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 17-A		
Month	Day	FORM TYPE	Month	Day
2018				
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

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, 2018**

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) 633-6248**
   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, 2018

14. Document incorporated by reference: **2018 Audited Financial Statements**

METRO GLOBAL HOLDINGS CORPORATION

TABLE OF CONTENTS
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, and (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 Class 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 Class 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 additional train/vehicle procurements in the event the Philippine government awards the project to MRTC.

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.

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 to Metro Global Holdings Corporation.

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 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 for the same period.

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 approximately 19 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 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 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 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 BCDA.

On February 11, 2015, the PDRCI handed down its decision on the arbitration case filed by CJHDEVCO against BCDA. The decision stated that the Original Lease Agreement (OLA), and the subsequent Memorandums of Agreement entered into by CJHDEVCO and BCDA, were rescinded due to mutual breach by the parties. The PDRCI, in its decision, (a) directed 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 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 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.

Conversion of Liabilities 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 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 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 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, 2018.

A total of P350M has been received fom MPIC under this Cooperation Agreement. (See Note 10.1)

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 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, 2018, 2017 and 2016, the Company recognized its share in the lease income termed Depot Royalty Income amounting to P29,455,307, P27,423,805, and P27,064,458 representing 28.47% of 5% of lease income in the subject Depot in those years, respectively, which were paid in subsequent years. *(See Notes 6 and 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 (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 Income 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 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.

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 Tract 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.

As of December 31, 2018, the foregoing proposals remain pending with DOTR (formerly DOTC).

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.

On 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 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 (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) as discussed further below. As of December 31, 2018, the application for increase in authorized capital stock is pending with the SEC while awaiting the results of 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, 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 three billion increase in authorized capital stock of the Company.

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, 3034 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 (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 no 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 customer. Current ridership is approximately 450,000 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.

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 2018 and in 2017.

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.

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 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. Movement in share price is 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, 2018, the Company had no other properties other than its investment in the MRT companies. The Company is the recorded and beneficial owner of the shares of stock representing its investments in the said corporation.

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, 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 2018 had not yet occurred.

On April 4, 2014, MRTC declared cash dividends equivalent to and to be offset against accumulated advances to shareholders representing ERP remittances to shareholders as at December 31, 2013. As of December 31, 2018, MRTHI and MRTHII has 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, 2018, 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 MRT 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.

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 or of which any of their property is subject. 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**

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

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 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 2017, 2018 and 2019 could not be determined.

	2019		2018		2017	
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 P0.26 per share.

(2) Holders

As of 31 December 2018 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 2018.

	Name of Stockholders	Number of Shares	% of Ownership
1	Fil-Estate Management, Inc.	1,757,690,197	87.885%
2	PCD Nominee Corporation (Filipino)	100,646,633	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 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

The Company did not sell any securities not registered under the SRC within the past three (3) years. The Company within the same period did not issue any new share nor reacquire securities or issue securities in exchange for property, services or other services or issue new securities resulting from the modification of outstanding securities. The Company did not apply for or receive written confirmations from the Commission under SRC Rule 10.1.

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 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 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.

I. Operations for the next twelve months

The Company is expected to receive its 28.47% share in 5% of the lease income 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 does not anticipate any other 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 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

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 29.5 million in 2018, P27.8 million in 2017 and P27.0 million in 2016. In 2018, through its 15.79% equity interest in MRTDC, the Company recognized an income of P17.9 million, which represents the Company's share in the net equity earnings of MRTDC. (Both accounts are classified as "Other Income" in the audited financial statements.)

During the past two years, the Company had incurred net operating losses of P5.5 million in 2017 and P2.5 million in 2016. This year, in view of the increase in Other Income accounts, the Company recognized a net income of P22.4 million.

The Company's Deficit also posted a decrease of P22.4 million in 2018, in view of the P22.4 million net income. During the past two years, its Deficit posted an increase of P5.5 million in 2017 and P4.1 million in 2016.

The Company continues to recognize a negative Stockholders Equity balance of 24.3 million in 2018. However, this had decreased significantly compared to the previous year's capital deficiency balance of P45.9 million.

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 P725.7 million.

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

	December 31, 2018	
	Before Issuance	After Issuance
Capital Stock	**1,998,553,181**	**2,748,553,181**
Additional Paid in capital	**589,120,804**	**589,120,804**
Cumulative Market adjustment	**1,017,460**	**1,017,460**
Deficit	**(2,613,018,687)**	**(2,613,018,687)**
Total stockholder's equity	**(24,327,242)**	**725,672,758**

During the Company's Annual Stockholder's meeting held on 22 November 2018, the stockholders approved the proposed increase in the authorized capital stock of the Company, 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. As of December 31, 2018, the Company is still in the process of securing the approval of SEC of the said proposed increase.

Financial Highlights for the years 2018, 2017, and 2016 are presented below:

	2018	2017	2016
Other Income	47,604,060	27,848,761	27,067,899
Other Expense	(8,603,614)	(11,615,849)	(15,675,789)
Net Income/ (Loss)	22,422,476	(5,491,197)	(2,536,274)
Total Assets	1,560,144,141	1,544,774,597	1,554,331,040
Total Liabilities	1,584,471,383	1,590,674,554	1,593,775,614
Net Worth	(24,327,242)	(45,899,957)	(39,444,573)
Issued and Outstanding Capital	2,000,000,000	2,000,000,000	2,000,000,000

	December 31, 2018	December 31, 2017	December 31, 2016
Current Ratio	0.0967:1	0.0911:1	0.0917:1
Current Assets	43,350,526	40,993,848	40,469,757
Current Liabilities	448,517,987	449,882,514	441,388,559
Assets to Equity Ratio	(64.13):1	(33.65):1	(39.40):1
Total Assets	1,560,144,141	1,544,774,597	1,554,331,040
Stockholders Equity	(24,327,242)	(45,899,957)	(39,444,573)
Debt to Equity Ratio	(65.13):1	(34.65):1	(40.40):1
Total Liabilities	1,584,471,383	1,590,674,554	1,593,775,614
Stockholders Equity	(24,327,242)	(45,899,957)	(39,444,573)
Equity to Debt Ratio	(0.02):1	(0.03):1	(0.02):1
Stockholders Equity	(24,327,242)	(45,899,957)	(39,444,573)
Total Liabilities	1,584,471,383	1,590,674,554	1,593,775,614
Book Value per Share	(0.01)	(0.02)	(0.02)
Stockholders Equity	(24,327,242)	(45,899,957)	(39,444,573)
Shares Outstanding	2,000,000,000	2,000,000,000	2,000,000,000
Earnings/(Loss) per Share	0.01	(0.00)	(0.00)
Net Income/(Loss)	22,422,476	(5,491,197)	(2,536,274)
Average Number of Shares Outstanding	1,998,553,181	1,998,553,181	1,998,553,181

Management Discussion and Analysis

Review of 2018 Operation

Key Performance Indicators

Current ratio of 0911:1 in 2017 increased to 0967:1 in 2018 due to the increase in Current Assets brought about by the 4.2% or P1.6 Million increase in receivables, (from P38.6 million in 2017 to P40.3 million in 2018), as a result of the increase in the Company's share in the lease rental income termed "Depot Royalties" from NTDCC for 2018.

Assets to Equity Ratio continues to result in a negative balance in view of the negative Stockholders Equity balance of the Company. However, it increased to a negative "64.13:1" in 2018, from a negative of "33.65.1" in 2017, in view of the P21.6 million decrease in the Company's negative Stockholders Equity balance (from

P45.9 million in 2017 to P24.3 million in 2018), brought about by the Company's incurring a net income of P22.4 million in 2018 and the 1.0% or P15.4 million increase the Total Assets of the Company (from P1.545 Billion in 2017 to P1.560 Billion in 2018). The increase in the Total Assets was mainly due to the 4.2% or P1.6 Million increase in Receivables and the recognition by the Company of it's share in the net equity earnings of MRTDC.

Debt to Equity Ratio for 2018 also resulted in the negative because of the Company's negative Stockholders Equity balance. However, it increased from a negative 34.65 to a negative 65.13, also in view of the P21.6 million decrease in the Company's negative Stockholders Equity balance (from P45.9 million in 2017 to P24.3 million in 2018), brought about by the Company's P22.4 net income in 2018. The Company's Total Liabilities decreased by 0.4% or P6.2 Million, from P1.591 Billion in 2017 to P1.585 Billion in 2018, due to the P5.1 Million decrease in the Due to a Stockholder (FEMI) account.

Book Value per Share is computed at (P0.01) and Earnings per share is P0.01 in 2018. The 50% or (P0.01) increase in the Book Value per Share is in view of the decrease in of the Company's negative Stockholders Equity balance brought about by the P22.4 million net income incurred by the Company in 2018.

Major Movements in Statement of Financial Position as follows:

a. Cash decreased by 28.8% or P0.3 million from P0.9 million in 2017 to P0.6 million in 2018 due to increase usage of funds to pay off various payables and expenses during the year.
b. Receivables increased by 4.2% or P1.6 million, from P38.6 million in 2017 to P40.3 million in 2018 due to the increase in the Company's share in the lease rental income termed as Depot Royalties from NTDCC.
c. Other Current Assets increased by 66.3% or P1.0 million, from P1.5 million in 2017 to P2.5 million in 2018 due to the unused creditable withholding tax.
d. Financial Assets at fair value through OCI decreased by 0.6% or P9.5 million, from P1.495 billion in 2017 to P1.486 billion primarily due to the impairment loss of P8.6 million, recognized by the Company on its investments in MRTHI and MRTHII.
e. Investment in Associate increased by 331% or P19.8 million, from P6.0 million in 2017 to P25.9 million in 2018 in view of the Company's acquisition of the 15.8% equity of MRTDC and the recognition by the Company of it's share in the net equity earnings of MRTDC, which amounted to P17.9 million.
f. Investment in Subsidiary of P2.5 million in 2018 and 2017 pertains to the Company's 99% equity in MGHC Royal Holdings Corporation . The Company has not acquired any new investment in 2018.
g. Income Tax Payable increased by P1.2 million due to higher taxable income for 2018 brought about by the increase in the Company's share in the lease rental income from NTDCC.
h. Accrued Expense and other current liabilities decreased by 0.6% or P2.8 million (from P443.1 million in 2017 to P440.4 million in 2018) due to payment in 2018 of previously accrued expenses.
i. Due to Stockholder decreased by 0.7% or P5.3 million due to increased payments of advances from FEMI.

j. Cumulative Market Adjustment decreased by P 0.9 million as a result of the decrease in the market value of the Company's quoted equity securities,.
k. Deficit decreased by P22.4 million due to the net operating income realized by the Company during the year.

Results of Operation

a. Other Income pertains to the Company's 28.47% share in lease rental income from NTDCC and the share in the net equity earnings and/or losses of its asscoiates, Monumento Rail and MRTDC. Total share in lease rental income for the year amounted to P29.4 million, which increased by P1.6 million from P27.8 million in 2017. Net equity earnings recognized during the year amounted to P17.9 million, primarily due to the recognition of the Company's share in net equity earnings of MRTDC.
b. Other Expense was P3 million lower in 2018 due to lower impairment loss recognized on its available for-sale assets. This year's impairment loss only amounted to P8.6 million compared to P11.6 million in 2017.
c. General and Administrative Expense decreased by P2 million in 2018 which is attributable to a lower professional fees incurred and accrued during the year.
d. This year, the Company recognized a Net Income of P22.4 million this year. This was primarily due to the increase in the Company's share in less rental income from NTDCC, amounting to P1.9 million and the recognition of its share in the net equity earnings of MRTDC, amounting to P17.9 million. In 2017, the Company incurred a Net Loss of P5.5 million.

Review of 2017 Operation

Key Performance Indicators

Current ratio for 2017 and 2016 remains the same as there was no significant change in the balances of current assets and current liabilities.

Assets to Equity Ratio resulted in negative in 2017 due to the negative equity balance of the Company. Total Assets decreased by P9.5 million in 2017 as compared to 2016 due to the decrease in the value of Available for Sale Financial Assets in view of the impairment loss recognized by the Company in 2017.

Debt to Equity Ratio for 2017 resulted in the negative because of the Company's negative equity balance. The continued decrease in Total Liabilities was primarily due to partial payments made by the Company to FEMI.

Book Value per Share is computed at (P0.02) and Loss per share is (P0.00) in 2017. This is in view of the Company's incurred a net loss of P5.5 million in 2017.

Major Movements in Statement of Financial Position as follows:

a. Cash decreased by P59,545 (from P931,146 in 2016 to P871,601 in 2017) due to increased usage of funds to pay off various payables and expenses.
b. Receivables increased by P684 Thousand, (from P37.9 million in 2016 to P38.6 million in 2017) due to the increase in the Company's share in the lease rental income termed as Depot royalty received from North Triangle Depot Commercial Corporation (NTDCC), accrued during the year.
c. Other Current Assets decreased by P100,803 (from P1,579,007 in 2016 to P1,478,204 in 2017) due to lower unused input vat recognized in 2017.
d. Available-for-sale financial assets decreased by P12.5 million (from P1.507 billion in 2016 to P1.495 billion in 2017) due to recognition of impairment loss of P11.5 million.
e. Investment in Associate decreased by P20,833, (from P6,057,239 in 2016to P6,036,406 in 2017) in view of the Company's share in the net loss of Monumento Rail in 2017.
f. The increase in the Investment in Subsidiary of P2,499,500 in 2017 was due mainly to the Company's acquiring 99% equity in MGHC Royal Holdings Corporation. The Company has not acquired any new investment in 2016.
g. Income Tax Payable increased by P3.3 million 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.
h. Accrued Expense and other current liabilities increased by P5.1 million (from P441.3 million in 2016 to P446.5 million in 2017) due to higher professional fees accrued during the year.
i. Due to Stockholder decreased due to partial payment of FEMI advances amounting to P11.6 million in 2017.
j. Cumulative Market Adjustment decreased by P 0.9 million in 2017 as a result of the decrease in the market value of the Company's quoted equity securities,.
k. Deficit increased by P5.5 million in 2017 due to the net operating loss incurred by the Company in 2017.

Results of Operation

a. Other Income pertains to the Company's 28.47% share in lease income from NTDCC amounting to P27.8 million in 2017 and P27.0 million in 2016.
b. Other Expense was lower in 2017 due to lower impairment loss and share in net loss of Monumento Rail amounting to P0.02 million and P1.8 million respectively.
c. General and Administrative Expense increased by P4 million in 2017 attributable to higher professional fees incurred during the year.
d. Net Loss increased in 2017 compared to 2016 due to lower other expenses and higher other income.

Review of 2016 Operation

Key Performance Indicators

Current Ratio increased to 0.0917:1 in 2016 due to the increase in Current Assets brought about by the increase in receivables due to advances granted to Monumento Rail, an associate and the recognition of higher deferred output vat and creditable withholding taxes in relation to the lease income from NTDCC. Total Current Liabilities was higher in 2016 due to advances received from NTDCC and the increase in accruals during the year.

