabilities (excluding deposits received in consideration from the Cooperation Agreement) and due to a stockholder (excluding settlement in equity shares) as at September 30, 2020 and December 31, 2019.

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the EIR method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

Impairment of Financial Assets
The Company assesses at each financial reporting date whether a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, Whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

Financial Assets Carried at Cost. If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

AFS Financial Assets. In the case of equity investments classified as AFS financial assets, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss) is removed from equity and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized as other comprehensive income.

Derecognition of Financial Assets and Financial Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

■ The Company's rights to receive cash flows from the asset have expired; or

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

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

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

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

Investment in an Associate

The Company carries its investment in Monumento Rail, where the Company has the ability to exercise significant influence since the date of acquisition, under the equity method of accounting. Under the equity method, the investment is carried in the statement of financial position at cost plus post-acquisition changes in the Company's share in net assets of the associate, less any impairment in value. The statement of comprehensive income reflects the Company's share of the financial performance of the associate. Where there has been a change recognized directly in equity of the associate, the Company recognizes its share of any changes and discloses this, when applicable, in the statement of changes in capital deficiency.
The share of profit of associates is shown in the statement of comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non- controlling interests in the subsidiaries of the associate.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal are recognized in profit or loss.

Impairment of Investment in an Associate

In assessing impairment of investment in an associate, the Company determines, after application of the equity method, whether it is necessary to recognize an additional impairment loss. The Company determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Company calculates the amount of impairment as being the difference between the fair value of the associate and the acquisition cost and recognizes the amount in profit or loss. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

Investment in Subsidiary

Subsidiaries are all entities over which the Company has the power to control the financial and operating policies. Control is achieved where the Parent Company has the power to govern the financial and operating policies of an entity 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 Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company uses the acquisition method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured at fair value of the assets given, the equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of the minority interest. The excess of cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. If the acquisition is less than fair value of the net assets of the subsidiary acquired, the difference, or negative goodwill, is recognized as Income from Acquisition directly in the Company statement of comprehensive income as part of Other Revenues.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Equity

Capital stock is measured at par value for all shares issued. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of consideration received in excess of par value are recognized as additional paid-in capital. Subscriptions receivable becomes due and demandable upon approval of the capital call by the Company's BOD.

Deficit represents the accumulated losses incurred by the Company.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Interest income is recognized as the interest accrues, taking into account the effective interest on the asset using the EIR method.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to stockholders. Costs and expenses are recognized in the statement of comprehensive income in the year these are incurred.

Borrowing Costs

Borrowing costs are generally expensed as incurred.

Foreign Currency-denominated Transactions and Translations

Transactions denominated in foreign currency are recorded in Philippine Peso by applying to the foreign currency amount the exchange rate between the Philippine Peso and the foreign currency at the date of transaction. Monetary assets and monetary liabilities denominated in foreign currencies are restated using the closing exchange rate at the reporting date. All differences are recognized in the statement of comprehensive income.

Related Party Transactions

Parties are considered to be related if one party has the ability to, directly or indirectly, control or exercise significant influence over the party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related entities in an economically compatible market.

Income Taxes

Current Tax. Current tax assets and current tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and net operating loss carryover (NOLCO) to the extent that it is probable that taxable income will be available against which the deductible temporary differences NOLCO can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Loss Per Share

Loss per share is computed by dividing the net loss for the year by the weighted average number of shares outstanding during the year, with retroactive adjustments for stock dividends declared, if any.

Business Segments

The Company's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products.

Segment Assets and Liabilities. Segment assets include all operating assets used by a segment and consist principally of operating cash. Segment liabilities include all operating liabilities and consist principally of accrued expenses and other current liabilities. Segment assets and liabilities do not include AFS financial assets and borrowings, respectively.

Inter-segment Transactions. Segment revenue, segment expenses and segment performance include transfers among business segments. The transfers, if any, are accounted for at competitive market prices charged to unaffiliated customers for similar products.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed in the notes to financial statements when an inflow of economic benefit is probable.

Events after the Reporting Period

Post year-end events that provide additional information about the Company's financial position at the reporting period, if any, (adjusting events) are reflected in the financial statements. However, post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

2. Significant Accounting Judgment and Estimate

The Company's financial statements prepared under PFRS require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Future events may occur which will cause the judgment and assumptions used in arriving at the estimates to change. The effects of any change in judgment and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates 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.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Determination of Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The functional currency is the currency of the primary economic environment in which the Company operates.

Determination of Fair Value of Financial Assets and Financial Liabilities. Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

The fair value of financial assets amounted to ₱1,472.6 million as at September 30, 2020 and ₱1,501.3 million in December 31, 2019. The fair value of financial liabilities amounted to ₱63.8 million as at September 30, 2020 and ₱66.8 million December 31, 2019.

Determination of Fair Value of Financial Assets not Quoted in an Active Market. The Company determines whether a reliable measure of fair value is available for equity investments not quoted in an active market. If a reliable measure is not available or ceases to be available, the unquoted equity investments are measured at cost.

The fair values of the Company's investments in MRTHI and MRTH II cannot be reasonably determined as the shares are unquoted nor are there any expected future cash flows in view of the sale of future distributions and that the investments, pursuant to the "Letter of Agreement", will be used to settle the Company's liability to FEMI.

Determination of Impairment of AFS Financial Assets. The Company treats quoted AFS financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment. The Company treats "significant decline" when the difference between its cost and fair value is 20.0% or more and "prolonged decline" when the fair value of quoted equity securities is lower than its cost for more than twelve months. In making this judgment, the Company evaluates, among other factors, the normal volatility in share price for quoted equities.

There was no impairment for quoted equity securities as of September 30, 2020 and December 31, 2019. The carrying value of quoted equity securities amounted to ₱5.5 million and ₱3.1 million as at September 30, 2020, and December 31, 2019.

In the case of unquoted shares, AFS financial assets are considered impaired when management believes that future cash flows generated from the investment is expected to decline significantly. The Company's management makes significant estimates and assumptions on the future cash flows expected and the appropriate discount rate to determine ^impairment exists. Impairment may also be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

The amount due from MRTHI and MRTHII amounting to P333.5 million represents advances received by the Company prior to the sale of future distribution which shall be applied against future dividends to be declared. MRTC declared dividends in 2014 but MRTHI and MRTHII have yet to declare dividends. Prior to sale of future distributions, the Company accounted its investments in MRTHI and MRTH II under the equity method and therefore the carrying value of the investments in MRTHI and MRTH II includes the Company's share in earnings of the MRT companies. As such, once dividends are declared, the amounts due to related parties will just be closed and offset against the balance of investments. After the sale of future distributions, the Company accounted its investments in MRTHI and MRTHII as AFS investments. Management believes that the carrying value of the AFS investments in MRTHI and MRTHII, unquoted equity securities, after the application of the proceeds from the sale of future share distributions and after considering the advances to be applied against future dividends as discussed, can be realized in the future mainly through the following :

a. *Consummation of the Cooperation Agreement between the Company and MPIC.* As of September 30, 2020, the Cooperation Agreement is still not consummated.
b. Letter Agreement between the Company and FEMI where the Company has a put option to use the shares of stocks of MRTHI and MRTH II to pay-off its net advances from FEMI pursuant to the "Letter of Agreement". However, this put option is subordinated to the Cooperation Agreement mentioned above.

