

COVER SHEET

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S.E.C. Registration Number

M E T R O G L O B A L H O L D I N G S

C O R P O R A T I O N

(Company's Full Name)

M E Z Z A N I N E F L O O R R E N A I S S A N C E

T O W E R M E R A L C O A V E N U E

P A S I G C I T Y

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

RAMON G. JIMENEZ

Contact Person

(02) 633 - 6205

Company Telephone Number

1 2 3 1

Month Day
2020
calendar year

SEC FORM 17Q (3rd Quarter of 2020)
FORM TYPE

0 9 3 0

Month Day

Registered/Listed
Secondary License Type, If Applicable

Dept. Requiring this Doc.

Dept. Requiring this Doc.

Amended Articles Number/ Section

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Domestic

Foreign

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

Cashier

STAMPS

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**
5. **Philippines**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. Address of registrant's principal office
Mezzanine Floor Renaissance Tower,
Meralco Avenue, Pasig City 1604
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 common outstanding and amount of debt outstanding	Number of shares of stock
<u>Common stock - P 1 par value</u>	<u>2,000,000,000 shares</u>

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes 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 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 the registrant was required to file such reports)

Yes No

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

Yes No

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

<u>RECEIVABLES FROM</u>	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	<u>(3,241,224)</u>
Trailing 12 mos Net Income	<u>17,107,821</u>
Weighted Average Number of Shares Outstanding	<u>1,998,553,181</u>
Trailing 12mos Earnings/(Loss) per Share (Basic)	<u><u>0.0086</u></u>

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). 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.

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.

Future Changes in Accounting Policies

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 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 financial 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 (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 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.

Financial Liabilities

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 P1,421.1 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 P1.00 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 P400.0 Million into equity shares of the Company at a par value of P1.00 per share. In view of the increase in the balance of liabilities to FEMI, the amount to be converted into equity was increased to P600.0 Million as approved by the BOD on April 18, 2011. The liability amount for conversion was further increased to P800.0 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 at P1.0 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 P1.00 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 P1.00 par value.

On September 4, 2014, the Securities and Exchange Commission approved the Corporation's application for Confirmation of Valuation of the advances of P200,150,000 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 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 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 P710 Thousand, from P932 Thousand in December 2019 to P1.6 Million in September 2020 mainly due to cash advances received from an affiliates .

Receivables decreased by P31.7 million mainly due to collection of receivables from NTDCC in January 2020.

There was an increase of P2,419,786 in the AFS Financial Assets in the 3rd Quarter ended September 2020, from P1,462,751,661 in December 2019 to P1,460,331,875 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 P31.7 Million was in view of partial payments of FEMI’s advances.

Due to other related parties increase by P10.5 Million mainly due to advances received from MRTDevco.

Increase in Accrued Expenses of about P415 Thousand was primarily due to payments of various expenses.

Decrease in Other Current Liabilities of about P3.5 Million was due to the settlement of deferred output tax (VAT) in January of this year.

The Company recognized a Net Loss of P4.3 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:

Quoted Equity Securities

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 P 2.9 million gain in September 2020 and P 516 thousand gain in December 2019.

Movement in AFS financial assets consists of:

	September 2020	December 2019
Acquisition cost	P2,565,582	P2,565,582
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
	<u>P5,501,675</u>	<u>P3,081,890</u>

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 P1.457 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	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	0.024%	0.019%
b) Solvency Ratio	$\frac{\text{Net Profit after Tax (or NPAT) + Depreciation and amortization}}{\text{Total Liabilities}}$		
c) Debt-to-Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Stockholders' Equity}}$		
d) Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$		
e) Net Profit margin	$\frac{\text{NPAT}}{\text{Net Revenues}}$		
f) Return on asset	$\frac{\text{NPAT}}{\text{Average Total Asset}}$		
g) Return on Equity	$\frac{\text{NPAT}}{\text{Average Total Stockholders' Equity}}$		

COVER SHEET

9 1 4 2

SEC Registration No.

M E T R O
G L O B A L
H O L D I N G S
C O R P O R A T I O N

(Company's Full Name)

M E Z Z A N I N E F L O O R , R E N A I S S A N C E
T O W E R S , M E R A L C O A V E . , P A S I G

(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

1 2 3 1
Month Day
fiscal year

FORM TYPE

1st Thursday of March
Month Day
Annual Meeting

Listed

Secondary License Type, if Applicable

M S R D
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

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**
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
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.

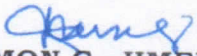
SIGNATURE

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:

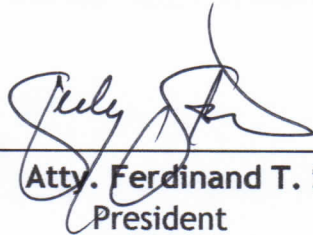

RAMON G. JIMENEZ
Vice-President & CFO

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