Assets to Equity Ratio resulted in a negative of (39:40): 1 in 2016 due to the negative stockholders equity balance of the Company. Total assets decreased by P9.5 million in 2016 due to the decrease in the value of Available for Sale Financial Assets in view of impairment loss recognized by the Company in 2016.

Debt to Equity Ratio for 2016 resulted in negative because of the Company's negative stockholders equity balance. The decrease in Total Liabilities by P3.1 million was primarily due to the partial payments made by the Company to FEMI.

Book Value per Share is computed at (P0.02) in 2016 and Loss Per Share is (P0.00) in 2016. This is in view of the Company's incurring a net loss in 2016.

Major Movements in Statement of Financial Position as follows:

a. Cash increased by P0.735 million, (from P0.196 million in 2015 to 0.931 million in 2016) due to the decrease in usage of funds to pay off various payables and expenses.
b. Receivables increased by P7.4 million (from P30.5 million in 2015 to P37.9 million in 2016) primarily due to the advances granted by the Company to Monumento Rail amounting to P5.3 million .
c. Other Current Assets increased by P1.5 million in 2016 due to the unused creditable withholding tax and unused input vat recognized by the Company in 2016.
d. Available-for-sale financial assets decreased by P13.2 million (from P1.507 billion in 2016 to P1.521) mainly due to the impairment loss of P13.8 million recognized by the Company in 2016.
e. Investment in Associate decreased by P1.8 million (from P7.90 in 2015 to P6.05 million in 2016) in view of the Company's share in the net Loss of Monumento Rail.
f. Deferred Tax Asset pertains to the Minimum Corporate Income Tax (MCIT) due in 2015, which was paid off in 2016 hence the decrease.
g. Income Tax Payable is lower by P0.3 million in 2016 due to lower taxable income.
h. Accrued Expense and other current liabilities increased by P10.3 million in 2016, (from P441.3 million in 2016 and P430.9 million in 2015), due to advances received from NTDCC in 2016 amounting to P6.0 million.
i. Due to Stockholder decreased by P13.8 million in 2016 due to partial payments of FEMI's advances.
j. Cumulative Market Adjustment increased by P 0.7 million in 2016 due to the increase in the market value of the Company's quoted equity securities.
k. Deficit increased by P2.5 million was mainly due to the net loss incurred by the Company during the year.

Results of Operation

a. The increase in other Income of P2.0 (from P25.0 million in 2015 to P27.0 million in 2016) was due to the increase in the Company's share in lease income from NTDCC.
b. The increase in Other Expense was higher in 2016 compared to 2015 due to higher share in the net loss of Monumento Rail of P1.6 million
c. The increase in General and Administrative Expense increased by P1.3 million was mainly due to higher professional fees paid in 2016.
d. Net Loss increased by P1.5 million in 2016 due to higher general and administrative and other expenses incurred in 2016.

Item 7. **Financial Statements**

Refer to the Audited Financial Statements as of December 31, 2018 and 2017 certified by Mr. Alfonso Cay-an, Managing Partner, Valdes, Abad and Co. CPAs.

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

There have been no disagreements with the Company's accountants, past or present, on accounting and financial disclosures. Since 2014 up to the present, 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	64	Filipino	Chairman of the Board	1	1996 – 2019
Ferdinand T. Santos	68	Filipino	President	1	1996 – 2019
Noel M. Cariño	64	Filipino	Director	1	1996 – 2019
Jaime M. Cacho*	62	Filipino	Director	1	2018 - 2019
Rafael Perez de Tagle, Jr.	64	Filipino	Director	1	2000 – 2019
Francisco C. Gonzalez	75	Filipino	Director, Independent	1	2010 – 2019
Alice Odchigue-Bondoc	52	Filipino	Director	1	2004 – 2019
Roberto S. Roco	66	Filipino	Director	1	2004 – 2019
Gilbert Raymund T. Reyes	61	Filipino	Corporate Secretary	1	2003 – 2019

*elected on April 12, 2018

ROBERT JOHN L. SOBREPEÑA, Filipino, age 64, is the Chairman of the Board of the Company. He is the Chairman of the Board of Fil-Estate Management, Inc., Fil-Estate Properties, 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 68, 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 64, 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 64, 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 Mangement, 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 62, 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. 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 75, 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.

ROBERTO S. ROCO, Filipino, age 66, 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 52, 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, 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.

EDUARDO R. SANTOS, Filipino, age 64, is a Real Estate Broker with PRC License No. 10222 since 1991. He is presently an active member of the Real Estate Brokers Association of the Philippines (REBAP), Greenhills Chapter, of which he was Past President for 2010. He also serves as Director of Lagmandy Trading Corporation. He is a radio broadcaster (music) since 1997 and a Director/Chair for Peace & Order for the Horseshoe Village Homeowners Association since 2009. He graduated with a degree in Bachelor of Science in Commerce major in Business Administration at the University of Santo Tomas.

GILBERT RAYMUND T. REYES, Filipino, age 61, 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 2018 and 2017 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 2018 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			Php 33,000.00
Atty. Ferdinand T. Santos	President			Php 33,000.00
Noel M. Cariño	Director			Php 33,000.00
Rafael Perez de Tagle	Director			Php 33,000.00
Atty. Enrique A. Sobrepeña, Jr	Director			Php 22,000.00
Roberto S.Roco	Director, Independent			Php 37,000.00
Francisco C. Gonzalez	Director, Independent			Php 39,000.00
Eduardo R. Santos	Director, Independent			Php 39,000.00
Atty. Alice O. Bondoc	Director, SVP for Good Governance, Compliance Officer, Assistant Corporate Secretary			Php 33,000.00
Atty. Gilbert Raymund T. Reyes	Corporate Secretary			0
Group Compensation 2018		Php1.18 M		0
Group Compensation 2017		Php1.04 M		0
Group Compensation 2016		Php1.04 M		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, 2018, 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) G/F MKSE Bldg., Ayala Avenue Makati City	**Virgilio Castillo - President**	Filipino	100,656,633	5.029%

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. Virgilio Castillo 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%
	Eduardo R. Santos	1	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

Item 13

b) Reports on SEC Form 17-C

a) Please be advised that our External Auditor, SGV & Co. was replaced by Valdes Abad & Company CPAs as the new External Auditor and Atty. Enrique A. Sobrepena, Jr. was replaced by Mr. Jaime M. Cacho as a regular director due to health reason in a special meeting of the Board of Directors on 12 April 2018.

b) During the special meeting of the Board of Directors of Metro Global Holdings Corporation held on 4 May 2018 the Board approved to increase the Authorized Capital Stock of the Corporation from TWO BILLION PESOS (₱2,000,000,000.00) divided into 2,000,000,000 shares with a par value of One Peso (₱1.00) per share to THREE BILLION PESOS (₱3,000,000,000.00) divided into 3,000,000,000 shares with a par value of One Peso (₱1.00) per share.

The Board also approved that out of the increase in the authorized capital stock of ONE BILLION PESOS (₱1,000,000,000.00), the amount of Two Hundred Fifty Million Pesos (₱250,000,000.00) representing 250,000,000 million common shares at par value of One Peso (₱1.00) per share shall be subscribed and paid by FIL-ESTATE MANAGEMENT, INC. through the offset of outstanding payables of the Corporation to FIL-ESTATE MANAGEMENT, INC. to the extent of ₱250,000,000.00.

The Board approved to secure the written assent of its shareholders on the planned increase in capital stock before submission of the same to the Securities and Exchange Commission for approval.

c) During meeting last September 24, 2018, The Board of Directors approved the following amendments to the Articles of Incorporation of the Company, to wit:

   1. Increase of the Company's 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 (Php5,000,000,000.00) divided into Five Billion (5,000,000,000) shares with a par value of One Peso (Php1.00) per share. This resolution supersedes the previously disclosed resolution of the Board of Directors on 4 May 2018 approving the increase in capital stock from Two Billion Pesos (Php2,000,000,000.) to Three Billion Pesos (Php3,000,000,000.00); and

   2. Expand the Primary Purpose to include investment in business engaged in solar, wind and other renewable energy generation facilities.

   The foregoing amendments shall be presented for approval of the Company's shareholders at the annual Stockholders' Meeting scheduled on 22 November 2018 before submitting the same for approval of the Securities & Exchange Commission.

d) At the regular meeting of the Board of Directors held on 24 September 2018, the Board approved to amend the previously disclosed resolution of the Board of directors on 4 May 2018 approving the increase in capital stock from Two Billion Pesos (P2,000,000,000.00) to Three Billion Pesos (P3,000,000,000.00). The amendment relates to an increase in the capital stock of the Company from Two Billion Pesos (P2,000,000,000.00) to Five Billion Pesos (P5,000,000,000.00) [instead of the Three Billion Pesos (P3,000,000,000.00) as previously disclosed].

e) During meeting of the Board of Directors held on 24 September 2018, the Board approved the resolution to hold the annual Stockholders' Meeting of the Company on 22 November 2018 at 9:00am. Venue shall be disclosed later. Only stockholders of record date at the close of business hour of 16 October 2018, 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 13 September 2007
4. Report of the Chairman
5. Approval of the Audited Financial Statements for the calendar years ended 31 December 2008 to 31 December 2017
6. Election of the members of the Board of Directors
7. Appointment of External Auditors
8. Amendment of the Articles of Incorporation to:
   a. Increase the capital stock of the Corporation from P2,000,000,000.00 to P5,000,000,000.00
   b. Expanded the Primary Purpose of the Corporation to include businesses engaged in solar, wind and other renewable energy generation facilities.
9. Other matters

f) Please be informed that the venue of the Annual Stockholders' Meeting of the Company on 22 November 2018 (Thursday) at 9 o'clock in the morning shall be at the Batanes Function Room, Edsa Shangri-La Hotel, 1 Garden Way, Ortigas Centre, Madaluyong City.

g) During meeting of the Board of Directors held on 20 November 2018, the Board approved the following, to wit:

   1. To earmark/allocate to Fil-Estate Management, Inc., a corporation duly organized and existing under and by virtue of the laws of the Philippines ("FEMI"), its Depot Royalties for a period of fifteen (15) years commencing January 30, 2019 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); and

   2. To authorize the company to enter into a Memorandum of Agreement with FEMI whereby the Corporation 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., a corporation duly organized and existing under and by virtue of the laws of the Philippines ("Metro Solar") . Such shares issued by Metro Solar to FEMI represents 100% percent of the entire issued and outstanding capital stock of Metro Solar.

The value of the Metro Solar shares is subject to a fairness opinion valuation report that is agreeable 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 MGHC.

h) On November 22, 2018, the Company informed the Securities and Exchange Commission of the results of the Organizational Meeting of the Board of Directors following the election of Directors of the Company in the Annual Stockholders Meeting held on 22 November 2018.

i) Submission of Certificates of Independent Director of Francisco C. Gonzalez and Eduardo R. Santos last November 23, 2018.

j) On December 17, 2018, the Company submitted the Initial Statement of Beneficial Ownership of Ms. Solita Alcantara who was elected as Chief Audit Executive of the Company.

COVER SHEET

9142
SEC Registration No.

METRO GLOBAL HOLDINGS
CORPORATION (Formerly
Fil-Estate 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 (Replacement of Regular Director)

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. **12 April 2018**
Date of Report (Date of earliest event reported)

2. SEC Identification Number: **ASO9124** 3. BIR Tax Identification No. **000-194-408-000**

4. **METRO GLOBAL HOLDINGS CORPORATION**
Exact name of issuer as specified in its charter

5. National Capital Region, Philippines
Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
Industry Classification Code:

7. **Mezzanine Floor, Renaissance Tower, Meralco Ave., Pasig City** **1600**
Address of principal office Postal Code

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

9. **FIL-ESTATE CORPORATION**
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 Outstanding	Number of Shares of Common Stock Outstanding or Amount of Debt
Common shares	2,000,000,000 shares

11. Indicate the item numbers reported herein: Item 4 (a) (ii)

Please be advised that Atty. Enrique A. Sobrepeña, Jr. was replaced by Mr. Jaime M. Cacho as a regular director due to health reasons in a special meeting of the Board of Directors today, 12 April 2018.

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: 12 April 2018

By:

ATTY. ALICE ODCHIGUE-BONDOC
Compliance Officer

COVER SHEET

9142
SEC Registration No.

METRO GLOBAL HOLDINGS CORPORATION (Formerly Fil-Estate 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 (Appointment of External Auditor)

FORM TYPE

12 31
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. **12 April 2018**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number: **ASO9124** 3. BIR Tax Identification No. **000-194-408-000**

4. **METRO GLOBAL HOLDINGS CORPORATION**
   Exact name of issuer as specified in its charter

5. National Capital Region, Philippines
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **Mezzanine Floor, Renaissance Tower, Meralco Ave., Pasig City** **1600**
   Address of principal office — Postal Code

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

9. **FIL-ESTATE CORPORATION**
   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 3 (b)

Please be advised that our External Auditor, SGV & Co. was replaced by Valdes Abad & Company CPAs as the new External Auditor in a special meeting of the Board of Directors today, 12 April 2018.

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: 12 April 2018

By:

RAMON G. JIMENEZ
Alternate Corporate Information Officer

COVER SHEET

9142

SEC Registration No.

METRO GLOBAL HOLDINGS CORPORATION (Formerly Fil-Estate 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

FORM TYPE

12 31

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

Securities and Exchange Commission
Electronic Records Management Division
MAY 07 2018
BY:
RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS
I C T D

1. **4 May 2018**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number: **ASO9124** 3. BIR Tax Identification No. **000-194-408-000**

4. **METRO GLOBAL HOLDINGS CORPORATION**
   Exact name of issuer as specified in its charter

5. National Capital Region, Philippines 6. (SEC Use Only)

   Province, country or other jurisdiction of incorporation — Industry Classification Code:

7. **Mezzanine Floor, Renaissance Tower, Meralco Ave., Pasig City** **1600**

   Address of principal office — Postal Code

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

9. **FIL-ESTATE CORPORATION**
   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
<u>Common shares</u>	2,000,000,000 shares

11. Indicate the item numbers reported herein: Item 9 (a)

Please be advised that during the special meeting of the Board of Directors of Metro Global Holdings Corporation held on 4 May 2018 the Board approved to increase the Authorized Capital Stock of the Corporation from TWO

BILLION PESOS (P2,000,000.00) divided into 2,000,000,000 shares with a par value of One Peso (Php 1.00) per share to THREE BILLION PESOS (P3,000,000.00) divided into 3,000,000,000 shares with a par value of One Peso (Php 1.00) per share.

The Board also approved that out of the increase in the authorized capital stock of one BILLION PESOS (PhP/1,000,000,000.00), the amount of Two Hundred Fifty Million Pesos (PhP/250,000,000.00) representing 250,000,000 million common shares at par value of One Peso (P1.00) per share shall be subscribed and paid by FIL-ESTATE MANAGEMENT, INC. through the offset of outstanding payables of the Corporation to FIL-ESTATE MANAGEMENT, INC. to the extent of P250,000,000.00.