In addition, the Company also believes that other sources of realization of the carrying value of the AFS investments in unquoted equity shares will be from the following (a) the Company's share in any additional variable equity rental payments (ERP) received by MRTC from DOTC in the form of a ridership bonus or sharing scheme which were not included in the future share distributions sold and (b) the Company's share in the benefits arising from the residual rights in the expansion project. However, the benefits that can be derived from these cannot still be quantified and therefore not included in the calculation of impairment loss.

Estimate

The key assumption concerning future and other key source of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

Recognition of Deferred Tax Assets.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that sufficient taxable income will be generated to allow all or part of the deferred tax assets to be utilized.

Financial Risk Management Objectives and Policies

The Company's financial assets and financial liabilities are cash in banks, AFS financial assets, accrued expenses and other current liabilities and due to a stockholder (excluding deposits received in consideration from the Cooperation Agreement). The BOD reviews and approves policies of managing each of the risks.

Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet or settle its obligations and supporting the Company's operations and activities.

Other than accrued expenses and other current liabilities (excluding the deposits received in consideration from the Cooperation Agreement), which are payable on demand, the remaining liabilities have no fixed repayment terms. As discussed in

Note 4, the Company has the option to use its investment in MRTHI and MRTH II in payment for its outstanding advances to FEMI while the other due to related parties shall be applied against future dividends. In addition, as discussed in Note 1, FEMI committed not to demand payment of the amount due from the Company which therefore reduces the Company's exposure to liquidity risk.

The Company coordinates and negotiates closely with its Parent Company to manage cash flow risks by jointly identifying new sources of cash flows through potential future investment and/or cash flow infusions into the Company over the next five years.

Credit Risk

Credit risk arises from the possibility of the Company incurring a loss due to the failure of the debtors to meet their contractual debt obligations.

The Company's exposure to credit risk relates primarily to its deposits from banks with good credit rating. The gross and net maximum exposure to credit risk is equivalent to the carrying amount of these cash in banks and AFS financial assets.

In 2019, the Company recognized impairment loss on its available for sale financial assets amounting to ₱24.9 million. After recognition of impairment, the aggregate fair value of the Company's financial assets amounted to ₱1,460.3 million as at December 31, 2019.

No impairment loss was recognized as at September 30, 2020.

Cash in banks. These are deposited with a reputable bank that belonged to the top three banks in the Philippines and approved by management. The Company has not experienced any difficulty transacting with this bank.

AFS Financial Assets. Unquoted AFS financial assets are unrated while quoted AFS financial assets are assessed as high grade based on financial status of the counterparty and its current stock price performance in the market.

Equity Price Risk

The Company is exposed to fair value changes on its AFS financial assets in listed equity securities.

The Company's policy is to maintain the risk to an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position.

Capital Management

The Company treats its payables to FEMI as part of the aggregate capital base. The primary objective of the Company’s management is to maintain a substantial capital base sufficient to support its long-term investment and holding company mandate.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or business directions as approved by the Company’s BOD. In order to maintain or adjust the capital structure, the company may pay off its debt, issuance new shares or sell assets to reduce debt.

The Company monitors capital using a targeted gearing ratio, which is net debt divided by total capital (inclusive of payables to FEMI as part of capital base) plus net debt. The Company’s policy is to keep a gearing ratio of 60.0% or lower. The

Company includes within net debt, accrued expenses and other current liabilities and due to other related parties, less cash.

	September 30, 2020	December 31, 2019
Accrued expenses and other current liabilities	413, 761, 541	416, 828,003
Due to related parties	358,671,675	348,128,285
Less cash on hand and in banks	1, 642,862	932,232
Net debt (a)	770, 790,354	764,024,056
Due to a stockholder	741,655,148	773,371,405
Total capital deficiency	(8,542,015)	(6,634,869)
Capital and net debt (b)	1,503, 903,488	1,530, 760,592
Gearing ratio (a/b)	51. 25%	49.91%

The Company continuously conducts an internal review its capital and financial risk management objective and policies.

3. Other Information

With regards to debt and equity securities, there were no issuances and/or repurchases incurred in the third quarter ended, September 30, 2020.

The Company has not made any reorganization, entered into any merger or consolidation or any business combinations. Also, the Company was not involved in any acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations since the last reporting period of December 31, 2019.

As of December 31, 2019 up to this quarter period reporting (September 30, 2020), no contingent liabilities or contingent assets have been declared.

PART 1 - FINANCIAL INFORMATION

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

The Company continues to be a stakeholder of the Metro Manila Rail Transit Project through its holding company Metro Rail Transit Holdings, Inc. and its subsidiary Monumento Rail Transit Corporation.

The Company plans to continue its strategy of maintaining itself as a holding corporation with key investment in the form of equity interest in MRTHI and MRTHII. The combined investment in these two holding companies represents approximately 29% interest in the EDSA MRT Systems. The Phase 1 of the MRT Project (LRTS Phase 1) began full operation on July 15, 2000, which involved 13 stations spanning the North Triangle to Taft Avenue. The operation for the next twelve (12) months was strictly confined to that of an investee corporation.

The Company continues, through its holdings in Monumento Rail, to actively pursue its participation in the train system extensions (e.g. Makati Loop) and capacity expansion via procurement of additional trains/vehicles.

The Company's main source of income has been its share in the lease rental income termed as "Depot Royalties" that it receives annually from North Triangle Depot Commercial Corporation (NTDCC). The Company recognized depot royalties of P 30.3 million in 2019, P 29.5 million in 2018 and P27.8 million in 2017.

During the past two years, the Company posted net operating income of P18.2 million in 2019 and P22.4 million in 2018.

The Company's Deficit also posted a decrease of P18.2 million in 2019, in view of the P18.2 million net income recognized by the Company in 2019.

The Company continues to recognize a negative Stockholders Equity balance of P6.6 million in 2019. This had decreased significantly compared to year 2018 capital deficiency balance of P24.3 million.

Proposed increase in Authorized Capital Stock

The Company plans to increase its authorized capital stock to 5,000,000,000 shares at P1.00 per share, from 2,000,000,000 at P1.00 per share. The initial plan in increase of its authorized Capital stock to 3,000,000,000 shares at P1.00 per share, from 2,000,000,000 shares at P1.00 per share has been superseded by the approval by the Board of Directors on 24 September 2018.

FEMI agrees to subscribe to 25% of the plan increased in capitalization, or 750,000,000 shares at P1.00 per share. Out of the said subscription, Five Hundred Million Pesos (P500,000,000.00) corresponding to Five Hundred Million (500,000,000) common shares at P1.00 per share will be fully paid through the conversion into equity of portion of FEMI's advances to the Company.

At the Annual Stockholder's Meeting held on November 22, 2018, the stockholders approved the increase in authorized capital stock from Two Billion Pesos (Php2,000,000,000.00) divided into to Two Billion (2,000,000,00) share with a par value of One Peso (Php1.00) per share to Five Billion Pesos (Php5,000,000,000) divided into Five Billion (5,000,000,000) shares with a par value of One Peso(Php1.00) per share and the corresponding amendments to Article Seventh of the Amended Articles of Incorporation of the Company. The stockholders also approved the subscription of FEMI to Seven Hundred Fifty Million (750,000,000) common shares of the Company at par value of P1.00 per share with part of subscription price to the extent of five Hundred Million Pesos (P500,000,000.00) to be offset against the Company's advances from FEMI. The Subscription for 250,000,000 common shares at P1.00 per share or subscription price of P250,000,000.00 is intended to be paid fully or partially via assignment to the Company of shares of FEMI in Metro Solar Power Solutions, Inc. (Metro solar) as discussed further below.

As of December 31, 2019, the application for increase in authorized capital stock is pending with the SEC while awaiting the valuation of the Metro Solar shares.

Equity Infusion. On March 19, 2007, the Company accepted the proposal of FEMI to infuse its 30.0% equity ownership in Camp John Hay Development Corporation (CJH) subject to the approval of the SEC.

On September 11, 2007, the Company signed a Deed of Assignment transferring the 30.0% equity ownership of FEMI in CJH in exchange for 450.0 million shares of the Company at P1.0 par value and was approved by the Bases Conversion Development Authority (BCDA) on July 1, 2008.

On April 23, 2009, the Company and FEMI (the parties) executed an Amendment to the Deed of Assignment which includes amending the number of shares to be transferred to 1.5 million shares still representing 30.0% equity interest in CJH and (b) extends date of closing of transaction to allow the parties to fully comply with the conditions precedent to closing as set forth in the Deed of Assignment, particularly the consent from the SEC.

On January 9, 2012, CJHDEVCO rescinded the Restructured Memorandum of Agreement it entered into with BCDA on July 1, 2008, in view of the continuing inability of BCDA to make good its one-stop shop 30-day permit issuance guaranty. CJH subsequently filed a case against BCDA for arbitration with the Philippine Dispute Resolution Center, Inc.

On March 14, 2012, the House of Representatives passed a resolution creating a technical working group aimed to assisting CJHDEVCO and BCDA in amicably resolving the dispute.

On April 12, 2012, the Board of Directors (BOD) approved the deferment of the implementation of the transfer of the 30.0% equity of FEMI in CJH until the dispute between CJH and BCDA has been resolved.

On February 11, 2015, the PDRCI rendered its Final Award on the arbitration case filed by CJH Development Corporation (CJH) against the Bases Conversion and Development Authority ((BCDA). The decision stated that the Original Lease Agreement, and the subsequent Memorandums of Agreements entered into by CJH and BCDA were rescinded due to mutual breach of both parties and ordered the parties to be reverted as far as practicable to their original position prior to the execution of the Original Lease Agreement.

The PDRCI (a) directed BCDA to return to CJH the total amount of rentals it paid amounting to PI,421.1 billion; and (b) ordered CJH to vacate the leased premises and promptly deliver the leased property to BCDA. The PDRCI likewise declared CJH as not liable for any unpaid back rent consistent with the ruling that rescission and mutual restitution is proper in the case.

On March 6, 2015, CJH filed a Verified Petition for Confirmation of Final Award with the Regional Trial Court of Baguio City. On March 27, 2015, the Court issued an Order of Confirmation of the Final Award, re-stating "in toto" the Final Award of the PDRCI.

In view of the PDRCI decision, the Board of Directors approved to permanently cancel the proposed transaction for FEMI to infuse its^30.0% equity in CJH in exchange for equity shares of the Company.

In fusion of Certain Properties. On April 12, 2012, the Company accepted the infusion by FEMI of certain properties of Mt. Zion Memorial, Inc. (MZMI) worth P500.0 million in exchange for 500.0 million shares of the Company at P1.0 par value. MZMI is a wholly-owned subsidiary of FEMI engaged in the development of Class A memorial parks.

Consistent with the new business directions of the Company as discussed in the next section, the Board of Directors approved to cancel the implementation of the proposed plan of FEMI to assign properties of Mt. Zion Memorial Inc. (MZMI), worth P500.0 million in exchange for 500,000,000 shares of the Company at PI.00 per share.

Conversion of Liabilities to FEMI to Equity. On January 28, 2008, the BOD approved the conversion of a portion of the liabilities to FEMI amounting to about ₱400.0 Million into equity shares of the Company at a par value of ₱1.00 per share. In view of the increase in the balance of liabilities to FEMI, the amount to be converted into equity was increased to ₱600.0 Million as approved by the BOD on April 18, 2011. The liability amount for conversion was further increased to ₱800.0 Million and subsequently approved by the BOD on April 12, 2012.

On December 16,2013, the SEC approved the conversion of a portion of the Company's liabilities to FEMI amounting to P800.0 million, into equity shares totaling 800.0 million shares atPI.0 par value.

On May 6, 2014, the BOD of the Company approved the request of FEMI to increase its shareholdings and further reduce its receivables from the Company through the conversion into equity of portion of its receivables amounting to P200.15 million, equivalent to 200,150,000 shares at PI.00 par value. On September 4, 2014, the SEC approved the conversion of portion of the Company's liabilities to FEMI amounting to P200.15 million, into equity shares equivalent to 200,150,000 shares at PI.00 par value.

On September 4, 2014, the Securities and Exchange Commission approved the Corporation's application for Confirmation of Valuation of the advances of ₱200,150,000 as payment for the additional Subscription of Fil-Estate Management, Inc. to 200,150,000 common shares of Metro Global Holdings Corporation (formerly Fil-Estate Corporation) with par value of ₱1.00 per share.

Cooperation Agreement. On November 12, 2010, the Company, Fil-Estate Properties, Inc. (FEPI) and FEMI (collectively termed as the Fil-Estate Companies) entered into a Cooperation Agreement with Metro Pacific Investment Corporation (MPIC) relating to the Fil-Estate Companies' rights and interests in the MRT Companies. The cooperation has the following objectives: (i) explore solutions that will enable to expansion of the MRT 3 system through financially and legally viable means, and (ii) to transfer the interests of the Fil-Estate Companies in the MRT Companies, subject to obtaining the necessary consents from the relevant parties. Under the Cooperation Agreement, the Fil-Estate Companies shall appoint MPIC as its attorney-in-fact in connection with the exercise of the rights and interests of the Fil-Estate Companies in the MRT Companies. The completion and consummation of the transaction contemplated by the parties is subject to certain conditions, which as at September 30, 2020, has not yet occurred.

Redemption of Redeemable Preferred Shares in Monumento Rail

On August 22, 2006, the Board of Directors of Monumento Rail Transit Corporation (Monumento Rail) approved the redemption of the redeemable preferred shares it issued to its shareholders giving the latter a redemption privilege by assigning the former's right to receive Depot Royalties ("Depot Royalty Rights") with respect to improvements constructed on the Depot and rental income from the commercial center in the Depot pro-rata to the percentage of shareholdings held by each shareholder. On December 17, 2014, Monumento Rail and the Company executed the Redemption and Deed of Assignment whereby for and in consideration of the cancellation of the redeemable preferred shares issued by Monumento Rail to the Company and certain trustees of the Company, Monumento Rail assigned to the Company a pro-rata interest of Monumento Rail's Depot Royalty Rights to the extent of an aggregate of 28.47% thereof.

The cost of the Company's 18,029,417 redeemable preferred shares amounts to P901,471 based on par value of P.05 per share which is the price per share at time of redemption. In accordance with the Articles of Incorporation of the issuer, the holder of the redeemable preferred shares is given the privilege of a right to receive Depot Royalty pro-rata to the percentage of shareholdings of redeemable shares held by each shareholder of record thereof as of August 22, 2006.

As at December 31,2019, 2018 and 2017, the Company recognized its share in the lease income from the Trinoma Mall amounting to ₱30,296,661, ₱29,455,307, and ₱27,843,189 representing 28.47% of 5% of lease rental income in the Trinoma Mall in those years, respectively, which were paid in subsequent years.