The Board approved to secure the written assent of its shareholders on the planned increase in capital stock before submission of the same to the Securities and Exchange Commission for approval.

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: 4 May 2018

By:

RAMON G. JIMENEZ
Controller

109262018001472

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

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Donna Encarnado - COS
Receiving Branch : SEC Head Office
Receipt Date and Time : September 26, 2018 11:04:29 AM
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	109262018001472
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	September 24, 2018
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 Securities & Regulation Code)

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. **24 September 2018**
   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**
   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 advised that at the regular meeting of the Board of Directors of Metro Global Holdings Corporation (the "Company") held on 24 September 2018, the

Board approved the following amendments to the Articles of Incorporation of the Company, to wit:

1. Increase of the Company's 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 (Php5,000,000,000.00) divided into Five Billion (5,000,000,000) shares with a par value of One Peso (Php1.00) per share. This resolution supersedes the previously disclosed resolution of the Board of Directors on 4 May 2018 approving the increase in capital stock from Two Billion Pesos (2,000,000,000.00) to Three Billion Pesos (P3,000,000,000.00); and

2. Expand the Primary Purpose to include investment in businesses engaged in solar, wind and other renewable energy generation facilities.

The foregoing amendments shall be presented for approval of the Company's shareholders at the Annual Stockholders' Meeting scheduled on 22 November 2018 before submitting the same for approval of the Securities & 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: 24 September 2018

By:

ATTY. ALICE ODCHIGUE BONDOC
SVP-Compliance Officer

109262018001483

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

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Donna Encarnado - COS
Receiving Branch : SEC Head Office
Receipt Date and Time : September 26, 2018 11:05:55 AM
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	109262018001483
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	September 24, 2018
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 Securities & Regulation Code)

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. **24 September 2018**
   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**
   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 advised that at the regular meeting of the Board of Directors of Metro Global Holdings Corporation held on 24 September 2018, the Board approved to amend the previously disclosed resolution of the Board of Directors on 4 May 2018 approving the increase in capital stock from Two Billion Pesos (2,000,000,000.00) to Three Billion Pesos (P3,000,000,000.00). The amendment relates to an increase in the capital stock of the Company from Two Billion Pesos (2,000,000,000.00) to Five Billion Pesos (P5,000,000,000.00) [instead of Three Billion Pesos (P3,000,000,000.00) as previously disclosed].

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: 24 September 2018

By:

ATTY. ALICE ODCHIGUE BONDOC
SVP-Compliance Officer

109262018001458

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

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Donna Encarnado - COS
Receiving Branch : SEC Head Office
Receipt Date and Time : September 26, 2018 11:03:16 AM
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	109262018001458
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	September 24, 2018
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 Securities & Regulation Code)

FORM TYPE

12 31
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. **24 September 2018**
   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**
   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 24 September 2018, the Board approved the resolution to hold the Annual Stockholders' Meeting of the Company on 22 November 2018 at 9:00am. Venue shall be disclosed later. Only stockholders of record date at the close of business hour of 16 October 2018, 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 13 September 2007
4. Report of the Chairman
5. Approval of the Audited Financial Statements for the calendar years ended 31 December 2008 to 31 December 2017
6. Certification and Ratification of Corporate Acts for the years 2008 to 2017
7. Election of the members of the Board of Directors
8. Appointment of External Auditors
9. Amendment of the Articles of Incorporation to:
   a. Increase the capital stock of the Corporation from P2,000,000,000.00 to P5,000,000,000.00
   b. Expand the Primary Purpose of the Corporation to include businesses engaged in solar, wind and other renewable energy generation facilities.
10. Other matters

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: 24 September 2018

By:

ATTY. ALICE ODCHIGUE BONDOC
SVP-Compliance Officer

110082018000937

SECURITIES AND EXCHANGE COMMISSION

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

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Mark Anthony R. Osena
Receiving Branch : SEC Head Office
Receipt Date and Time : October 08, 2018 12:00:50 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	110082018000937
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	October 05, 2018
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 Securities & Regulation Code)

FORM TYPE

12 31

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. **5 October 2018**
   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 the venue of the Annual Stockholders' Meeting of the Company on 22 November 2018 (Thursday) at 9 o'clock in the morning shall be at the Batanes Function Room, Edsa Shangri-La Hotel, 1 Garden Way, Ortigas Centre, Mandaluyong City.

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: 5 October 2018

By:

ATTY. ALICE ODCHIGUE BONDOC
SVP-Compliance Officer

111232018002223

SECURITIES AND EXCHANGE COMMISSION

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

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Lourence N. Tampus
Receiving Branch : SEC Head Office
Receipt Date and Time : November 23, 2018 03:53:34 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	111232018002223
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	November 20, 2018
No. of Days Late	0
Department	CFD
Remarks	

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 , 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

6336205 loc. 113

Company Telephone Number

SEC FORM 17-C

(Current Report under Sec. 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 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. **20 November 2018**
   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 advised that at the regular meeting of the Board of Directors of Metro Global Holdings Corporation (the "Company") held on 20 November 2018, the Board approved the following, to wit:

1. To earmark/ allocate to Fil-Estate Management Inc., a corporation duly organized and existing under and by virtue of the laws of the Philippines ("FEMI"), its Depot Royalties for a period of fifteen (15) years commencing January 30, 2019 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); and

2. To authorize the Company to enter into a Memorandum of Agreement with FEMI whereby the Corporation 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. , a corporation duly organized and existing under and by virtue of the laws of the Philippines ("Metro Solar"). Such shares issued by Metro Solar to FEMI represents 100% percent of the entire issued and outstanding capital stock of Metro Solar.

The value of the Metro Solar shares is subject to a fairness opinion valuation report, that is agreeable 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 MGHC.

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: 20 November 2018

By:

RAMON G. JIMENEZ
Acting Compliance Officer

111262018002194

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

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Mark Anthony R. Osena
Receiving Branch : SEC Head Office
Receipt Date and Time : November 26, 2018 04:09:03 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	111262018002194
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	November 22, 2018
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 Sec. 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. **22 November 2018**
   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**
   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: 22 November 2018

By:

ATTY. ALICE ODCHIGUE-BONDOC
SVP-Compliance Officer

METRO GLOBAL HOLDINGS CORP.

22 November 2018

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, 22 November 2018, 9:00 A.M. at the Batanes Room, Edsa Shangrila Hotel, 1 Garden Wing, Ortigas Center, Mandaluyong 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 1,761,393,212 or 88.07% 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 13 September 2007. The Company received votes in person and by proxy a total of 1,761,393,212 or 88.07% of common shares in favour of the approval of the Minutes of the Annual Meeting of Stockholders held on 13 September 2007.
   - 2.2 The stockholders approved the Audited Financial Statements of the Company from 31 December 2008 to 31 December 2017. The Company received votes in person and by proxy a total of

1,761,393,212 or 88.07% of common share in favor of the approval of the Audited Financial Statements of the Company from 31 December 2008 to 31 December 2017.

2.3 The stockholders approved the re-appointment of Valdes Abad & Company CPA's as the Company's independent external auditor. The Company received votes in person and by proxy a total of 1,761,393,212 or 88.07% of common shares in favor of the approval of the re-appointment of Valdes Abad & Company CPA's as Company's independent external auditor.

2.4 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 (Php5,000,000,000.00) 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. Company received votes in person and by proxy a total of 1,761,393,212 or 88.07% of common shares in favor of the approval of the increase in authorized capital stock and the corresponding amendment to Article Seventh of the amended Articles of Incorporation of the Company.

2.5 The stockholders approved the subscription of Fil-Estate Management, Inc. ("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 (P500,00,000.00) to be offset against the Company's advances from FEMI. The Company received votes in person and by proxy a total of 11,761,393,212 or 88.07% of common shares in favor of the approval of the subscription of Fil-Estate Management, Inc. ("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 (P500,00,000.00) to be offset against the Company's advances from FEMI.

2.6 The stockholders confirmed and ratified all acts, contracts, resolutions and proceedings made and entered into by Management and/or the Board of Directors during the period 2007 to November 22, 2018. . The Company received votes in person and by proxy a total of 1,761,393,212 or 88.07% 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 Managament and/or Board of Directors for the years 2008 to 2017.

2.7 Other Matters – Additional listing of remaining Issued and Outstanding shares of stock of One Billion Seven Hundred Million One Hundred Fifty Thousand (1,700,150,000) shares and the Seven Hundred Fifty Million (750,000,000) shares to be subscribed by FEMI out of the Three Billion (3,000,000,000) Increase in

Authorize Capital Stock from Two Billion (2,000,000,000) to Five Billion (5,000,000,000). The Company received votes in person and by proxy a total of 1,761,393,212 or 88.07% of common shares in favor of the approval of the Additional listing of remaining Issued and Outstanding shares of stock of One Billion Seven Hundred Million One Hundred Fifty Thousand (1,700,150,000) shares and the Seven Hundred Fifty Million (750,000,000) shares to be subscribed by FEMI out of the Three Billion (3,000,000,000) Increase in Authorize Capital Stock from Two Billion (2,000,000,000) to Five Billion (5,000,000,000)

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. The Organizational Meeting of the Board of Directors of the Company held on 22 November 2018 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
SVP-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 reconstitution 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:	Jaime M. Cacho
	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:	Atty. Ferdinand T. Santos
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

111232018002251

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

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Lourence N. Tampus
Receiving Branch : SEC Head Office
Receipt Date and Time : November 23, 2018 03:57:23 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	111232018002251
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	October 31, 2018
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

CERTIFICATE OF INDEPENDENT DIRECTOR

1	2		3	1
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

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FRANCISCO C. GONZALEZ,** of legal age, Filipino citizen 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 an independent director of METRO GLOBAL HOLDINGS CORPORATION.

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
Fabriduct & Metal Systems Inc.	President & CEO	1989-Present
Asia Pacific Realty & Land Assets Corp.	President	2008-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 and its Implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the Corporate Secretary/Assistant Corporate Secretary of Metro Global Holdings Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this OCT 31 2018 at PASIG CITY, Philippines.

FRANCISCO C. GONZALEZ
Affiant

SUBSCRIBED AND SWORN to before me this OCT 31 2018 at PASIG CITY Affiant exhibited to me his Tax Identification No.21761726, issued on January 11,2018 at Mandaluyong City.

ATTY EDWIN G. CONDAYA
NOTARY PUBLIC
PASIG, PATEROS & SAN JUAN
UNTIL DECEMBER 31, 2018
PTR NO. 3826099/01-03-2018

Doc. No. ; 116
Page No. ; 25

111232018002265

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

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Lourence N. Tampus
Receiving Branch : SEC Head Office
Receipt Date and Time : November 23, 2018 03:58:40 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	111232018002265
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	October 31, 2018
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

9 1 4 2

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

CERTIFICATE OF INDEPENDENT DIRECTOR

1 2	3 1
Month	Day

fiscal year

FORM TYPE

1st Thursday of March

Month Day

annual meeting

Listed

Secondary License Type, If Applicable

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

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EDUARDO R. SANTOS,** of legal age, Filipino citizen and a resident of 15 Sunset Drive, Horseshoe Village, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of METRO GLOBAL HOLDINGS CORPORATION.

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

Company/Organization	Position/Relationship	Period of Service
Philippine Blues Society	President	2010 to Present
Horseshoe Village Association	Director	2009 to 2017
Havoc Digital, Inc.	Consultant	2010 to 2011
Real Estate Brokers Association of the Philippines	President-Greenhills	2010
Lagmandy Trading Corporation	Director	2016 to 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 and its Implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the Corporate Secretary/Assistant Corporate Secretary of Metro Global Holdings Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this October 30, 2018 at Quezon City, Philippines.

EDUARDO R. SANTOS
Affiant

SUBSCRIBED AND SWORN to before me this OCT 3 1 2018 at MANDALUYONG CITY. Affiant exhibited to me his Tax Identification No. 111-082-202.

ATTY. JAMES K. ABUGAN
NOTARY PUBLIC
Until Dec. 31, 2018
IBP No. 021498/ 1-5-2018
Rizal Chapter
Roll No. 26890
MCLE No. V-0004484-10/31/2014
PTR # 3369955 – 01/05/2018
Mandaluyong City
TIN # 116-239-956
Tel. 631-40-90

Doc. No. 91;
Page No. 19;
Book No. 125;
Series of 2018.

112172018001237

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

Barcode Page
The following document has been received:

Receiving Officer/Encoder : Ramon L. Legaspi
Receiving Branch : SEC Head Office
Receipt Date and Time : December 17, 2018 03:32:22 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	112172018001237
Document Type	Initial Statement of Beneficial Ownership
Document Code	23A
Period Covered	October 10, 2012
No. of Days Late	0
Department	CFD
Remarks	ALCANTARA SOLITA SANTOS

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 23-A
INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

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
Metro Manila, Philippines

FORM 23-A

REVISED

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 23 of the Securities Regulation Code

1. Name and Address of Reporting Person ALCANTARA SOLITA SANTOS (Last) (First) (Middle) Block 9 Lot 15, Bentley Park Subdivision (Street) Antipolo City (City) (Province) (Postal Code)	2. Date of Event Requiring Statement (Month/Day/Year) October 10, 2012 3. Tax Identification Number 106-808-856 4. Citizenship Filipino	5. Issuer Name and Trading Symbol METRO GLOBAL HOLDINGS CORPORATION (MGH) 6. Relationship of Reporting Person to Issuer (Check all applicable) ____ Director ____ 10% Owner ____ Officer (give title below) ____ Other (specify below) ________________	7. If Amendment, Date of Original (Month/Day/Year) N/A

Table 1 - Equity Securities Beneficially Owned

1. Class of Equity Security	2. Amount of Securities Beneficially Owned		3. Ownership Form: Direct (D) or Indirect (I) *	4. Nature of Indirect Beneficial Ownership
	%	Number		
COMMON	0	15,000	Indirect	PCD Lodged Shares

If the reporting person previously owned 5% or more but less than 10%, provide the disclosure requirements set forth on page 3 of this Form.

Reminder: Report on a separate line for each class of equity securities beneficially owned directly or indirectly.
(Print or Type Responses)

* (1) A person is directly or indirectly the beneficial owner of any equity security with respect to which he has or shares:
   (A) Voting power which includes the power to vote, or to direct the voting of, such security; and/or
   (B) Investment power which includes the power to dispose of, or to direct the disposition of, such security.
(2) A person will be deemed to have an indirect beneficial interest in any equity security which is:
   (A) held by members of a person's immediate family sharing the same household;
   (B) held by a partnership in which such person is a general partner;
   (C) held by a corporation of which such person is a controlling shareholder; or
   (D) subject to any contract, arrangement or understanding which gives such person voting power or investment power with respect to such security.

FORM 23-A (continued) Table II - Derivative Securities Beneficially Owned (e.g., warrants, options, convertible securities)

1. Derivative Security	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Equity Securities Underlying the Derivative Security		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security Direct (D) or Indirect (I) *	6. Nature of Indirect Beneficial Ownership
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
N/A							

Explanation of Responses:

(Print or Type Responses)

FORM 23-A (continued) Table II - Derivative Securities Beneficially Owned (e.g., warrants, options, convertible securities)

1. Derivative Security	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Equity Securities Underlying the Derivative Security		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security Direct (D) or Indirect (I) *	6. Nature of Indirect Beneficial Ownership
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
N/A							

Explanation of Responses:

FOR REPORTING PERSONS WHO PREVIOUSLY OWNED 5% OR MORE BUT LESS THAN 10%
DISCLOSURE REQUIREMENTS

Item 1. **Security and Issuer**

State the title of the class of equity securities to which this Form relates and the name and address of the principal executive offices of the issuer of such securities.

Item 2. **Identity and Background**

If the person filing this Form is a corporation, partnership, syndicate or other group of persons, state its name, the province, country or other place of its organization, its principal business, the address of its principal office and the information required by (d) and (e) of this Item. If the person filing this statement is a natural person, provide the information specified in (a) through (f) of this Item with respect to such person(s).

a. Name;
b. Residence or business address;
c. Present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted;
d. Whether or not, during the last five years, such person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and, if so, give the dates, nature of conviction, name and location of court, any penalty imposed, or other disposition of the case;
e. Whether or not, during the last five years, such person was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction, domestic or foreign, and as a result of such proceeding was or is subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, permanently or temporarily enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities, commodities or banking; and

f. Citizenship.

Item 3. **Purpose of Transaction**

State the purpose or purposes of the acquisition of securities of the issuer. Describe any plans or proposals which the reporting persons may have which relate to or would result in:

a. The acquisition by any person of additional securities of the issuer, or the disposition of securities of the issuer;
b. An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the issuer or any of its subsidiaries;
c. A sale or transfer of a material amount of assets of the issuer or of any of its subsidiaries;
d. Any change in the present board of directors or management of the issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;
e. Any material change in the present capitalization or dividend policy of the issuer;
f. Any other material change in the issuer's business or corporate structure;
g. Changes in the issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the issuer by any person;

h. Causing a class of securities of the issuer to be delisted from a securities exchange;
i. Any action similar to any of those enumerated above.

Item 4. **Interest in Securities of the Issuer**

a. State the aggregate number and percentage of the class of securities identified pursuant to Item 1 beneficially owned (identifying those shares which there is a right to acquire within thirty (30) days from the date of this report) by each person named in Item 2. The abovementioned information should also be furnished with respect to persons who, together with any of the persons named in Item 2, comprise a group.
b. For each person named in response to paragraph (a), indicate the number of shares as to which there is sole power to vote or to direct the vote, shared power to vote or to direct the vote, sole or shared power to dispose or to direct the disposition. Provide the applicable information required by Item 2 with respect to each person with whom the power to vote or to direct the vote or to dispose or direct the disposition is shared.

c. Describe any transaction in the class of securities reported on that were effected during the past sixty (60) days by the persons named in response to paragraph (a). The description shall include, but not necessarily be limited to: (1) the identity of the person who effected the transaction; (2) the date of the transaction; (3) the amount of securities involved; (4) the price per share or unit; and (5) where or how the transaction was effected.

d. If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of such securities, a statement to that effect should be included in response to this Item and, if such interest relates to more than five (5%) percent of the class, such person should be identified.

e. If the filing is an amendment reflecting the fact that the reporting person has ceased to be the beneficial owner of more than five (5%) percent of the class of securities, state the date on which such beneficial ownership was reduced.

Item 5. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Describe any contract, arrangement, understanding or relationship among the person named in Item 2 and between such persons and any person with respect to any securities of the issue, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies, naming the person with whom such contracts, arrangements, understandings or relationships have been entered into. Include such information for any of the securities that are pledged or otherwise subject to a contingency the occurrence of which would give another person voting power or investment power over such securities except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Item 6. Material to be Filed as Exhibits

Copies of all written agreements, contracts, arrangements, understandings, plans or proposals relating to:

a. the acquisition of issuer control, liquidation, sale of assets, merger, or change in business or corporate structure or any other matter as disclosed in Item 3; and

b. the transfer or voting of the securities, finder's fees, joint ventures, options, puts, calls, guarantees of loans, guarantees against losses or the giving or withholding of any proxy as disclosed in Item 5.

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 accurate. This report is signed in the City of Pasig City on December 17, 2018.

SIGNATURE

By: alcantara

(Signature)

SOLITA S. ALCANTARA
VP-Chief Audit Executive

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 APR 1 5 2019 .

By:

Robert John L. Sobrepeña Chief Executive Officer	**Atty. Ferdinand T. Santos** President/Chief Operating Officer
Ramon G. Jimenez VP -Accounting	**Alice O. Bondoc** Asst. Corporate Secretary

SUBSCRIBED AND SWORN to before me this ______ day of APR 1 5 2019 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

FERDINAND D. AYAHAO
NOTARY PUBLIC
Until December 31, 2019
Appointment No. 106(2018-2019)
For Pasig City, Pateros and San Juan City
Attorney's Roll No. 44377
IBP LRN 02459; O.R. No. 535065; 06-21-2001
MCLE No. V-0019276; 04-13-16
PTR No. 5174565; 01-08-19; Pasig City
4F Goldloop Tower A, Jose Ma. Escriva Drive
Ortigas Center, Pasig City

Doc. No.: 174 ;
Page No.: 37 ;
Book No.: 41 ;
Series of 2019

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

9	1	4	2							

COMPANY NAME

METRO GLOBAL HOLDINGS
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		NONE

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
monjay@ymail.com	633-6205	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1905		31-Dec

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
MR. RAMON G. JIMENEZ	monjay@ymail.com	633-6205	

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

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018 AND 2017

METRO GLOBAL HOLDINGS CORPORATION

TABLE OF CONTENTS

ANNUAL AUDITED FINANCIAL REPORT PACKAGE
DECEMBER 31, 2018

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, 2018, 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 and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Valdes Abad & Company, CPAs, the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Robert John L. Sobrepena
Chairman of the Board

Atty. Ferdinand T. Santos
President

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 ______ day of 11 APR 2019 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.: 77 ;
Page No.: 77 ;
Book No.: 49 ;
Series of 2019

ATTY. CONCEPCION P. VILLAREÑA
Notary Public for Quezon City
Until December 31, 2019
PTR No 7323642 – 1-03-2019/ QC
IBP No. AR14460591 – 12-17-2018/ QC
Roll No. 30457 – 05-09-80
MCLE 5-0012536 – 12-21-2015
Adm. Matter No NP 270 (2018-2019)

Valdes Abad &
Company, CPAs
(Formerly: Valdes Abad & Associates)

CJV Building 108 Aguirre Street, Legaspi Village, Makati City, Philippines

Branches:
Cebu and Davao

Phone: (632) 892-5931 to 35
(632) 519,2105
Fax: (632) 819-1468
Website: www.vacocpa.com.ph
BOA/PRC Reg. No. 0314
SEC No. 0361-F

The Board of Directors
METRO GLOBAL HOLDINGS CORPORATION
Mezzanine Floor, Renaissance
Tower, Meralco Avenue,
Pasig City

We have audited the accompanying financial statements of Metro Global Holdings Corporation as of December 31, 2018, on which we have rendered our report dated April 12, 2019.

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 13.3 – 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.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
BIR Accreditation No. 08-002126-000-2017
Issued on December 13, 2017, Valid until December 13, 2020
SEC Accreditation No. 0361-F
Issued on August 23, 2018, Valid until August 22, 2021

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805
Issued on December 28, 2017, Valid until December 14, 2020
TIN No. 213-410-741-000
PTR No. 7332721, Issued Date: January 7, 2019, Makati City
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
SEC Accreditation No. 1701-A
Issued on August 23, 2018, Valid until August 22, 2021
BIR Accreditation No. 08-002126-005-2017
Issued on December 13, 2017, Valid until December 13, 2020

Makati City, Philippines
April 12, 2019

Valdes Abad & Company, CPAs
(Formerly: Valdes Abad & Associates)

CJV Building 108 Aguirre Street, Legaspi Village, Makati City, Philippines

Branches:
Cebu and Davao

Phone: (632) 892-5931 to 35
(632) 519,2105
Fax: (632) 819-1468
Website: www.vacocpa.com.ph
BOA/PRC Reg. No. 0314
SEC No. 0361-F

gmn international
PARTNERING FOR SUCCESS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
METRO GLOBAL HOLDINGS CORPORATION
Mezzanine Floor, Renaissance
Tower, Meralco Avenue,
Pasig City

Opinion

We have audited the financial statements of Metro Global Holdings Corporation (the Company) which comprise the statements of financial condition as at December 31, 2018 and 2017, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years 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, 2018 and 2017, and its financial performance and its cash flows for the years 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.

Key Audit Matters

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

Determining the Redemption Price of Redeemable Preferred Shares Redeemed

The Company owns 18,029,417 redeemable preferred shares out of its 54,093,660 common shares in an associate, Monumento Rail Transit Corp. (Monumento Rail)

On August 22, 2006, the Board of Directors of Monumneto 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 shareholdings held by each shareholder.

The amended Articles of Incorporation of Monumento Rail states that "The Corporation shall redeem the redeemable preferred stock at the time outstanding, at any time, in whole but not in part, as may be determined by the BOD, by paying there for through the assignment of its depot royalty rights to the stockholders."

The issue involves determining the Redemption Price of the redeemable preferred shares redeemed on December 7, 2014 based on the classification of the shares as equity or as financial liability required several discussions with those charged with governance on interpretation on legal documents issued to determine the intention of all parties at the time subject shares were issued.

This matter impacts the recognition of any gain/loss on the redemption of the redeemable preferred shares, the appropriate recognition of the Depot Royalty Income received and will continue to receive by virtue of the assignment of the right to receive the same, and the approximate tax rates and calculation thereof.

Our audit procedures focused on the substance of the contract rather than the legal form thereof:

- We obtained copies of the financial statements of the issuer, Monumento Rail, and other Shareholders of Monumento Rail and took note on treatment of the redemption of the shares and Depot Royalty Income received.
- We obtained copies of the Board Resolutions relating to the redemption of redeemable shares and assignment of the Depot Royalty Rights to the stockholders.
- We discussed the issue with the Committee on Audit, Management team and the Board of Directors.
- We consulted other external legal counsels and audit partner.
- We secured legal opinion on interpretation on the legal documents relating to the assignment of the Depot Royalty Rights to the stockholders.

The results of audit procedures performed showed that the intention of the issuer was to redeem the redeemable preferred shares at a time determined by its Board of Directors which was signified in its approval on December 17, 2004 at its par value and that the right to receive the stream of Depot Royalty if and when it actually is generated up to the end of the Development Rights Period in 2047 is treated as a privilege after redemption. The sotckholders are in agreement with the intent as seen in the disclosure statements in their respective audited financial statements.

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.

Report on the Supplementary Information Under 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 13.3 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.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
BIR Accreditation No. 08-002126-000-2017
Issued on December 13, 2017, Valid until December 13, 2020
SEC Accreditation No. 0361-F
Issued on August 23, 2018, Valid until August 22, 2021

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805
Issued on December 28, 2017, Valid until December 14, 2020
TIN No. 213-410-741-000
PTR No. 7332721, Issued Date: January 7, 2019, Makati City
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
SEC Accreditation No. 1701-A
Issued on August 23, 2018, Valid until August 22, 2021
BIR Accreditation No. 08-002126-005-2017
Issued on December 13, 2017, Valid until December 13, 2020

Makati City, Philippines
April 12, 2019

Securities and Exchange Commission HEAD OFFICE
Electronic Records Management Division
CTD APR 15 2019 3
BY: RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018, 2017 and 2016
(Amounts in Philippine Peso)

	Notes		2018		2017
ASSETS					
Current Assets					
Financial assets at amortised cost					
Cash	*4.1,4.2,5*	P	**620,599**	P	871,601
Receivables	*4.1,4.2,6*		**40,271,082**		38,644,043
Other current assets	*4.1,8, 13.3*		**2,458,845**		1,478,204
Total current assets			**43,350,526**		40,993,848
Non-current assets					
Financial assets at fair value through OCI	*4.1,4.2,7*		**1,485,780,626**		1,495,244,843
Investment in Associate	*4.3, 9.1*		**25,858,133**		6,036,406
Investment in Subsidiary	*4.4, 9.2*		**2,499,500**		2,499,500
Deferred Tax Asset	*4.12, 13.2*		**2,655,356**		-
Total non-current assets			**1,516,793,615**		1,503,780,748
TOTAL ASSETS		**P**	**1,560,144,141**	P	1,544,774,597
LIABILITIES AND STOCKHOLDERS EQUITY					
Current Liabilities					
Financial liabilites at amortised cost					
Accrued expense and other payables	*4.1,10*	P	**440,352,109**	P	443,143,550
Income tax payable	*4.11,13.4*		**4,599,603**		3,422,273
Other current liabilities	*10*		**3,566,275**		3,316,691
Total current liabilities			**448,517,987**		449,882,514
Non-Current Liabilities					
Financial liabilities at amortised cost					
Due to a stockholder	*4.11,17.1*		**802,063,113**		807,323,416
Due to related parties	*4.11,17.2*		**333,890,283**		333,468,624
Total Non-current liabilities			**1,135,953,396**		1,140,792,040
Total Liability			**1,584,471,383**		1,590,674,554
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*		**1,017,460**		1,887,222
Deficit	*4.14*		**(2,613,018,687)**		(2,635,461,163)
Total stockholders equity			**(24,327,242)**		(45,899,957)
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY		**P**	**1,560,144,141**	P	1,544,774,597

See notes to financial statements.

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 7
RDO 43 PASIG CITY
RECEIVED
4/15/19
ADRIAN JUGUETA VILLAMAYOR

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
DECEMBER 31, 2018, 2017 and 2016
(Amounts in Philippine Peso)

	Notes		2018		2017		2016
Other Income	***4.7,10.3,11.1***	**P**	**47,604,060**	P	27,848,761	P	27,067,899
Other Expense	***4.7,11.2***		**(8,603,614)**		(11,615,849)		(15,675,789)
General and Administrative Expense	***4.7,12***		**(14,613,203)**		(16,495,752)		(12,566,042)
Income (Loss) before tax			**24,387,243**		(262,840)		(1,173,932)
Income tax expense	***4.7,13.1***		**(1,944,767)**		(5,228,356)		(1,362,342)
Net Income (Loss) for the year			**22,442,476**		(5,491,197)		(2,536,274)
Other Comprehensive Income - net							
Items reclassified subsequently to net income upon derecognition							
Gain (Loss) on valuation of available-for-sale financial assets	***7.2***		**(869,762)**		(964,186)		673,336
Income tax relating to these items	***13.2***		**(260,928)**		(289,256)		202,001
Total Comprehensive Loss		**P**	**21,833,643**	P	(6,166,127)	P	(2,064,940)
Earnings (Loss) per share	***4.12,14***	**P**	**0.011**	P	(0.003)	P	(0.001)

See notes to financial statements.