Settlement Agreement

On December 17,2014, the Company, together with all the shareholders of Monumento Rail Transit Corp., entered into a Settlement Agreement with Metro Rail Transit Development Corporation (MRTDEVCO) and companies who are parties to a Vested Rights Agreement dated May 22,1995, whereby MRTDEVCO agreed to assign to parties of the Vested Rights Agreement the development rights to specific developable areas of the 16 hectares Depot in North Triangle corner EDSA, North Avenue and Mindanao Avenue. The assignment of development rights, however, are conditioned on the assumption of the assignees of the obligation to pay the Depot Royalty arising from the development of assigned specific developable areas in the Depot to Monumento Rail Transit Corp. (Monumento Rail) or its successors-in-interest in accordance with the Deed of Assignment of Development Rights of June 16, 1995 between Metro Rail Transit Corp. Ltd. (MRTCL) and MRTDEVCO and the Assignment and Assumption Agreement of December 18, 2000 between MRTCL and Monumento Rail.

The Company became a successor-in-interest of Monumento Rail to the extent of 28.47% of Depot Royalties corresponding to 5% of the gross receipts of the rental income and 5% of the gross proceeds of sale or leases of improvements from the exercise by specific assignees of the development rights in specific developable areas of the Depot by virtue of the Settlement Agreement and the December 17, 2014 Deed of Assignment between Monumento Rail and the Company.

Lease Agreement
On October 29, 2015, GERI and NTDCC entered into a Lease Agreement over North Avenue Lot Pads A and B in the Depot. As a condition to the signing of the Lease Agreement, GERI required NTDCC to execute an Assumption and Accession Agreement in favor of the Company, which agreement is described below.

Assumption and Accession Agreement
On October 29, 2015, as a condition for Global- Estate Resorts, Inc. (GERI) to enter into a Lease Agreement with North Triangle Depot Commercial Corporation (NTDCC) and for the latter to commence development on North Avenue Lot Pads A and B in the Depot, GERI, NTDCC and the Company entered into an Assumption and Accession Agreement. Under the agreement, NTDCC, with the consent of the Company, assumed the obligation of GERI to pay the Company the latter's 28.47% share of 5% of the Depot Income from developments and improvements on North Avenue Lot Pads A and B in the Depot.

Proposal to Department of Transportation and Communications (DOTC). On December 19, 2014, the Company presented to the Department of Transportation and Communication (DOTC) its proposal for a Fast Track Rehabilitation of the MRT-3 System as a substantial shareholder of Metro Rail Transit Holdings II, owner of Metro Rail Transit Corporation (MRTC) which in turn owns the MRT-3 Systems. The proposal, included among others, the total rehabilitation of the MRT-3 rail system and of the existing 73 rail cars, and the acquisition of new rail cars, at no cost to the government. Subsequently, MRTC adopted the proposal and submitted the same to DOTC and the Office of the President.

As of September 30, 2020, the foregoing proposals remain pending with the Office of the President.

Change in Corporate Name. On March 18, 2014, the BOD approved the amendment of the Articles of Incorporation and By-laws of the Company, a major provision of which was the change in its corporate name from Fil-Estate Corporation to Metro Global Holdings Corporation. The amendments were intended to identify the group of companies under the "METRO GROUP" and establish the affiliation of the Company with its affiliate infrastructure companies which likewise had the word "Metro" in their corporate names.

The foregoing amendments were approved by the Securities and Exchange Commission on May 30, 2014.

New Management Plans

Proposed increase in Authorized Capital Stock

The Company plans to increase its authorized capital stock to 5,000,000,000 shares at P1.00 per share, from 2,000,000,000 shares at P1.00 per share. The initial plan in increase of its authorized Capital stock to 3,000,000,000 shares at P1.00 per share, from 2,000,000,000 shares at P1.00 per share has been superseded by the approval by the Board of Directors on 24 September 2018.

FEMI agrees to subscribe to 25% of the plan increased in capitalization, or 750,000,000 shares at P1.00 per share. Out of the said subscription, Five Hundred Million Pesos (P500,000,000.00) corresponding to Five Hundred Million (500,000,000) common shares at P1.00 per share will be fully paid through the conversion into equity of portion of FEMI's advances to the Company.

At the Annual Stockholder's Meeting held on November 22, 2018, the stockholders approved the increase in authorized capital stock from Two Billion Pesos (Php2,000,000,000.00) divided into Two Billion (2,000,000,000) shares with a par value of One Peso (Php1.00) per share to Five Billion Pesos (Php5,000,000,000) divided into Five Billion (5,000,000,000) shares with a par value of One Peso (Php1.00) per share and the corresponding amendments to Article Seventh of the Amended Articles of Incorporation of the Company. The stockholders also approved the subscription of FEMI to Seven Hundred Fifty Million (750,000,000) common shares of the Company at par value of P1.00 per share with part of subscription price to the extent of Five Hundred Million Pesos (P500,000,000.00) to be offset against the Company's advances from FEMI. The subscription for 250,000,000 common shares at P1.00 per share or subscription price of P250,000,000.00 is intended to be paid fully or partially via assignment to the Company of shares of FEMI in Metro Solar Power Solutions, Inc. (Metro Solar) as discussed further below.

As of September 30, 2020, the application for increase in authorized capital stock is pending with the SEC while awaiting the valuation of the Metro Solar shares.

Expansion of the Company's primary purpose

The Company plans to expand its primary purpose to include investment in business engaged in solar, wind and other renewable energy generation facilities.

On November 20, 2018, the Board authorized the Company to enter into a Memorandum of Agreement with Fil-Estate Management Inc. (FEMI) whereby the Company shall purchase the Two Hundred Forty Nine Thousand Nine Hundred Ninety Five (249,995) shares of common stock of FEMI in Metro Solar Power Solutions Inc. (Metro Solar); a stock corporation registered with the Securities and Exchange Commission (the "SEC") with SEC registration No. CS201622607 on September 28, 2016 with principal activity to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution.

Such shares issued by Metro Solar to FEMI represents 100% percent of the entire issued and outstanding capital stock of Metro Solar. As per agreement with FEMI, an independent appraiser, acceptable to the Company, shall determine the consideration in the value of the Metro Solar shares.

The shares that the Company will issue to FEMI in exchange for the Metro Solar shares will come from the proposed P3 billion (P3,000,000,000.00) increase in authorized capital stock of the Company.

At the Annual Stockholders Meeting held on November 22, 2018, the stockholders approved the amendment of the Second Article of the Articles of Incorporation to include in the primary purpose investment in business engaged in solar, wind, and other renewable energy generation facilities. The proposed amendment will allow the Company to expand its investment into business engaged in solar, wind, and other renewable energy generation facilities.

On October 30, 2019, the SEC pre-approved said amendment and upon payment of assessment shall issue the corresponding Certificate of Amended Articles of Incorporation.

Assignment of Share in Lease Income Termed "Depot Royalties"

On November 20,2018, the Board approved to earmark/allocate to FEMI its Depot Royalties for a period of fifteen (15) years commencing January 30, 2020 and ending January 30, 2034 to enable the Company to partially repay the Advances to FEMI to the extent of Three Hundred Million Pesos (P300,000,000.00). The Repayment Agreement was then issued and signed by the Company and FEMI.

On April 11, 2019, the Board of Directors of the Company passed a Resolution approving the Company's agreement with FEMI that in consideration of FEMI not charging interest on the outstanding obligations of the Company, the Company agreed to partially repay the Advances from FEMI by way of allocating to FEMI dividends and other income from affiliates of the Company. In addition to the assignment of Depot Royalties from the rental income derived in Trinoma Mall for a period of fifteen (15) years commencing on January 30, 2020 and ending on January 30, 2034.

The Company's **key performance indicators (KPIs)** cannot be measured or discussed since result of operation is net loss and there is capital deficiency. The Company's operation is strictly confined as holding company. Current ratio for 3rd quarter 2020 is 0.024% as compared to 3rd quarter of 2019 of 0.019%. You may refer to the attached table A.

The company employs two (2) office personnel starting June 2015 up to present.

Cash increased by about ₱710 Thousand, from ₱932 Thousand in December 2019 to ₱1.6 Million in September 2020 mainly due to cash advances received from an affiliates .

Receivables decreased by ₱31.7 million mainly due to collection of receivables from NTDCC in January 2020.

There was an increase of ₱2,419,786 in the AFS Financial Assets in the 3rd Quarter ended September 2020, from ₱1,462,751,661 in December 2019 to ₱1,460,331,875 in September 2020, in view of the increase in the market value of quoted equity securities.

The decrease in the "Due to a stockholder" account of ₱31.7 Million was in view of partial payments of FEMI's advances.

Due to other related parties increase by ₱10.5 Million mainly due to advances received from MRTDevco.

Increase in Accrued Expenses of about ₱415 Thousand was primarily due to payments of various expenses.

Decrease in Other Current Liabilities of about ₱3.5 Million was due to the settlement of deferred output tax (VAT) in January of this year.

The Company recognized a Net Loss of ₱4.3 Million in the 3rd quarter of 2020. This was mainly due to the regular operating expenses incurred by the Company .

There are no material events, trends, commitments or uncertainties known to management that would address the past and would have an impact on the liquidity and on future operation of the company in general.

There are no any material commitments for capital expenditures, nor any events that will trigger direct or contingent financial obligation that is material to the company.

No material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons created during this 3rd quarter period.

FINANCIAL RISK DISCLOSURE

The significant judgments made in classifying a particular financial instrument in the fair value hierarchy.

- ***Fair value of financial instruments***

  Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, these are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. These judgments may include considerations of liquidity. Due to the short-term nature of transactions, the fair value of cash in banks, accrued expenses and other current liabilities and due to a stockholder approximate the carrying values as at reporting date. Quoted equity securities are recorded at fair value. Fair value of unquoted equity securities for which no reliable basis for fair value measurement is available are carried at cost, less any accumulated impairment loss.

  Fair Value Hierarchy

  The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

  Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

  Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

  Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

  The quoted equity securities whose fair values are determined using quoted prices in active markets (Level 1) amounted to ₱5.5 million and ₱3.1 million as at September 30, 2020 and December 31, 2019, respectively.

  As at September 30, 2020 and December 31, 2019, the Company does not have any financial assets and financial liabilities carried at fair value that are classified under Level 2 and 3.

  On September 30, 2020 and December 31, 2019, there are no transfers among the fair value hierarchies.

A comparison of the fair values as of the date of the recent interim financial report and as of the date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods, as follows:

<u>Quoted Equity Securities</u>

The changes in market value of quoted equity securities that were presented as "Change in fair value of available-for-sale financial assets" in other comprehensive income amounted to ₱ 2.9 million gain in September 2020 and ₱ 516 thousand gain in December 2019.

Movement in AFS financial assets consists of:

	September 2020	December 2019
Acquisition cost	₱2,565,582	₱2,565,582
Cumulative change in fair value of AFS financial assets:		
Balance at beginning of year	516,307	1,017,460
Changes in fair value during the year	2,419,785	(501,153)
Balance at end of year	2,936,092	516,307
	₱5,501,675	₱3,081,890

The criteria used to determine whether the market for a financial instrument is active or inactive, as defined under PAS 39 – Financial instruments.

(1) Determination of Fair Value of Financial Assets not Quoted in an Active Market. The Company classifies financial asset valuating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arms' length basis.

(2) The fair values of the company's investments in MRTHI and MRTHII cannot be reasonably determines as the shares are unquoted nor were there any expected future cash flows in view of the sale of future distributions entered into by the participated shareholders of MRTHI and MRTHII with TBS Kappitel Corporation Pte Ltd (TBS Kappitel) and that the investments, pursuant to the option agreement with FEMI will be used to settle the Company's liability to FEMI. The carrying amount of unquoted investments amounted to ₱1.457 billion as at September 30, 2020 and December 31, 2019.

PART II - OTHER INFORMATION

SEC Form 17-C

In the meeting of the Board of Directors of Metro Global Holdings Corporation held on August 25, 2020, the Board approved the organisation/incorporation of a new special purpose vehicle company to be called METRO RENEWABLE TRANSPORT SOLUTIONS, INC., whose primary objective is to engage in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, roads, bridges, railways, ports, highways and other passages and facilities for transportation and communication.

The organisation of the new company shall be submitted for approval to the Securities and Exchange Commission.

Table A

Financial Ratios	Formula	3rd Quarter 2020	3rd Quarter 2019
a) Current Ratio	Total Current Assets / Total Current Liabilities	0.024%	0.019%
b) Solvency Ratio	Net Profit after Tax (or NPAT) + Depreciation and amortization / Total Liabilities		
c) Debt-to-Equity Ratio	Total Debt / Total Stockholders' Equity		
d) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity		
e) Net Profit margin	NPAT / Net Revenues		
f) Return on asset	NPAT / Average Total Asset		
g) Return on Equity	NPAT / Average Total Stockholders' Equity		

COVER SHEET

9	1	4	2							

SEC Registration No.

METRO
GLOBAL
HOLDINGS
CORPORATION

(Company's Full Name)

MEZZANINE FLOOR, RENAISSANCE
TOWERS, MERALCO AVE., PASIG

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

ALICE ODCHIGUE-BONDOC	86336205 loc. 113
Contact Person	Company Telephone Number

SEC FORM 17-C
CURRENT REPORT UNDER SECTION
17 OF THE SRC

1 2	3 1	FORM TYPE	1st Thursday of March
Month	Day		Month Day
fiscal year			Annual Meeting

Listed

Secondary License Type, If Appplicable

MSRD	
Dept. Requiring this Doc.	Amended Articles Number/ Section

Total Amount of Borrowings

Domestic	Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. **25 August 2020**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number: **9142** 3. BIR Tax Identification No. 000-194-408-000

4. **Metro Global Holdings Corporation**
   Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines** 6. ☐ (SEC Use Only)
   Province, country or other jurisdiction of incorporation   Industry Classification Code:

7. **Mezzanine Floor Renaissance Tower, Meralco Ave., Pasig City 1604**
   Address of principal office   Postal Code

8. **(632) 86336205**
   Issuer's telephone number, including area code

9. **N/A**
   Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common shares	**2,000,000,000 shares**

11. Indicate the item numbers reported herein: Item 9

In the meeting of the Board of Directors of Metro Global Holdings Corporation held today, 25 August 2020, the Board approved the organisation/incorporation of a new special purpose vehicle company to be called METRO RENEWABLE TRANSPORT SOLUTIONS, INC., whose primary objective is to engage in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, roads, bridges, railways, ports, highways and other passages and facilities for transportation and communication.

The organisation of the new company shall be submitted for approval of the Securities and Exchange Commission.