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF CHANGES IN EQUITY
DECEMBER 31, 2018, 2017 and 2016
(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, 2016		1,998,553,181	P	1,998,553,181	P	589,120,804	P	2,178,072	P	2,627,433,692	P	(37,581,635)
Comprehensive loss for the year	*7.2*	-		-		-		673,336		(2,536,274)		(1,862,938)
Balance at December 31, 2016	*14.13*	1,998,553,181	P	1,998,553,181	P	589,120,804	P	2,851,408	P	2,624,897,418	P	(39,444,573)
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)**

See notes to financial statements.

METRO GLOBAL HOLDINGS CORPORATION
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2018, 2017 and 2016
(Amounts in Philippine Peso)

	Notes		**2018**		2017		2016
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income/loss before tax		**P**	**24,387,243**	P	(262,840)	P	(1,173,931)
Adjustment for:							
Impairment loss	***11.2***		**8,594,456**		11,595,015		13,837,538
Interest Income	***11.1***		**(2,599)**		(3,606)		(2,515)
Share in net (income)/loss of associates	***11.2***		**(17,926,928)**		20,833		1,838,252
Operating income/loss before working capital changes			**15,052,172**		11,349,403		14,499,343
Increase/decrease in receivables			**(1,627,039)**		(684,439)		(11,647,227)
Increase/decrease in other current asset			**(980,640)**		100,803		(1,579,007)
Increase/decrease in accrued expense and other current liabilities			**(2,541,857)**		5,182,988		13,297,811
Increase/decrease in due to a stockholder			**22,966,212**		8,583,472		11,243,650
Cash generated from operations			**32,868,848**		24,532,228		25,814,570
Interest received			**2,599**		3,606		2,515
Cash paid for income taxes			**(3,422,792)**		(1,917,391)		(503)
Net cash used by in operating activities			**29,448,655**		22,618,443		25,816,583
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition/Disposal investment in subsidiary			**(0)**		(2,499,500)		1,472,960,548
Purchase of computer equipment							
			(0)		(2,499,500)		-
CASH FLOWS FROM FINANCING ACTIVITIES							
Related Party Transactions							
Borrowing	***17.1***		**1,894,800**		50,000		-
Payment	***17.1***		**(31,594,456)**		(20,228,489)		(25,081,190)
Cash provided by financing activities			**(29,699,656)**		(20,178,489)		(25,081,190)
NET INCREASE (DECREASE) IN CASH			**(251,002)**		(59,546)		735,394
CASH AT BEGINNING OF THE YEAR			**871,601**		931,147		195,753
CASH AT END OF THE YEAR	***5***	**P**	**620,599**	P	871,601	P	931,147

See notes to financial statements.

Notes to Financial Statements
For the years ended December 31, 2018 and 2017

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 up to 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 Securities and Exchange Commission (SEC) approved the application of change of corporate name of Fil-Estate Corporation to Metro Global Holdings Corporation.

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 2018 and in 2017.

1.2 Approval of Financial Statements

The financial statements of the Company for the year ended December 31, 2018 (including the comparatives for the year ended December 31, 2017) were authorized for issue by the Board of Directors on April 11, 2019. 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 recognized net income (loss) amounting to P22,442,476 and (P5,491,197) in 2018 and 2017, respectively, with capital deficiency amounting to P24,327,242 and P45,899,957 as at December 31, 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. In addition, since 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.

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 15c)*

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, 2018 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 (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 Royalties 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 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, 2018, 2017 and 2016, the Company recognized Depot Royalty amounting to P29,455,307, P27,843,189 and P27,064,458, respectively which was 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, 2018, the foregoing proposals remain pending with DOTR (formerly DOTC).

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.

On 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 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 (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) as discussed further below. As of December 31, 2018, the application for increase in authorized capital stock is pending with the SEC while awaiting the results of the valuation of the Metro Solar shares. The Company will be updating the Exchange once an agreement is reached by the parties as to the terms of payment.

As of December 31, 2018, FEMI's advances to the Company amounted to P802.06 Million. (See Note 15).

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, 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 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 (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 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:

Change in criteria for 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.

Change in measurement and recognition of expected credit losses on loans and receivables including short-term receivables from loss incurred approach to expected loss model

Due to the shift to expected loss model approach in determining the allowance for credit losses for loans and receivables measured at amortised cost, the Company management exercised judgement in determining that the provision for allowances for credit losses of P256,730 is adequate. *(See Notes 6.3 & 12)*

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 P1,485.8M and P1,495.2M as at December 31, 2018 and 2017, respectively *(see Note 7.1)*.

The fair value of financial liabilities amounted to P1,590.67M and P1,590.67M as at December 31, 2018 and 2017, 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, 2017, the outstanding liability to FEMI and after considering the deposit received from MPIC and advances from MRTHI and MRTHII for an aggregate amount of P1,490.7M while the carrying value of the investments amounts to P1,502.3M. Therefore, there is an indication of impairment. The Company recognized an impairment loss of P11.6M 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 P1,490.8M 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 P8.6M 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.

Income Tax Provision
The Company's current tax provision amounting to P1,944,767 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)*

The Company did not recognize deferred tax asset as at December 31, 2017. However, the Company will start recognizing deferred tax asset since after re-assessment, it is probable that future taxable income will be available against which it can utilize the benefit there from. Deferred tax assets as at December 31, 2018 amounts to P2,655,356. *(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

There are new and revised accounting standards, amendments and interpretations to existing standards that have been published by IASB and adopted by FRSC which are mandatory for accounting periods on or after January 1, 2018. Except as otherwise stated, the adoption of the new standards, amendments and interpretations, did not have a significant effect on the Company's financial statements. These standards are as follows:

- IFRS 15, *Revenue from Contracts with Customers.* This standard will supersede PAS 18 '*Revenue*', PAS 11 '*Construction Contracts*' and a number of revenue-related interpretations.

  Application of the standard is mandatory for all PFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments, and insurance contracts. It also provides a model for the recognition and measurement of sales of some non-financial assets including disposals of property, equipment, and intangible assets.

  Although that Company has adopted PFRS 15, it has no contract with any customer as at December 31, 2018 and 2017. (see Notes 4.2 and 4.7)

- Amendment to PFRS 15, 'Revenue from contracts with customers'

  These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licenses of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of those areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.

- PFRS 9 *Financial Instruments* - addresses the classification, measurement and derecognition of financial assets and liabilities.

  This standard replaces the guidance in PAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

  On adoption of PFRS 9, the Company's financial assets which are held for collection of contractual cash flows pertaining solely to principal and interest will continue to be measured at amortised cost. A provision for credit losses amounting to P256,730 was made resulting from application of the new impairment model.

		December 31, 2018			December 31, 2017		
<u>Financial Asset</u>		**PAS 19**	**PFRS 9**	**Effect**	PAS 19	PFRS 9	Effect
Cash	**P**	**620,599 P**	**620,599**	**-**	P 871,601 P	871,601	-
Receivables		**40,784,542**	**40,527,812**	**256,730**	38,644,043	38,644,043	-
Available-for-sale financial assets		**1,485,780,626**	**1,485,780,626**	**-**	1,495,244,843	1,495,244,843	-
<u>Financial Liabilities</u>							
Accrued expense and other current liabilities		**440,561,177**	**440,561,177**	**-**	446,460,241	446,460,241	-
Due to a stockholder		**802,063,113**	**802,063,113**	**-**	807,323,416	807,323,416	-
Due to related parties		**333,890,283**	**333,890,283**	**-**	333,468,624	333,468,624	-
Net Increase (Decrease) in Equity		-	-	256,730.09	-	-	

  <u>*Qualitative Analysis*</u>

  Financial Assets
  None of the financial assets will be reclassified in the study of PFRS 9. A provision for allowance for credit losses amounting to P256,730 will be set-up for the year.

  Financial Liabilities
  Treatments of financial liabilities in PFRS 9 are consistent with the treatment with PAS 39.

  <u>*Quantitative Analysis*</u>

  The shift to the expected loss model in determining allowance for credit losses resulted to a provision for allowance for credit losses in the amount of P256,730 representing 2% of receivable aging 1 – 3 years and 5% for 3 – 5 years. (see Note 19.2)

- Amendment to PFRS 2 *Classification and Measurement of Share-based Payment Transactions*.

  This *amendment* clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in PFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

- Amendments to PFRS 4, 'Insurance contracts' regarding the implementation of PFRS 9, 'Financial instruments'

  These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will:

  - give all companies that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contracts standard is issued; and

  - give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until 2021. The entities that defer the application of PFRS 9 will continue to apply the existing financial instruments standard— PAS 39.

- Annual Improvements to PFRS 2014–2016 Cycle
  These amendments impact 2 standards:
  - 1, 'First-time adoption of PFRS', regarding the deletion of short- term exemptions for first-time adopters regarding PFRS 7, PAS 19, and PFRS 10 effective 1 January 2018.

  - PAS 28, 'Investments in associates and joint ventures' regarding measuring an associate or joint venture at fair value effective 1 January 2018.

  - IFRIC 22 – *Foreign currency transactions and advance considerations* – the interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

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 2019

- Amendment to PFRS 9, 'Financial instruments', on prepayment features with negative compensation

  This amendment confirms that when a financial liability measured at amortized cost is modified without this resulting in de-recognition, a gain or loss should be recognized immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from PAS 39.

- Amendments to PAS 28
  These amendments clarify that companies account for long-term interests in an associate or joint venture to which the equity method is not applied using PFRS 9.

- 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.

- IFRIC 23, 'Uncertainty over income tax treatments'

  This IFRIC clarifies how the recognition and measurement requirements of PAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The PFRS IC had clarified previously that PAS 12, not PAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

  An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

Effective in 2021

PFRS 17, 'Insurance contracts'

This standard replaces PFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. PFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

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 before adoption of PFRS 9 (applied up to December 31, 2017)

Date of Recognition
The Company recognizes a financial asset or a financial liability in the Statement of Financial Position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and de-recognition, as applicable, is done using settlement date accounting. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

Initial recognition of financial instruments
Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss, includes transaction cost.

Subsequent to initial recognition, the Company classifies its financial instruments in the following categories: financial assets and financial liabilities at FVPL, loans and receivables, held-to-maturity investments, AFS financial assets, and other financial liabilities. The classification depends on the purpose for which the instruments are acquired and as liabilities were incurred or whether they are quoted in an active market. Management determines the classification of its financial instruments at initial recognition and, where allowed and appropriate, re-evaluates this classification at reporting date.

Determination of fair value
The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions) without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been significant change in economic circumstances since the time of the transaction.
For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models.

'Day 1' Profit
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a 'Day 1' profit) in the Company's Statement of Comprehensive Income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the Company's Statement of Comprehensive Income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the 'Day 1' profit amount.

Financial Assets and Financial Liabilities
This category consists of financial assets or financial liabilities that are held for trading or designated by management as at FVPL on initial recognition. Derivatives instruments, except those covered by hedge accounting relationships, are classified under this category.

Financial assets or financial liabilities classified in this category are designated by management on initial recognition when the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows, or it is clear, with little or no analysis, that it would not be separately recorded.

Financial assets and financial liabilities at FVPL are recorded in the Statement of Financial Position at fair value, with changes in the fair value recorded in the Company's Statement of Comprehensive Income. Interest earned or incurred is recorded in investment income or interest expense, respectively, while dividend income is recorded when shareholders' right to receive the payment has been established under the investment income account.

Offsetting
Financial assets and financial liabilities are offset, and the net amount is reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

I. Financial Assets

Financial assets include cash and other financial instruments. Financial assets, other than hedging instruments, are classified into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which date a choice of classification or accounting treatment is available, subject to compliance with specific provisions of applicable accounting standards.

The Company has no financial assets designated at FVPL, HTM investments and derivatives designated as hedging instrument as at December 31, 2017.

The foregoing categories of financial instruments are more fully described below.

(a) Cash

For the purpose of reporting cash flows, cash and cash equivalents include: cash on hand and in banks, and highly liquid, short-term investment with maturities of three months or less from their respective original dates of placement and that are subject to insignificant risk of change in value.

Cash in Banks represents deposits in local banks which are unrestricted and immediately available for use in current operations and earn interest based on daily bank deposit rates.

(b) Financial Assets at Amortised Cost

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 classified as financial assets held for trading designated as AFS investments or designated at FVPL. This accounting policy relates to the statement of financial position captions ‘cash’ that comprises cash held in banks. Loans and receivables are classified as current when these are expected to be realized within one (1) year after the end of each reporting period or within AMIC's normal operating cycle, whichever is longer. All others are classified as non-current.

After initial measurement, receivables are subsequently measured at amortized cost using the effective interest rate (EIR) method, less allowance for impairment losses. Amortized costs is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR.

Available-for-sale Financial Assets

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are presented as Available for Sale Financial Assets account in the Statement of Financial Position.

All financial assets within this category are subsequently measured at fair value, unless otherwise disclosed, with changes in value recognized in equity, net of any effects arising from income taxes. Gains and losses arising from securities classified as available-for-sale are recognized in the Statement of Comprehensive Income when they are sold or when the investment is impaired. In the case of impairment, the cumulative loss previously recognized directly in equity is transferred to the Statement of Comprehensive Income.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to the Statement of Comprehensive Income. Reversals in respect of equity instrument classified as available-for-sale are not recognized in profit. Reversal of impairment losses on debt instrument are recognized in the Statement of Comprehensive Income if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the Statement of Comprehensive Income.

Impairment losses recognized on financial assets are presented as part of Other Expenses in the Statement of Comprehensive Income.

For investments that are actively traded in organized financial markets, fair value is determined by reference to stock exchange-quoted market bid prices at the close of business reporting date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured. In the Statement of Comprehensive Income, all income and expenses relating to financial assets recognized in profit or loss are presented as Other Income and Finance Costs, respectively.

The Company's AFS financial asset consist of investments in quoted equity securities currently traded in the PSE and unquoted equity securities such as investments in shares of stock of MRTHI and MRTHII as at December 31, 2018. *(See Note 7)*

Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

A financial asset or a 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 (or events) 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 borrower or a group of borrowers 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 measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Derecognition of 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 where:

The rights to receive cash flows from the asset have expired;

The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

The Company has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all 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.

On derecognition of a financial asset, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that had been recognized directly in equity shall be recognized in Statement of Comprehensive Income.

(c) Financial Liabilities

Financial liabilities include interest-bearing loans and borrowing, trade and other payables and finance lease liabilities, due to related parties and other non-current liabilities, which are measured at amortized cost using the effective interest rate method.