SIGNATURE

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

METRO GLOBAL HOLDINGS CORPORATION
Issuer

Date: 25 August 2020

By:

RAMON G. JIMENEZ
Vice-President & CFO

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrants has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

Registrant: Metro Global Holdings Corporation

Signature and Title ______________________
Atty. Ferdinand T. Santos
President

Date : October 20, 2020

Principal Financial/Accounting Officer/Controller:

Signature and Title ______________________
Ramon G. Jimenez
Vice President for Accounting

ANNEX C

METRO GLOBAL HOLDINGS CORPORATION
2020 ANNUAL STOCKHOLDERS' MEETING
December 11, 2020 at 10:00 am

Requirements and Procedure for Registration, Participation and Voting in Absentia

In view of the Government's imposition of a community quarantine and taking into consideration the safety of everyone, Metro Global Holdings Corporation (MGHC or the Company) will be conducting its Annual Stockholder Meeting (Annual Meeting) scheduled on December 11, 2020 at 10:00 AM virtually. There will be no physical venue for the Annual Meeting.

Only stockholders of record as of November 4, 2020 are entitled to participate and vote in the Annual Meeting.

I. Registration and Participation/Attendance Procedure:

1. The platform for participation through webcast/ video conferencing (Remote Communication) for the Annual Meeting is via Zoom;

2. Only stockholders of record as of November 4, 2020 and who have complied with the registration and validation process as outlined in this document may participate and vote in absentia in the Annual Meeting.

3. Stockholders who intend to participate in the Annual Meeting may register by filling up the form that can be found at www.metroglobalholdings.com. Online registration will be open from November 9, 2020 at 8:00 A.M. to December 4, 2020 at 5:00 P.M.

4. Stockholders should complete the online registration and submit/ upload the following for validation:

   a. For individual stockholders:
      i. Scanned copy of any valid government-issued ID showing stockholder's personal details and photo;
      ii. Active contact number, either landline or mobile.

   b. For stockholders with joint account:
      i. Scanned copy of authorization letter signed by other stockholders indicating the person among them authorized to participate and/or vote in the Annual Meeting;
      ii. Documents required under items 1.a (i) and (ii) for the authorized stockholder:

   c. For individual stockholders under PCD or a Brokers Account or "Scripless Shares":
      i. Broker's certification on the stockholder's number of shareholdings (in PDF format). To facilitate the verification of your account, please copy MGHC (investor-relations@metroglobalholdings.com) and its stock transfer agent, BDO Transfer (BDOST) (bdo-stock-transfer@bdo.com.ph) in all your email correspondence with your broker for the request for certification;
      ii. Documents required under items 1.a (i) and (ii).

   d. For corporate stockholders:

i. Duly accomplished and signed proxy
ii. Secretary's Certificate attesting to the authority of the person signing the proxy representative to participate and / or vote in the Annual Meeting;
iii. Documents required under items 1.a (i) and (ii) for the authorized representative;
iv. Valid and active email address and contact number of the representative
v. Scanned copy of the valid government-issued ID of the person signing the proxy

5. Please note that MGHC will request for your consent to process your personal information in accordance with the Data Privacy Act.

6. The Company's Corporate Secretary and its stock transfer agent, BDOST, will validate the registration requirements submitted by the stockholders. Incomplete or inconsistent information provided in the registration form will result to a rejection of the registration.

7. Upon successful registration and validation of the registration and documents submitted, the stockholder will receive an email confirmation with unique log in credentials which can be used to log in and participate in the Annual Meeting on December 11, 2020 at 10:00 A.M.

8. Only those stockholders who have successfully registered following the procedure above and stockholders who have voted by providing their executed Proxy Form shall be included for purposes of determining the existence of a quorum.

9. MGHC reserves the right to request for additional information, and the submission of the originally signed copies of the documents forming part of the registration requirements at a later time.

10. For the Question and Answer portion during the 2020 ASM, stockholders may send their questions related to the agenda by email to **investor-relations@metroglobalholdings.com**. While MGHC will accept questions during the virtual meeting sent via email, we encourage everyone to send their questions related to the agenda on or before December 4, 2020, 5:00 P.M. Please note that due to time and technological limitations, only relevant questions will be answered during the Annual Meeting. MGHC will endeavor to answer all other questions via e-mail at a later time.

11. As required by the Securities and Exchange Commission, the proceedings during the Annual Meeting will be recorded. A link to the recorded virtual website will be made available on MGHC's website after the meeting.

II. Voting Procedure:

Stockholders may vote during the Annual Meeting either (1) by Proxy or (2) by voting in absentia through our Digital Ballot/ Online Stockholder Voting System.

1. Voting by Proxy:

   a. Download and fill up the Proxy Form at https://www.metroglobalholdings.com. The Chairman is authorized to cast the votes pursuant to the instructions in the Proxy Form.
   b. Send a scanned copy of the executed proxy Form by email to (**investor-relations@metroglobalholdings.com**) not later than December 4, 2020. The hard copy of the signed Proxy Form should be delivered to: The Corporate Secretary, Poblador,

Bautista & Reyes Law Offices, 5th Floor, SEDCO Building 1, 120 Rada Street, Legaspi Village, Makati City, 1229, once the community quarantine has been lifted.

2. Voting in absentia through the Digital Ballot/ Online Stockholder Voting System:

   a. Follow the Registration and Participation/Attendance Procedure set forth above.
   b. Signify your intention to vote in absentia through the online form not later than December 4, 2020.
   c. Upon validation, the Company will send an email to the stockholder containing the link for the Digital Ballot/ Online Stockholder Voting System and the instructions for casting online votes. Registered stockholders shall have until 5:00 PM of December 4, 2020 to cast their votes.
   d. All agenda items indicated in the Notice of Meeting will be included in the Digital Ballot and the registered stockholder may vote as follows:
      i. For items other than election of the Directors, the stockholder may vote: "For", "Against", or "Abstain". The vote shall be considered as cast for all the stockholder's shares.
      ii. For the election of Directors, the stockholder may vote for vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares owned, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the number of directors to be elected.

   e. Once voting is completed in the Digital Ballot/ Online Stockholder Voting System, the stockholder shall proceed to click on the "Submit" button which shall complete the process. Once submitted, the stockholder may no longer change the votes cast. MGHC's Office of the Corporate Secretary shall tabulate all votes cast in absentia together with the votes cast by proxy. The votes cast in absentia will have equal effect as votes cast by proxy.

For any questions or clarification, you may contact us through **investor-relations@metroglobalholdings.com** or our stock transfer agent, BDO Stock Transfer, through their telephone number 88784964.

ANNEX "D"

MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS
OF
METRO GLOBAL HOLDINGS CORPORATION

Held on 6 December 2019 (9:00 a.m.)

at OUDH Room, Marco Polo Hotel - Ortigas
Meralco Avenue & Sapphire Road, Ortigas Center, Pasig City, Philippines

STOCKHOLDERS PRESENT:

No.	Stockholders	Subscription	**Paid-Up**	Percentage to Total Outstanding Capital Stock
1.	Fil-Estate Management, Inc.	1,757,690,197	P1,757,690,197.00	87.88450
2.	Robert John L. Sobrepeña	241,000	P241,000.00	0.01205
3.	Ferdinand T. Santos	1,000	P1,000.00	0.00000
4.	Enrique A. Sobrepeña, Jr.	1,000	P1,000.00	0.00000
5.	Noel M. Cariño	1,506,500	P1,506,500.00	0.07532
6.	Rafael Perez de Tagle, Jr.	1,000	P1,000.00	0.00000
7.	Alice Odchigue-Bondoc	1	P1.00	0.00000
8.	Francisco C. Gonzalez	1,000	P1,000.00	0.00000
9.	Jaime M. Cacho	1	P1.00	0.00000
10.	Jose Domingo P. Swann	7,000	P7,000.00	0.00000
11.	William Russell L. Sobrepeña	82,000	P82,000	0.00400
12.	Eduardo Borja *(lodged with broker)*	1,000	P1,000.00	0.00000
13.	Abigail Sy *(lodged with broker)*	10,000	P10,000.00	0.00100
14.	Tan Tok Suy *(lodged with broker)*	10,000	P10,000.00	0.00100
15.	Solita S. Alcantara	15,000	P15,000.00	0.00100
16.	Rafael Alunan III	16	P16.00	0.00000
	Total	**1,759,566,715**	**P1,759,566,715.00**	**87.98%**

DIRECTORS PRESENT:

1. Mr. Robert John L. Sobrepeña (Chairman and Chief Executive Officer)
2. Atty. Ferdinand T. Santos (President)
3. Mr. Noel M. Cariño
4. Mr. Rafael Perez de Tagle, Jr.
5. Mr. Francisco C. Gonzalez
6. Mr. Jaime M. Cacho
7. Atty. Alice Odchigue-Bondoc (Assistant Corporate Secretary)

OFFICERS PRESENT:

1. Mr. Ramon Jimenez (Chief Financial Officer)
2. Atty. Gilbert Reyes (Corporate Secretary)
3. Ms. Solita Alcantara (Chief Audit Executive)
4. Sylvia M. Hondrade (Vice President for Business Development and Special Projects)

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1. <u>Call to Order</u>

Mr. Robert John L. Sobrepeña, the Chairman of the Board of Directors, called the meeting to order and presided over the same. Atty. Gilbert Raymund T. Reyes, the Corporate Secretary, recorded the minutes of the proceedings.

2. <u>Determination and Certification of Quorum</u>

The Corporate Secretary certified to the existence of a quorum, there being present in person or by proxy the owners of 87.98% of the total outstanding capital stock of the Corporation.

3. <u>Reading and Approval of Minutes of Previous Meeting</u>

The first item on the agenda was the reading and approval of the minutes of the preceding annual meeting of the stockholders held on 22 November 2018. Upon motion duly made and seconded, the reading of the minutes of the 22 November 2018 annual stockholders' meeting was dispensed with, since copies of the same were distributed to the stockholders prior to the meeting. Thereafter, there being no questions and objections, and upon motion duly made and seconded, the minutes of the 22 November 2018 annual stockholders' meeting were unanimously approved.

4. Report of the Chief Executive Officer and the Chief Financial Officer

Mr. Sobrepeña, the Corporation's Chief Executive Officer, then reported on the Corporation's operations and business plans moving forward.

On the Corporation's new directions, he stated that in view of the expansion of the Corporation's primary purposes to include investments in businesses engaged in solar, wind, and other renewable energy generation facilities, the Corporation acquired two renewable energy firms, namely:

a. Metro Solar Power Solutions, Inc., which is a company incorporated to engage in the construction and operation of solar facilities; and

b. Metro Renewable Energy Corporation, a company that seeks to pursue the development and operation of renewable energy other than solar (e.g., hydropower, wind energy, and waste-to-energy).

Mr. Sobrepeña then discussed the projects being handled or to be pursued by these two renewable energy firms (e.g., Metro Solar's project in Pililla, Rizal and Metro Renewable's possible waste-to-energy projects in Baguio City and Pasig City).

Mr. Sobrepeña also updated the stockholders on the operations of the Corporation's train-related companies, namely:

a. Metro Rail Transit Development Corporation ("MRTDC"), which handles the non-rail business within the MRT system like real estate development, leasing operations and advertising in the MRT stations and trains; and

b. Metro Rail Transit Corporation.

Thereafter, Mr. Ramon G. Jimenez, the Corporation's Chief Financial Officer, reported on the Corporation's financial highlights. He said for the year ended 31 December 2018, the Corporation posted a net income of PHP22.4 million, which is a significant improvement from its 31 December 2017 net operating loss of PHP5.5 million.

Mr. Jimenez noted that the Corporation's main source of income is still its share in the lease rental income termed as "depot royalties" received annually from North Triangle Depot Commercial Corporation. For 2018, the Corporation recognized lease depot royalties amounting to PHP29.5 million, which is about PHP1.7 million or 5.7% higher than the PHP27.8 million received in 2017.

Mr. Jimenez also reported that the Corporation acquired the 15.8% equity interest of Fil-Estate Properties, Inc. (FEPI) in MRTDC, which resulted in the Corporation recognizing a PHP17.9 million income, representing FEPI's 15.8% in the net equity earnings of MRTDC.

As to the other highlights, Mr. Jimenez shared the following:

a. The Corporation's general and administrative expenses amounting to PHP14.6 million in 2018 were mainly due to professional and retainer fees, salaries and wages, and taxes and licenses. This amount is PHP1.9 million or 11% less than the PHP16.5 million spent in 2017, and the decrease is in view of the Corporation's reduction in consultancy fees.

b. Other expenses for 2018 amounted to PHP8.6 million representing impairment loss recognized on the Corporation's financial assets. This amount is about PHP3 million or 26% less than that for 2017.

c. The Corporation's Total Assets as of 31 December 2018 amounted to PHP1.56 billion, which is about PHP15.4 million or 1% higher than the Total Assets of P1.54 billion as of 31 December 2017.

d. The Corporation's Total Liabilities decreased by PHP6.2 million or 0.4% from PHP1.59 billion as of 31 December 2017 to PHP1.58 billion as of 31 December 2018.

e. The Corporation's Stockholders Equity significantly improved by P21.5 million or 47% from a negative equity balance of P45.9 million in 2017 to a negative equity balance of P24.3 million in 2018, in view of the P22.4 million net income recognized by the Corporation in 2018.

The stockholders were then given the opportunity to ask questions or to comment on the Reports. However, no queries were submitted.

5. <u>Approval of the Annual Management Report and Audited Financial Statements for the Calendar Year Ended 31 December 2018</u>

The next item on the agenda was the approval of the Annual Management Report and Audited Financial Statements for the calendar year ended 31 December 2018. There being no questions and objections, and upon motion duly made and seconded, the stockholders unanimously approved the Annual Management Report and Audited Financial Statements for the calendar year ended 31 December 2018.

6. **Ratification of the Actions and Proceedings Taken by the Board of Directors, Various Committees, and Corporate Officers from 2018 to Present**

The Chairman then asked the stockholders to ratify the actions and proceedings taken by the Board of Directors, the various Committees constituted pursuant to the Code of Corporate Governance, and corporate officers for the year 2018 up to the present. Copies of the minutes of the Board and Committee meetings were made available for the stockholders' inspection at the Corporate Secretary's desk prior to the meeting.

There being no questions and objections, and upon motion duly made and seconded, the stockholders unanimously approved a resolution adopting, confirming, and ratifying all the corporate actions and proceedings undertaken by the Corporation's Board of Directors, the various Committees constituted pursuant to the Code of Corporate Governance, and corporate officers for the year 2018 up to the present.

7. **Election of Directors for the Year 2019 to 2020**

The stockholders proceeded with the election of the directors of the Corporation for 2019 to 2020. Upon motion duly made and seconded, the following were unanimously elected as directors of the Corporation for 2019 to 2020, and until their successors are duly elected and qualified in accordance with the Corporation's By-Laws:

Robert John L. Sobrepeña
Ferdinand T. Santos
Noel M. Cariño
Alice Odchigue-Bondoc
Rafael Perez de Tagle, Jr.
Jaime M. Cacho
Roberto S. Roco
Francisco C. Gonzalez (as independent director)
Eduardo R. Santos (as independent director)

8. Appointment of External Auditor

Upon motion duly made and seconded, the stockholders unanimously approved the appointment of auditing firm of KL Siy & Associates, CPAs, as the external auditor of the Corporation for the current calendar year ending, December 31, 2019.