Financial liabilities are recognized when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges are recognized as an expense in the Statement of Comprehensive Income under the caption Finance Costs. Interest-bearing loans and borrowings are raised for support of long-term funding of operations. They are recognized at proceeds received, net of direct issue costs.

Initial recognition of Financial Liabilities

Financial liabilities are initially recognized at their fair value and subsequently measured at amortized cost less settlement payments, except when these are payable within one year in which case they are stated at their nominal values. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the Company Statement of Comprehensive Income.

Dividend distributions to shareholders are recognized as financial liabilities when the dividends are approved by the shareholders.

Initial recognition of Financial Liabilities

Financial liabilities are initially recognized at their fair value and subsequently measured at amortized cost less settlement payments. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the Company's Statement of Comprehensive Income.

Dividend distributions to shareholders are recognized as financial liabilities when the dividends are approved by the shareholders.

Derecognition of Financial Liabilities

Financial liabilities are derecognized from the Statement of Financial Position only when the obligations are extinguished either through discharge, cancellation or expiration. Where 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 the Company's Statement of Comprehensive Income.

Other Financial Liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They arise when the Company owes money, goods or services directly to a creditor with no intention of trading the payables. Other liabilities are carried at cost or amortized cost in the Statement of Financial Position. Amortization is determined using the effective interest rate method. Other liabilities are included in current liabilities if maturity is within 12 months from the reporting date and will form part of non-current liabilities if beyond 12 months.

The Company's other financial liabilities includes Accrued Expenses, subscription payable and Advances for future lease income. Also included are deposits received from MPIC in consideration from the Cooperation Agreement. *(See Note 10)*

(a) Treasury Shares

IAS 32 incorporates the conclusion previously in SIC-16 *Share Capital – Reacquired Own Equity Instrument* that the acquisition or subsequent resale by an entity of its own equity instruments does not result in a gain or loss for the entity. Rather it represents a transfer between those holders of equity instruments who have given up their equity interest and those who continue to hold an equity instrument. Consideration paid is directly recognized in equity.

4.2 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	**2018**	2017
Financial Assets at amortised cost			
Cash	*5*	**P 620,599**	P 871,601
Receivables	*6*	**40,271,082**	38,644,043
Financial Assets at Fair value through other comprehensive income	*7*	**1,485,780,626**	1,495,244,843
Total		**P 1,526,672,307**	P 1,535,632,088
Financial Liabilities	Notes	**2018**	2017
Financial Liabilities at amortised cost			
Advances from MPIC	*9*	**P 350,000,000**	P 350,000,000
Accrued expenses	*9*	**60,098,918**	62,890,030
Advances from NTDCC	*9*	**28,366,428**	28,366,428
Subscription payable	*9*	**1,886,763**	1,886,763
Due to Related Parties	*17*	**1,135,953,396**	1,140,792,040
Total		**P 1,576,305,505**	P 1,583,935,261

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 Other Receivables requiring payment only of fixed amounts on fixed dates.

As at reporting date, the Company does not have any contractor with any customer. The other receivables represent the Company's 28.48% share in the share in the lease income 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.

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 because 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 other 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.

4.3 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.

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)*

4.4 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.

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.

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 IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

4.5 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.

4.6 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.

4.7 Revenue, Other Income and Expense Recognition

As at reporting date, the company is still waiting for a viable infrastructure business to pursue. As a result, it does not have any contract with any customer.

Revenue
Prior to adoption of PFRS 15, revenue is recognized to the extent that the revenue can be reliably measured, it is probable that the economic benefits will flow to the Company, and the revenue incurred or to be incurred can be measured reliably. The following specific recognition criteria must also be met before revenue is recognized. (*see Note 11*)

Upon adoption of PFRS 15, 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. *Interest* – Revenue is recognized as interest accrues (taking into account the effective yield on the asset).
3. *Share in net profit of associate* – Revenue is recognized on the basis of its proportionate ownership interest.
4. *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.

4.8 Employee Benefits

(a) Statutory Benefits

In accordance with the provisions of the Labor Code, the Company provides 13th month pay and memberships in the Social Security System (SSS), Home Development Mutual Fund and Philhealth to all employees.

a) 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.

b) 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 Condition at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

(d) Retirement Benefit Obligation

Pension benefits are provided to employees through a defined benefit plan.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as but not limited to age, years of service and salary. The legal obligation for any benefits from this kind of pension plan remains with the Company, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Company's defined benefit pension plan covers all regular full-time employees. The pension plan is tax-qualified, non-contributory and administered by a trustee.

The liability recognized in the Company's Statement of Financial Position for net defined benefit pension plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

<u>Defined Benefit Costs</u>
The components of defined benefit costs include service costs attributable to current and past periods; net interest on the net defined benefit liability or asset; and, re – measurements of the net defined liability or asset.

Service costs are recognized as an expense in profit or loss. Past-service costs are recognized, in the Company's Statement of Comprehensive Income, as an expense at the earlier of the date when the plan amendment or curtailment occurs and the date when the entity recognizes any termination benefits or related restructuring costs.

Net interest on the net defined benefit liability or asset is the change in the net benefit liability or asset determined using the discount rate at the beginning of the period and recognized in profit or loss.

Re – measurement consisting of actuarial gains and losses, return on plan assets, and some changes in the effect of the asset ceiling, is recognized immediately in Other Comprehensive Income in the period they arise. Re – measurements are not recycled or reclassified to profit or loss in subsequent periods.

4.9 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 2018 and 2017 since the Company does not have foreign currency transactions.

4.10 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.

4.11 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)*

4.12 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 13.2)*

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.

4.13 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.

4.14 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.

4.15 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.

4.16 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 P620,599 and P871,601 as at December 31, 2018 and 2017, respectively.

Cash accounts with banks generally earn interest at rates based on daily bank deposit rates. Interest income amounts to P2,599 and P3,606 in 2018 and 2017, respectively. The Company recognized foreign exchange gain in USD-denominated bank account amount to P1,000 and P1,966 in 2018 and 2017, respectively. Interest Income and Foreign Exchange Gain presented as part of Other Income in the Statement of Comprehensive Income. *(See Note 11.1)*

Note 6 – FINANCIAL ASSETS AT AMORTISED COST - RECEIVABLES

This account is composed of the following:

	2018	2017
Receivable from NTDCC *(Note 6.1)*	**P 31,517,178**	P 29,343,472
Other Receivables		
Receivable from Monumento Rail *(Notes 6.2 and 17)*	**6,216,406**	6,216,406
Advances to MRTHI *(Note 6.3)*	**2,779,228**	2,779,228
Advances to MGHC Royal Holdings Corp. *(Note 9.2)*	-	45,191
Other Receivables	**15,000**	259,746
	9,010,634	**9,300,571**
Allowance for credit losses *(Note 12)*	**(256,730)**	-
	8,753,904	**9,300,571**
	P 40,271,082	**P 38,644,043**

6.1 Receivable from NTDCC

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 10.5).*

During the year, the Company did not provide an allowance for credit losses.

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 9).* During the year, there is no movement in the account.

During the year, the Company provided an allowance for credit losses amounting to P151,372. *(Note 12 & 19.2)*

6.3 Advances to MRTHI

This account pertains to expenses relating to meetings with prospective investors paid by the Company in behalf of MRTHI in 2014 *(See Note 17).* There is no movement in the account for both years.

During the year, the Company provided an allowance for credit losses amounting to P105,058, representing 2% of receivables aged 1 to 3 years and 5% receivables aging 3 to 5 years for the year of 2018 was sufficient. *(Note 12 & 19.2)*

6.4 Other Receivables

This account pertains to advances to employees used for directly related to operation.

During the year, the Company provided an allowance for credit losses amounting to P300. *(Note 12 & 19.2)*

Note 7 – FINANCIAL ASSET VALUED THROUGH OTHER COMPREHENSIVE INCOME - AVAILABLE-FOR-SALE FINANCIAL ASSETS

This account is composed of the following:

	2018	2017
Unquoted equity securities *(Note 7.1)*	**P 1,482,197,584**	P 1,490,792,039
Quoted equity securities *(Note 7.2)*	**3,583,042**	4,452,804
	P 1,485,780,626	P 1,495,244,843

7.1 Unquoted equity securities

Details of investments in MRTHI and MRTHII as at December 31, 2018 and 2017 as follow:

	2018	2017
Acquistion Cost	**P 3,331,144,116**	P 3,331,144,116
Balance at beginning of year	**P 1,490,792,040**	P 1,502,387,054
Less: Impairment loss *(Note 11.2)*	**(8,594,456)**	(11,595,015)
Balance at the end of the year	**P 1,482,197,584**	P 1,490,792,039

The Company's ownership interests as at December 31, 2018 and 2017 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 (Agreements) with TBS Kappitel Corporation Pte Ltd (TBS Kappitel). Under the said Agreements, the Sellers sold to TBS Kappitel 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) due in 2009 with an aggregate principal amount of US$80,630,000 issued by Asian Infrastructure Capital Corporation (Asian Infrastructure).

Asian Infrastructure and the Sellers subsequently agreed that the former shall redeem the OID Bonds held by the Sellers in full by delivering (a) US$57,678,000 in aggregate principal amount of Asset-Backed Notes ('Notes') – Tranche 1 and (b) US$22,952,000 in aggregate principal amount of the Tranche 2-A Notes, after which the Sellers would have no further claims against Asian Infrastructure and that the OID Bonds will be cancelled.

The Company also sold to TBS Kappitel all of its rights, title and interest in and the right to receive such future share distribution in MRTHI and/or MRTH II, arising from 7,577,800 shares of common stock of MRTH II acquired by the Company under the Minority Shareholder Sale Agreement, from January 15, 2002 until the final ERP Date. In consideration for the sale, the Company received the aggregate principal amount of US$3,500,000 of the Tranche 1 Notes.

The Notes were issued by MRT III Funding Corporation Limited (MRT III). Tranche 1 Notes are transferable and bear annual interest at 9.5% and are due on August 7, 2007. Tranche 2-A

Notes are without interest rate coupons and are due on August 7, 2008. The Notes were used by the Company to substantially settle its debts to FEMI, a major shareholder.

The security structure of the transactions as described above 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. The parties involved include MRTC, MRTHI, MRTH II, TBS Kappitel, the Sellers (which include the Company), the custodian and the trustee. 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.

Pursuant to the Coordination Agreement and Cooperation Agreement, both dated August 7, 2002, the Company and the other participating shareholders of MRTHI and MRTH II shall (a) cause MRTC to perform its obligations under its agreement with the DOTC and cause the timely collection of rental payments and (b) ensure that ERP have been remitted to MRT III bank account either by way of declaration of dividends or by way of advances against dividends.

Pursuant to the agreements above, MRTC has remitted to the MRT III bank account the ERP of the LRTS Phase I Project received from DOTC. On April 4, 2014, MRTC declared cash dividends equivalent to and to be offset against accumulated advances to shareholders representing ERP remittances to shareholders as at December 31, 2013.

With the sale of the future share distributions from ERPs of the LRTS Phase I project of MRTC, the Company does not recognize its share in earnings of MRTC arising from the ERPs of the LRTS Phase I Project.

Notwithstanding the sale of future share distributions, the Company, together with the other participating shareholders of MRTHI and MRTH II in the securitization, 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 Notes as previously discussed, 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 in the form of a ridership bonus or sharing scheme which were not included in the future share distributions sold 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 P802.06 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.

As also discussed in Note 2, 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 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. Deposits received by the Company in 2010 amounted to P350.0 million and is recorded as part of "Due to a stockholder" in the statements of financial position. Should the agreement be consummated, the deposits will form part of the total acquisition price. Otherwise, these shall be forfeited and recorded as other income. The completion and consummation of the transaction contemplated by the parties is subject to certain conditions, which as at December 31, 2018 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.

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.

As at December 31, 2016, the outstanding liability to FEMI and after considering the deposit received from MPIC and advances from MRTHI and MRTHII for an aggregate amount of P1,502.4M while the carrying value of the investments amounts to P1,490.79M. Therefore, there is an indication of impairment. The Company recognized an impairment loss of P11.6M for the year. *(See Note 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 P1,490.8M 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 P8.6M for the year. *(See Note 11.2)*

7.2 Quoted equity securities

Movements in AFS financial assets consists of:

	2018	2017
Acquistion cost	**P 2,565,582**	P 2,565,582
Cumulative change in fair value of AFS		
Balance at the beginning of the year	**1,887,222**	2,851,408
Changes in fair value during the year	**(869,762)**	(964,186)
Balance at the end of year	**1,017,460**	1,887,222
	P 3,583,042	P 4,452,804

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(869,762) and P(964,186) in 2018 and 2017, respectively.

Note 8 – OTHER CURRENT ASSETS

This account consists of the following:

		2018		2017
Creditable Withholding Tax *(Note 13.3)*	**P**	**2,288,698**	P	1,392,159
Input VAT *(Note 13.3)*		**170,146**		86,045
Balance at end of year	**P**	**2,458,845**	P	1,478,204

Creditable withholding relates to the lease income received in 2018 and 2017. *(See Note 11.1)*

The creditable withholding tax amounting to P2.3Million will be applied upon payment of the Company's annual income tax payable for the year 2018. *(See Note 13.4)*

Note 9 – INVESTMENTS

9.1 Investment in Associates

		2018		2017
Investment in Associates				
Monumento Rail Transit Corp.	**P**	**6,027,248**	P	6,036,406
Metro Rail Transit Development Corp		**19,830,886**		-
	P	**25,858,133**	P	6,036,406

9.1.1 Investment in MRTHI and MRTHII

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, 2018, 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 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 through the assignment of its 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 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 P29,455,307 representing 28.47% of 5% of lease income in the subject Depot in 2018. *(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 (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 Royalties 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 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.

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.

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.

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 proposal as of December 31, 2018.

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.

As at December 31, 2018 and 2017, the Company recognized a share in net loss amounted to P9,158 and P20,833 respectively. *(See Note 11.2)*

	2018	2017	2016
Share in profit (losses) for the period	**P (9,158)**	P (20,833)	P (1,838,252)
Cumulative share of profit (losses)	**6,928,719**	6,937,877	6,958,710

The summarized financial information of Monumento Rail as follows:

	2018	2017
Total assets	**P 127,803,277**	P 127,802,410
Total liabilities	**124,384,531**	124,410,612
Total capital	**6,333,333**	3,391,798
Retained earnings	**(2,946,756)**	(2,941,535)
Net income (loss)	**(32,168)**	(73,177)

9.1.2 Investment in MRTDC

Acquisition of MRTDC shares from Fil-Estate Properties, Inc.

On December 20, 2018, the Company entered into a Deed of Assignment with Fil-Estate Properties, Inc. to acquire the one thousand five hundred seventy-nine (1,579) shares which represents 15.8% equity ownership of MRT Development Corporation.

Though the Company only owns 15.8% of the affiliate's outstanding share capital, the Company used the equity method considering that the Company's Board of Directors can affect the policy-making function of its affiliates and has significant influence over the latter entity.

As at December 31, 2018, the Company recognized a share in net income amounted to P17,936,086. *(See Note 11.2)*

The summarized financial information of Metro Rail Transit Development Corporation as follows:

	2018
Total assets	**P 283,229,701**
Total liabilities	**158,490,221**
Total capital	**100,000**
Retained earnings	**124,639,482**
Net income	**113,519,530**

9.2 Investment in Subsidiary

In 2018, the Company acquired 99% ownership of MGHC Royal Holdings Corporation, amounting to P2,499,500.

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 invest, in purchase, or otherwise acquire, and own, hold, use, sell, assign, transfer, pledge, exchange, or otherwise dispose 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 financial information of MGHC Royal Holdings Corp. as of December 31 as follows:

	2018	2017
Total assets	**P 551,370**	P 625,321
Total liabilities	**11,200**	45,191
Total capital	**625,000**	625,000
Retained Earnings	**(84,830)**	(44,871)
Net income (loss)	**(39,960)**	(44,871)

Note 10 – FINANCIAL LIABILITIES AT AMORTISED COST - ACCRUED EXPENSE AND OTHER LIABILITIES

This account consists of the following:

	2018	2017
Financial Liabilities at Amortized Cost		
Advances from MPIC *(Note 10.1)*	**P 350,000,000**	P 350,000,000
Accrued Expense *(Note 10.2)*	**60,098,919**	62,890,360
Advances from NTDCC *(Note 10.3)*	**28,366,428**	28,366,428
Subscription Payable *(Note 10.4)*	**1,886,763**	1,886,763
	440,352,109	443,143,550
Other Current Liabilities		
Deferred Output VAT *(Note 10.5)*	**3,534,637**	3,290,857
Withholding Tax Payable - Expanded *(Note 13.3)*	**22,223**	25,834
Withholding Tax Payable - Compensation *(Note 13.3)*	**9,415**	-
	3,566,275	3,316,691
	P 443,918,384	P 446,460,241

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).*

MPIC was appointed as attorney-in-fact in connection with the exercise of the rights and interests of the Fil-Estate Companies in the MRT Companies.

10.2 Accrued Expense

This account pertains mainly to accrual of deficiency tax of prior year and professional fee including audit fee and consultancy fees. *(See Notes 12)*

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 28.47% share in lease 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:

		2018		2017		2016
Share in the rental income termed as						
"Depot royalties" *(Note 6)*	**P**	**29,455,307**	P	27,843,189	P	27,064,458
Interest Income *(Note 5)*		**2,599**		3,606		2,515
Gain/Loss on Foreign Exchange *(Note 5)*		**210,068**		1,966		926
Share in net profit of associate - MRTDC *(Note 9.1.2)*		**17,936,086**		(20,833)		-
		47,604,060		27,827,928		27,067,899

11.2 Other Expense

		2018		2017		2016
Impairment loss on investment *(Note 7.1)*	**P**	**8,594,456**	P	11,595,015	P	13,837,538
Share in net loss of associate - Monumento Rail *(Note 9.1.1)*		**9,158**		20,833		1,838,252
	P	**8,603,614**	P	11,615,848	P	15,675,790

Note 12 – GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of the following:

		2018		2017		2016
Professional & Retainers Fee	**P**	**9,873,628**	P	11,754,059	P	7,542,238
Salaries & Wages		**1,048,891**		960,000		960,000
Taxes & Licenses *(Note 13.2)*		**1,200,473**		1,069,740		314,085
Provision for credit losses (*Note 6)*		**256,730**		-		-
Transportation & Travel Expense		**572,094**		932,808		1,233,827
Legal/litigation		**346,176**		1,100,283		1,865,753
Telephone, Telegraphic & Postage		**329,345**		13		13,956
Director's Fee		**303,509**		-		-
Fines & penalties		**215,699**		425,000		425,360
Seminar & Training		**136,506**		60,000		78,048
13th month pay		**123,195**		80,000		80,000

Forwarded

Continued

	2018	2017	2016
Printing & Reproduction	**99,383**	18,301	8,154
Food Expense	**37,974**	78,882	23,451
Office Supplies	**19,376**	-	102
Employee Benefit	**12,000**	-	-
Bank Charges	**9,778**	15,013	1,440
Gasoline Exp	**3,164**	1,607	-
Representation Exp.	**-**	45	- 873
Registration Fee	**-**	-	500
Sponsorship	**-**	-	20,000
Miscellaneous expense	**25,282**	-	-
	P 14,613,203	P 16,495,752	P 12,566,040

Professional fee includes retainer fee for the Company's financial advisor in connection with new financing of MRT3 for potential investors *(see Note 21.1).*

Fines and penalties pertain to PSE charges relative to annual PSE report filing.

Note 13 – TAXES

13.1 Current and Deferred Tax

The major components of tax expense for the years ended December 31, 2018 and 2017 are as follows:

		2018		2017
Regular Income Tax at 30%	**P**	**4,599,603**	P	5,227,635
Final tax on interest income		**520**		721
Deferred tax on:				
Impairment losses		**(2,578,337)**		-
Provision for credit losses		**(77,019)**		-
	P	**1,944,767**	P	5,228,356

The reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense attributable to continuing operations follows:

		2018		2017
Tax on pre-tax income	**P**	**7,316,173**	P	(78,852)
Interest Income		**(780)**		(1,082)
Foreign exchange gain		**(300)**		(590)
Disallowed Expense		**7,232**		1,823,405
Share in net loss of associate		**(5,378,078)**		6,250
Deferred tax on Impairment loss on AFS		**-**		3,478,505
Final tax on interest income		**520**		721
	P	**1,944,767**	P	5,228,356

13.2 Deferred Tax Asset

Deferred tax asset in respect to Company's impairment loss in unquoted AFS, provision for probable losses and market adjustment of quoted AFS. The Company did not recognize deferred tax asset as at December 31, 2017 amounting to P558.13 Million. However, the Company started recognizing deferred tax asset since after re-assessment, it is probable that future taxable income will be available against which it can utilize the benefit there from. Deferred tax assets as at December 31, 2018 amounts to P2,655,356.

Details of unrecognized deferred tax asset are as follows:

	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 credit 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**

13.3 Supplementary Information Required Under RR 15 – 2010

Output VAT

VAT Payable (Jan. 1, 2018)					-
		Sales		***Output VAT***	
Vatable Sales/Receipts for 2018	P	27,423,805	P	3,290,857	
Zero-rated sales/receipts		-		-	
Exempt sales/receipts		-		-	
		27,423,805		3,290,857	
Less:					
Allowable Input Tax:					
Purchases for the year		***Purchases***		***Input VAT***	
Input Tax Carried from Previous Year/Excess over 70% of output VAT			P	86,045	
Input Tax Carried from Current period					
Purchase of capital goods exceeding P1m		38,249		4,590	
Domestic Purchase of Services		1,391,437		166,972	
Total current purchases		1,429,686		171,562	
Total Available Input Tax				257,607	
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				**170,146**	
Sub-Total				170,146	
Total Allowable Input Tax			P	87,461	
Net VAT Payable (Overpayment) for 2018					3,203,396
Less: Payments					
Remittance of VAT Payable, Dec. 31, 2017				-	
Remittance of 2018 VAT Payable (January to November, 2018)				3,203,396	3,203,396
Tax Still Payable (a + b - c)					**P (0)**

Withholding Taxes

		Remitted	Accrued
Compensation			
Remittance of W/T Payable, Dec. 31, 2017	P	25,834	
Remittance of W/T Payable (January 2018 to November, 2018)		77,779	**P 22,223**
Expanded			
Remittance of W/T Payable, Dec. 31, 2017		-	
Remittance of W/T Payable (January 2018 to November, 2018)		19,593	**P 9,415**

Taxes and Licenses

		2018		2017		2016
Business permit	**P**	**867,358**	P	810,590	P	21,142
Annual Listing Fee		**286,720**		258,500		280,000
Others		**46,395**		650		12,943
	P	**1,200,473**	P	1,069,740	P	314,085

Creditable Withholding Tax

		2018		**2017**
Beginning balance	**P**	**1,392,159**	P	1,353,223
Add: Creditable witthholding tax received for the year		**896,539**		1,392,159
Less: Applications made				
Application made on 2017 income tax payable		**-**		(1,353,223)
Application made during the first 3 quarters 2018		**-**		-
Ending balance *(Note 8)*	**P**	**2,288,698**	P	1,392,159

13.4 Income Tax Payable

		2018		2017
Income tax payable, beginning	**P**	**3,422,273**	P	111,308
Add: Income tax due for the year		**4,599,603**		5,227,635
Less: Prior period tax credits		-		-
Less: Payments				
Income tax paid previous year		**(3,422,273)**		(563,447)
Income tax paid for first 3 quarters		-		-
Less: Creditable withholding tax				
applied in previous year income tax due		-		(1,353,223)
for the first 3 quarters 2018		-		-
Less:Creditable witholding tax applied this current year		-		-
Income tax payable, ending	**P**	**4,599,603**	P	3,422,273

13.5 Tax Assessments and tax cases

The Company has no deficiency tax assessments or on-going tax cases, protested or not, as of December 31, 2018.

13.6 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.

13.7 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. 10-2016 issued on December 27, 2016 amends Section 10.C. of Revenue Regulations (RR) No. 17-2011, which implements the early withdrawal penalty of Republic Act (RA) No. 9505, otherwise known as the "Personal Equity and Retirement Account (PERA) Act of 2008."

(d) REVENUE REGULATIONS NO. 9-2016 issued on December 8, 2016 amends Section 4 of Revenue Regulations No. 6-2014 relative to the coverage of taxpayers who are mandated to file tax returns through the Electronic Bureau of Internal Revenue Forms (eBIRForms).

Note 14 – LOSS PER SHARE

Loss per share were computed as follows:

		2018		2017		2016
Net income (loss)	**P**	**22,442,476**	P	(5,491,197)	P	(2,536,274)
Divided by Weighted average number of shares outstanding		**1,998,553,181**		1,998,553,181		1,998,553,181
	P	**0.011**	P	(0.003)	P	(0.001)

Note 15 - EQUITY

Share Capital

	2018	2017
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 subscribe to 25% of the planned increase 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, 2018, FEMI's advances to the Company amounted to P802.06Million. *(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 from FEMI amounting to P800M.

On September 4, 2014, the Securities and Exchange Commission (SEC) approved the Increase in Paid-up capital through conversion of advances from FEMI 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 change 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:

		2018		2017		2016
Earnings Information						
Royalty Fee	**P**	**29,455,307**	P	27,843,189	P	27,064,458
Interest Income		**2,599**		3,606		2,515
Gain on foreign exchange		**210,068**		1,966		926
General and administrative expenses		**(14,613,203)**		(16,495,752)		(12,566,040)
Net income (loss)		**22,442,476**		(5,491,197)		(2,536,274)
Other information						
AFS financial assets		**1,485,780,626**		1,495,244,843		1,507,804,046
Segments assets		**43,350,526**		40,993,848		40,469,757
Segments liabilities		**443,918,384**		446,460,241		441,277,252

The following illustrate the reconciliation of reportable segment assets and liabilities to the Company's corresponding amounts:

		2018		2017
Assets				
Total assets for reportable segments	**P**	**43,350,526**	P	40,993,848
AFS financial assets		**1,485,780,626**		1,495,244,843
Total assets	**P**	**1,529,131,152**	P	1,536,238,691
Liabilities				
Total liabilities for reportable segments	**P**	**443,918,384**	P	446,460,241
Due to stockholder		**802,063,113**		807,323,416
Due to other related parties		**333,890,283**		333,468,624
Total liabilities	**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.

	Year	Transaction Value For the year ended December 31		Outstanding Balance as of the year ended	Terms	Condition/s
Due from related parties						
MRTHI *(Note 6.3)*	**2018**	**-**	**P**	**2,779,228**	Non-interest bearing	Secured
	2017	-		2,779,228		
Monumento Rail *(Note 6.2)*	**2018**	**-**		**6,216,406**	Non-interest bearing	Secured
	2017	-		6,216,406		
Advances to Subsidiary						
MGHC Royal Holding Corp *(Note 9.2)*	**2018**	**(45,191)**		**-**		
	2017	45,191		45,191	Non-interest bearing	
Due to Stockholder						
Fil-Estate Management, Inc.	**2018**	**5,260,302**		**(802,063,113)**	Non-interest bearing	Secured
	2017	(11,595,015)		(807,323,416)	Non-interest bearing	Secured
Due to Other related parties *(Note 17.2)*						
MRTHI	**2018**	**-**		**213,740,407**	Non-interest bearing	Secured
	2017	-		213,740,407	Non-interest bearing	Secured
MRTHII	**2018**	**-**		**119,728,217**	Non-interest bearing	Secured
	2017	-		119,728,217	Non-interest bearing	Secured
	2018			**333,468,624**		
	2017			333,468,624		

17.1 Due to a 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 P3,000million 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 2018 and totaling to P8.5 Million in 2017. 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:

	2018	2017
Balance at the beginning of the year	**P 807,323,416**	P 818,918,431
Expenses paid in advance	**24,894,800**	8,633,474
Cash payment	**(30,155,103)**	(20,228,489)
Balance at the end of the year	**P 802,063,113**	P 807,323,416

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, 3034 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 (for a period of fifteen (15) years commencing on January 30, 2020 and ending on January 30, 2034.

17.2 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, 2018 and 2017, the outstanding due to related parties are as follows:

	2018	2017
MRTHI	**P 213,740,407**	P 213,740,407
MRTHII	**119,728,217**	119,728,217
	P 333,468,624	P 333,468,624

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.

	2018	2017
Total Liabilities	**P 1,584,471,383**	P 1,590,674,553
Total Equity	**(24,327,242)**	(45,899,957)
Debt-to-Equity Ratio	**-65.13:1**	-34.66:1

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 2018	**less than 1 year**	**1 -3 years**	**3-5 years**	**more than 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 (320,154,271)	**P -**	**P -**	**P 1,135,953,396**	**P 815,799,125**

Contractual maturities 2017	less than 1 year	1 -3 years	3-5 years	more than 5 years	Total
Accrued Expenses	P 62,890,360	P -	P -	P -	P 62,890,360
Other payables	380,253,190	-	-	-	380,253,190
Due to a stockholder	-	-	-	807,323,416	807,323,416
Due to related parties	-	-	-	333,468,624	333,468,624
	P 443,143,550	P -	P -	P 1,140,792,040	P 1,583,935,590

Note: Financial Liabilities do not include Payable to BIR.