9. Amendment of the Articles of Incorporation

The next item on the agenda was the approval of the proposed amendment to the Corporation's Articles of Incorporation.

The Chairman informed the stockholders that in a special meeting held on 31 October 2019, the Board of Directors approved the amendment of the Articles of Incorporation to indicate the new location of the Corporation's principal place of business in Pasig City and to specify the complete address at First Floor, Renaissance Towers, Meralco Avenue, Pasig City in compliance with Memorandum Circular No. 16, Series of 2014 of the Securities and Exchange Commission ("SEC").

The Chairman advised the stockholders that the said SEC Memorandum Circular requires the amendment of a company's Articles of Incorporation should there be a change in the city where the company's principal address is located, as well as to specify the company's complete address such that it indicates the name of the building, the number of the building and the name and number of the room or unit. In the case of Metro Global Holdings Corporation, its Articles of Incorporation presently state that the principal place of business is Mandaluyong City, without specifying the complete address.

There being no questions and objections, and upon motion duly made and seconded, the stockholders unanimously approved a resolution approving, confirming, and ratifying the amendment of the Third Article of the Corporation's Articles of Incorporation to change the Corporation's principal office address from "Mandaluyong, Metro Manila" to "Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila", to comply with Memorandum Circular No. 16, Series of 2014 of the Securities and Exchange Commission.

10. Adjournment

There being no further business to discuss, the meeting was thereupon adjourned.

SUMMARY OF THE VOTING FOR EACH AGENDA ITEM:

ITEM	VOTING RESULT
1. Approval of Minutes of Previous Meeting	Unanimously approved
2. Approval of the Annual Management Report and Audited Financial Statements for the Calendar Year Ended 31 December 2018	Unanimously approved
3. Ratification of the Actions and Proceedings Taken by the Board of Directors, Various Committees, and Corporate Officers from 2018 to Present	Unanimously approved
4. Election of Directors for the Year 2019 to 2020	Unanimously voted upon: Robert John L. Sobrepeña Ferdinand T. Santos Noel M. Cariño Alice Odchigue-Bondoc Rafael Perez de Tagle, Jr. Jaime M. Cacho Roberto S. Roco Francisco C. Gonzalez (as independent director) Eduardo R. Santos (as independent director)
5. Appointment of External Auditor	Unanimously appointed: KL Siy & Associates, CPAs
6. Amendment of the Third Article of the Corporation's Articles of Incorporation	Unanimously ratified

ATTEST:

Gilbert R.T. Reyes

ROBERT JOHN L. SOBREPEÑA
Chairman

GILBERT RAYMUND T. REYES
Corporate Secretary

ANNEX "E"

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY)

SECRETARY'S CERTIFICATE

I, **ALICE ODCHIGUE-BONDOC**, of legal age, Filipino, with office address at 1/F, Renaissance Towers, Meralco Avenue , Pasig City, after having been duly sworn in accordance with law, hereby depose and state that:

1. I am the Assistant Corporate Secretary of **METRO GLOBAL HOLDINGS CORPORATION.**, a corporation duly organized and existing under and by virtue of the laws of the Philippines with office address at Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City (the "Corporation").

2. As of the date of this Certification, none of the members of the Board of Directors or officers of the Corporation are employed by or connected with any government agencies or instrumentalities.

3. This Certification is issued in connection with the submission of the Corporation's Definitive Information Statement for the year 2020 Annual Stockholders' Meeting.

IN WITNESS WHEREOF, I have hereunto affixed my signature this NOV 04 2020 in QUEZON CITY.

ALICE ODCHIGUE-BONDOC
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this NOV 04 2020. Affiant exhibited to me her Integrated Bar of the Philippines Lifetime ID No. 014624.

Doc. No. 405;
Page No. 87;
Book No. 60;
Series of 2020.

ATTY. [illegible] P. VILLARENA
Notary Public for Quezon City
Until December 31, 2021
PTR No. 9296041 1-2-2020/QC
IBP No. 093586-10-22-2019/QC
Roll No. 30457-05-09-80
MCLE VI 0030379 02 21 2020
Adm. Matter No. NP 001 (2020-2021)
TIN No. 131-942-754
1243 NB Bldg. G/F Brgy. South Triangle QC

ANNEX "F"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RAFAEL M. ALUNAN, III**, Filipino, of legal age and a resident of No. 63 9th Street, New Manila, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Metro Global Holdings and have been its independent director since December 13, 2019.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Pepsi Cola Products (Philippines), Inc.	Vice-Chairman	2007 to Present
APC Group Inc.	Director	2020 to Present
Kaltimex Energy Philippines	Adviser	2018 to Present
United Defense Manufacturing Corp.	Adviser	2019 to Present

   a. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Metro Global Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

3. I am not related to any director/officer/substantial shareholder of Metro Global Holdings Corporation and its subsidiaries and affiliates.

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

5. I am not in government service or affiliated with a government agency or Government Owned and Control Corporation.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of Metro Global Holdings Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this NOV 05 2020 at QUEZON CITY.

RAFAEL M. ALUNAN, III
Affiant

NOV 0 5 2020

SUBSCRIBED AND SWORN to before me this ____________ at QUEZON CITY. Affiant personally appeared before me and exhibited to me his Tax Identification No. 138-432-531-000.

Doc. No. 20;
Page No. 4;
Book No. 4;
Series of 2020.

ATTY. CONCEPCION P. VILLARENA
Notary Public for Quezon City
Until December 31, 2021
PTR No. 9296041 1-2-2020/QC
IBP No. 093586 12-2019/QC
Roll No. 304 05-09-80
MCLE VI 0030379 02-21-2020
Adm. Matter No. NP-001 (2020-2021)
TIN No. 131-942-754
124B NB Bldg. G/F Brgy. South Triangle QC

ANNEX "G"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FRANCISCO C. GONZALEZ**, Filipino, of legal age and a resident of No. 225 Socorro Fernandez Street, Addition Hills, Mandaluyong City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Metro Global Holdings and have been its independent director since 2010.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Romago Incorporated	Chairman of the Board & CEO	2008 - Present
Electro Mechanical Products, Inc.	Chairman of the Board	1989 - Present
Fabriduct & Metal Systems, Inc.	President & CEO	1989 - Present
Manila Southwoods Golf & Country Club	Director	1998 – Present
Camp John Hay Golf Club	Director	1999 - Present

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

4. I am not related to any director/officer/substantial shareholder of Metro Global Holdings Corporation and its subsidiaries and affiliates.

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

6. I am not in government service or affiliated with a government agency or Government Owned and Control Corporation.

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

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

Done, this NOV 0 5 2020 at QUEZON CITY.

FRANCISCO C. GONZALEZ
Affiant

SUBSCRIBED AND SWORN to before me this NOV 0 5 2020 at QUEZON CITY. Affiant personally appeared before me and exhibited to me his Senior Citizens ID No. 269430 issued by the City of Mandaluyong on 13 August 2004.

Doc. No. 250;
Page No. 4;
Book No. 14;
Series of 2020.

ATTY. [illegible] P VILLARENA
Notary Public for Quezon City
Until December 31 2021
PTR No 9296041 1 2-2020/QC
IBP No 09358[illegible] 22 201[illegible] QC
Roll No 30[illegible] 05 09-80
MCLE VI 0030379 02 21 2020
Adm Matter No NP 001 (2020 2021)
TIN No 131 942 75[illegible]
124B NB Bldg G/F Brgy South Triangle QC