19.2 Credit risk

Credit risk arises from cash deposits with banks and financial institutions, including outstanding other receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

After Adoption of PFRS 9

The Company provides an allowance for Doubtful Accounts based on their age as follows:

		0-30 days		31-60 days		61-120 days		1-3 years		3-5 years		Total
Accounts Receivable *(Note 6.1)*	P	31,517,178	P	-	P	-	P	-	P	-	P	31,517,178
Receivable from Monumento Rail *(Notes 6.2 & 17)*		-		-		-		5,314,935		901,471		6,216,406
Advances to MRTHI *(Notes 6.3 and 17)*		-		-		-		1,130,118		1,649,110		2,779,228
Advances to Officers & Employees		-		-		-		15,000		-		15,000
		31,517,178		-		-		6,460,053		2,550,581		40,527,812
Percentage of allowance for credit losses		0%		0%		0%		2%		5%		
Allowance for credit losses		-		-		-		129,201		127,529		256,730

Under the newly adopted PFRS 9, the Company shifts from a 'loss incurred approach' to an 'expected loss' model in determining the allowance for credit losses.
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.

2018

		Neither past due nor impaired								
		High grade		Medium grade		Low grade		Past due or Individually Impaired		Total
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

2017

		Neither past due nor impaired								
		High grade		Medium grade		Low grade		Past due or Individually Impaired		Total
Cash	P	871,601	P	-	P	-	P	-	P	871,601
Receivables		38,644,043		-		-		-		38,644,043
Total	P	39,515,644		-	P	-	P	-	P	39,515,644

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:

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, 2018 and 2017, Company's financial assets measured at fair value is its available for sale securities amounting to P1,485,780,626 and P1,495,244,843, respectively. *(See Note 7)*

Note 21 - COMMITMENTS AND CONTINGENCIES

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

There were no material events that occurred subsequent to December 31, 2018 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:

In 2018 and 2017, the Company paid in cash advances from FEMI amounting P31,594,456 and P20,228,489, respectively *(see Note 17.1).*

During the year, the Company made payments to FEMI amounting to reduce advances from FEMI amounted to P31,594,456. (See Note 17.1).

CERTIFICATE ON THE COMPILATION SERVICES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

I hereby certify that I am the Certified Public Accountant who performed the compilation services related to the preparation and presentation of financial information of an entity in accordance with an applicable financial reporting framework and reports as required by accounting and auditing standards for **Metro Global Holdings Corporation** for the period ended December 31, 2018.

In discharging this responsibility, I hereby declare that:

I am the managing partner of KL Siy & Associates and was contacted to perform this service.

Furthermore, in my compilation services for preparation of the Financial Statements and Notes to the Financial Statements, I was not assisted by Valdes Abad & Company, CPAs, the external auditor which rendered the audit opinion for the said Financial Statements and Notes to the Financial Statements.

I hereby declare, under penalties of perjury and violation of the Revised Accountancy Law, that my statements are true and correct.

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. 0348-F
Effective until September 6, 2020
TIN No. 215-665-658-000
BIR Accreditation No. 07-001450-002-2017
Effective until November 20, 2020

By:

Kath L Siy

KATHLEEN L. SIY
Managing Partner
CPA Certificate No. 45337
BOA Accreditation No. 0668
Effective until April 17, 2021
CDA Accreditation No. CEA 130-AF
Effective until May 14, 2021
SEC Accreditation No. 1659-A
Effective until September 6, 2020
BIR Accreditation No. 07-001245-001-2017
Effective until March 24, 2020
IC Accreditation No. SP-2016/009-R
Effective until January 17, 2020
Bangko Sentral ng Pilipinas (BSP) Accredited
Effective until November 6, 2019
TIN No. 303-141-768-000
PTR NO. 3865384, January 6, 2018, Pasig City

April 10, 2019
Ortigas Center, Pasig City

Valdes Abad &
Company, CPAs
(Formerly: Valdes Abad & Associates)

CJV Building 108 Aguirre
Street, Legaspi Village,
Makati City, Philippines

Branches:
Cebu and Davao

Phone: (632) 892-5931 to 35
(632) 519.2105
Fax: (632) 819-1468
Website: www.vacocpa.com.ph
BOA/PRC Reg. No. 0314
SEC No. 0361-F

gmn international
PARTNERING FOR SUCCESS

REPORT OF INDEPENDENT PUBLIC AUDITORS TO ACCOMPANY SEC SCHEDULES FILED SEPARATELY FROM THE BASIC FINANCIAL STATEMENTS

The Board of Directors
METRO GLOBAL HOLDINGS CORPORATION
Mezzanine Floor, Renaissance
Tower, Meralco Avenue,
Pasig City

We have audited the financial statements of Metro Global Holdings Corporation (the Company) for the year ended December 31, 2018, on which we have rendered our report dated April 12, 2019. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary schedules (see table of contents) of the Company as of December 31, 2018 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.

VALDES ABAD & COMPANY, CPAs
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
BIR Accreditation No. 08-002126-000-2017
Issued on December 13, 2017, Valid until December 13, 2020
SEC Accreditation No. 0361-F
Issued on August 23, 2018, Valid until August 22, 2021

For the firm:

ALFONSO L. CAY-AN
Partner
CPA Registration No. 99805
Issued on December 28, 2017, Valid until December 14, 2020
TIN No. 213-410-741-000
PTR No. 7332721, Issued Date: January 7, 2019, Makati City
BOA/PRC Reg. No. 0314
Issued on October 4, 2018, Valid until July 10, 2021
SEC Accreditation No. 1701-A
Issued on August 23, 2018, Valid until August 22, 2021
BIR Accreditation No. 08-002126-005-2017
Issued on December 13, 2017, Valid until December 13, 2020

Makati City, Philippines
April 12, 2019

SCHEDULE I

METRO GLOBAL HOLDINGS, CORP.
PFRS STANDARDS AND INTERPRETATIONS APPLIED
SRC RULE 68.1 AS AMENDED (2011)
FOR THE YEAR ENDED DECEMBER 31, 2018

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*".

<table>
<tr><th colspan="2">PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</th><th>Adopted</th><th>Not Adopted</th><th>Not Applicable</th></tr>
<tr><td colspan="2">Framework for the Preparation and Presentation of Financial Statements

Conceptual Framework Phase A: Objectives and qualitative characteristics</td><td>√</td><td></td><td></td></tr>
<tr><td colspan="2">PFRSs Practice Statement Management Commentary</td><td></td><td>√</td><td></td></tr>
<tr><td colspan="2">Philippine Financial Reporting Standards</td><td></td><td></td><td></td></tr>
<tr><td rowspan="7">PFRS 1 (Revised)</td><td>First-time Adoption of Philippine Financial Reporting Standards</td><td></td><td></td><td>√</td></tr>
<tr><td>Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</td><td></td><td></td><td>√</td></tr>
<tr><td>Amendments to PFRS 1: Additional Exemptions for First-time Adopters</td><td></td><td></td><td>√</td></tr>
<tr><td>Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters</td><td></td><td></td><td>√</td></tr>
<tr><td>Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters</td><td></td><td></td><td>√</td></tr>
<tr><td>Amendments to PFRS 1: Government Loans</td><td></td><td></td><td>√</td></tr>
<tr><td>Amendments to PFRS 1: Borrowing Costs</td><td></td><td></td><td>√</td></tr>
<tr><td rowspan="4">PFRS 2</td><td>Share-based Payment</td><td></td><td></td><td>√</td></tr>
<tr><td>Amendments to PFRS 2: Vesting Conditions and Cancellations</td><td></td><td></td><td>√</td></tr>
<tr><td>Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions</td><td></td><td></td><td>√</td></tr>
<tr><td>Amendments to PFRS 2: Definition of Vesting Condition</td><td></td><td></td><td>√</td></tr>
<tr><td rowspan="3">PFRS 3 (Revised)</td><td>Business Combinations</td><td></td><td></td><td>√</td></tr>
<tr><td>Amendments to PFRS 3: Measurement of non-controlling interests, replaced share-based payment awards, transitional arrangements for contingent consideration</td><td></td><td></td><td>√</td></tr>
<tr><td>Amendments to PFRS 3: Accounting for contingent consideration in a business combination</td><td></td><td></td><td>√</td></tr>
</table>

	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*	√		
PFRS 16	Leases*		√	
Philippine Accounting Standards				
PAS 1 (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
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	√		
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: I*nterrelationship 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			√

IFRIC 22	Foreign Currency Transactions and Advance Consideration			√
IFRIC 23	Uncertainty over Income Tax Treatments			√
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, 2018
METRO GLOBAL HOLDINGS CORPORATION
Mezzanine Floor, Renaissance Tower
Meralco Avenue, Pasig City

The Company has no unrestricted retained earnings and has continuously recognized deficit.

METRO GLOBAL HOLDINGS CORPORATION
FINANCIAL SOUNDNESS INDICATORS
SRC RULE 68.1, AS AMENDED (2011)
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

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, 2018 and 2017:

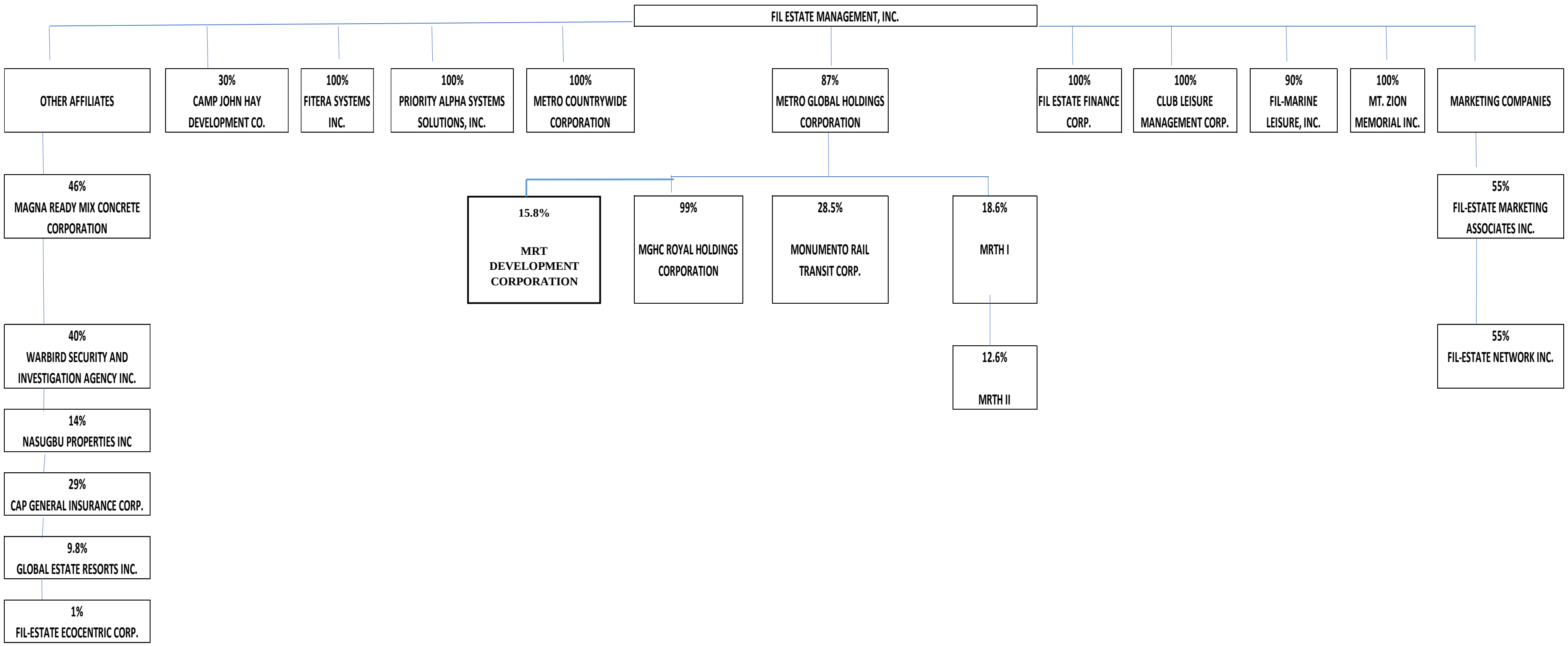
	2018	2017
Current Ratio	**0.10:1**	0.09:1
Current Assets	**43,350,526**	40,993,848
Current Liabilities	**448,517,987**	449,882,513
Liquidity Ratio	**0.09:1**	0.09:1
Liquid Asset	**40,891,681**	39,515,644
Current Liabilities	**448,517,987**	449,882,513
Working Capital to Total Asset	**-0.26:1**	-0.26:1
Working Capital	**(405,167,461)**	(408,888,665)
Total Asset	**1,560,144,141**	1,544,774,597
Solvency Ratio	**0.01:1**	0:1
Net Profit(Loss) before depreciation	**22,442,476**	(5,491,197)
Total Liabilities	**1,584,471,383**	1,590,674,553
Debt-to-Equity Ratio	**-65.13:1**	-34.66:1
Total Liabilities	**1,584,471,383**	1,590,674,553
Total Equity	**(24,327,242)**	(45,899,956)
Asset-to-Equity Ratio	**-64.13:1**	-33.66:1
Total Assets	**1,560,144,141**	1,544,774,597
Total Equity	**(24,327,242)**	(45,899,956)
Profitability Ratio		
Profitability Ratio	**0.47:1**	-0.20:1
Net Income	**22,442,476**	(5,491,197)
Revenue	**47,604,060**	27,848,761
Return on Asset (ROA)	**0:01:1**	0:1
Net Profit	**22,442,476**	(5,491,197)
Average Asset	**1,552,459,369**	1,549,552,819
Return on Equity (ROE)	**0.64:1**	0.13:1
Net Profit	**22,442,476**	(5,491,197)
Average Equity	**(35,113,600)**	(42,672,265)

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.

SCHEDULE IV

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, 2018



METRO GLOBAL HOLDINGS CORPORATION
SUPPLEMENTARY SCHEDULES REQUIRED BY SRC RULE 68 (ANNEX 68 – E)
As of December 31, 2018

Schedule A Financial Assets

The Company's Financial Assets as of December 31, 2018 are as follows:

Cash	**P**	**620,599**
Receivables		**40,271,082**
Financial Assets through Other Comprehensive Income		**1,485,780,626**
	P	**1,526,672,307**

Schedule B Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Shareholders (Other than Related Parties)

	Relationship		Beginning Balance		**Ending Balance**
MRTHII	Affiliate	P	2,779,228	**P**	**2,779,228**
Monumento Rail	Affiliate		6,216,406		**6,216,406**
MRT Development Corp.	Affiliate		-		**19,830,886**
MGHC Royal Holdings Corp.	Affiliate		-		**45,191**
		P	8,995,634	**P**	**28,871,711**

Schedule C Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

Not applicable. The Company does not prepare consolidated financial statements. *(Note 3.2)*

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

	Relationship		Beginning Balance		**Ending Balance**
Fil-Estate	Stockholder	P	807,323,416	**P**	**802,063,113**
MRTHI	Affiliate		213,740,407		**213,740,407**
MRTHII	Affiliate		119,728,217		**119,728,217**
		P	1,140,792,040	**P**	**1,135,531,737**

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	1,998,553,181	-	1,759,750,195	1,750,504	238,499,301